NORBIT ASA

(A public limited liability company incorporated under the laws of Norway)

Initial public offering of Shares with an indicative price range of NOK 23 to NOK 30 per Share

Admission to listing and trading of the Company's Shares on the Oslo Børs

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This prospectus (the "**Prospectus**") has been prepared in connection with the initial public offering (the "**Offering**") of the shares of NORBIT ASA, a public limited liability company incorporated under the laws of Norway (the "**Company**", and together with its subsidiaries, the "**Group**") and the related listing (the "**Listing**") of the Company's shares, each with a nominal value of NOK 0.10 (the "**Shares**") on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Børs**"). The Offering comprises new Shares to be issued by the Company to raise gross proceeds in the amount of approximately NOK 250 million (the "**New Shares**") and certain existing shares in the Company (the "**Sale Shares**") offered by VHF Invest AS, Draupnir Invest AS, Petors AS, Eidco AS, Racce AS and Esmar AS (the "**Selling Shareholders**").

The Offering consists of: (i) a private placement to (a) investors in Norway, (b) institutional investors outside Norway and the United States of America (the "**U.S.**" or the "**United States**"), subject, in each case, to applicable exemptions from applicable prospectus requirements, and (c) "qualified institutional buyers" ("**QIBs**") in the United States as defined in, and in reliance on, Rule 144A ("**Rule 144A**") or another available exemption under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") (the "**Institutional Offering**"), (ii) a retail offering to the public in Norway (the "**Retail Offering**"); and (iii) an offering to the Group's Eligible Employees and the Board Members (both as defined below) (the "**Employee Offering**"). All offers and sales outside the United States will be made in offshore transactions in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**").

The Managers (as defined below) may elect to over-allot a number of additional Shares equalling up to 15% of the final number of New Shares and Sale Shares sold in the Offering (the "**Additional Shares**" and, unless the context indicates otherwise, together with the Sale Shares and New Shares, the "**Offer Shares**").

In addition, Draupnir Invest AS, Eidco AS, Racce AS and Esmar AS (the "**Lending Shareholders**") are expected to grant an option to the Managers (as defined below), which may be exercised on behalf of the Managers by Arctic Securities as stabilisation manager (the "**Stablisation Manager**"), to borrow a number of Shares equal to the number of Additonal Shares in order to facilitate such over-allotment (the "**Lending Option**"). The Stabilisation Manager, on behalf o the Managers, is expected to be granted an option by the Lending Shareholders to purchase a number of Shares equal to up to the number of Additonal Shares, exercisable, in whole or in part, within a 30-day period commencing at the time at which trading in the Shares commences on the Oslo Børs to cover any over-allotments made in connection with the Offering on the terms and subject to the conditions described in this Prospectus (the "**Over-Allotment Option**").

The price (the "**Offer Price**") at which the Offer Shares will be issued and sold is expected to be between NOK 23 and NOK 30 per Offer Share (the "**Indicative Price Range**"). The Offer Price may be set within, below or above the Indicative Price Range. The Offer Price will be determined following a bookbuilding process and will be set by the Company, in consultation with the Managers (as defined below). The price at which the Offer Shares will be sold in the Employee Offering will be the same as in the Institutional Offering and the Retail Offering, provided, however, that the Offer Price will be reduced by 20% for application amounts up to NOK 1,000,000, as the Offer Shares allocated for such amounts (rounded down to the nearest whole Offer Share) will be subject to a lock-up obligation whereby these Offer Shares may not be traded, sold, pledged or otherwise disposed of for a period of two years from the first day of Listing. See Section 16 "The terms of the Offering" for further information on how the Offer Price is set.

The Offer Price, and the number of Offer Shares issued in the Offering, is expected to be announced through a stock exchange notice on or before 17 June 2019 at 07:30 hours (Central European Time, "**CET**"). The offer period in the Institutional Offering (the "**Bookbuilding Period**") will commence at 09:00 hours (CET) on 5 June 2019 and close at 14:00 hours (CET) on 14 June 2019. The application period in the Retail Offering and the Employee Offering (the "**Application Period**") will commence at 09:00 hours (CET) on 5 June 2019 and close at 12:00 hours (CET) on 14 June 2019. The Bookbuilding Period and the Application Period may, at the Company's sole discretion, in consultation with the Managers and for any reason, be shortened or extended beyond the set times, but will in no event be shortened to expire prior to 16:30 hours (CET) on 13 June 2019 or extended beyond 16:30 hours (CET) on 21 June 2019.

The existing Shares are, and the New Shares will be, registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form. All existing Shares rank, and the New Shares will rank, in parity with one another and carry one vote. Except where the context otherwise requires, references in this Prospectus to the Shares will be deemed to include the Offer Shares.

Investing in the Offer Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "Risk Factors" beginning on page 15 when considering an investment in the Company.

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to persons who are QIBs in reliance on Rule 144A or another available exemption from registration requirements of the Securities Act; and (ii) outside the United States in offshore transactions in compliance with Regulation S. Prospective investors are hereby notified that any seller of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. The distribution of this Prospectus and the offer and sale of the Offer Shares may be restricted by law in certain jurisdictions. Accordingly, neither this Prospectus nor any advertisement or any other Offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required by the Company and the Managers to inform themselves about and to observe any such restrictions. Any failure to comply with these regulations may constitute a violation of the securities laws of any such jurisdictions. See Section 17 "Selling and Transfer Restrictions".

Prior to the Offering, the Shares have not been publicly traded. On or about 5 June 2019, the Company expects to apply for the Shares to be admitted for trading and listing on the Oslo Børs, and completion of the Offering is subject to the approval of the listing application by the board of directors of the Oslo Børs, the satisfaction of the conditions for admission to listing set by the Oslo Børs and certain other conditions as set out in Section 16.16 "Conditions for completion of the Offering – Listing and trading of the Offer Shares". The Shares will be eligible for clearing through the facilities of the Oslo Børs.

The due date for the payment for the Offer Shares is expected to be on 18 June 2019 in the Retail Offering and the Employee Offering, and on 19 June 2019 in the Institutional Offering. Delivery of the Offer Shares is expected to take place on or about 19 June 2019 in the Retail Offering and Employee Offering and on 19 June 2019 in the Institutional Offering through the facilities of the VPS. Trading in the Shares on the Oslo Børs is expected to commence on or about 18 June 2019, under the ticker code "NORBIT". If closing of the Offering does not take place on 14 June 2019 or at all, the Offering may be withdrawn, resulting in all applications for Offer Shares being disregarded, any allocations made being deemed not to have been made and any payments made will be returned without any interest or other compensation. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

Joint Global Coordinators and Joint Bookrunners

Arctic Securities **Pareto Securities**

Joint Bookrunner

Sparebank 1 Markets

The date of this Prospectus is 4 June 2019

IMPORTANT INFORMATION

This Prospectus has been prepared in connection with the Offering of the Offer Shares and the Listing of the Shares on the Oslo Børs.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses, as amended, and as implemented in Norway (the "**EU Prospectus Directive**"). This Prospectus has been prepared solely in the English language. The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**") has reviewed and, on 4 June 2019, approved this Prospectus in accordance with Sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included in this Prospectus. The approval by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Prospectus.

For definitions of certain other terms used throughout this Prospectus, see Section 19 "Definitions and Glossary".

The Company has engaged Arctic Securities AS ("**Arctic Securities**") and Pareto Securities AS ("**Pareto Securities**") as Joint Global Coordinators and Joint Bookrunners and Sparebank 1 Markets AS ("**Sparebank 1 Markets**") as Joint Bookrunner to assist the Company with the Listing and the Offering (together also referred to herein as the "**Managers**").

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Section 7-15 of the Norwegian Securities Trading Act, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors of the Offer Shares between the time of approval of this Prospectus by the Norwegian FSA and the Listing, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Company's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Company or in connection with the Offering or the sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. In addition, the Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 17 "Selling and Transfer Restrictions".

This Prospectus and the terms and conditions of the Offering as set out herein and any sale and purchase of Offer Shares hereunder shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering or this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Company and the terms of the Offering, including the merits and risks involved. None of the Company or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General Information".

NOTICE TO INVESTORS IN THE UNITED STATES

The Offer Shares have not been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

The Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws.

Accordingly, the Offer Shares are being offered and sold: (i) in the United States only to QIBs in reliance upon Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in offshore transactions in compliance with Regulation S. For certain restrictions on the sale and transfer of the Offer Shares, see Section 17 "Selling and Transfer Restrictions".

Prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares, and are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act. See Section 17 "Selling and Transfer Restrictions".

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of the Company, is prohibited. Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire any Shares.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "**EEA**"), other than Norway (each, a "**Member State**"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Directive. The Prospectus has been prepared on the basis that all offers of Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the Offering contemplated in this Prospectus within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or any of the Managers to publish a prospectus or a supplement to a prospectus under the EU Prospectus Directive for such offer. Neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of Shares through any financial intermediary, other than offers made by Managers which constitute the final placement of Offer Shares contemplated in this Prospectus.

Each person in a Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

a) it is a qualified investor as defined in the EU Prospectus Directive; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) such Offer Shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State other than qualified investors, as that term is defined in the EU Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Offer Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any of the Offer Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State, and the expression "**EU Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Member State), and includes any relevant implementing measure in each Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

See Section 17 "Selling and Transfer Restrictions" for certain other notices to investors.

NOTICE TO INVESTORS IN CANADA

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (**the "Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**" and, together with the Positive Target Market, the "**Target Market Assessment**").

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

STABILISATION

In connection with the Offering and in accordance with all applicable laws and rules, the Stabilisation Manager acting for the account of the Managers, may (but will be under no obligation to) in the event of over-allotment of Additional Shares effect stabilisation transactions with a view to supporting the market price of the Shares for up to 30 days from the commencement of trading in the Shares on Oslo Børs (the "**Stabilisation Period**") at a level higher than that which might otherwise prevail. However, stabilisation action may not necessarily occur and may cease at any time. Any stabilisation action may begin on or after the date of commencement of trading of the Shares on the Oslo Børs and, if begun, may be ended at any time, but it must end no later than 30 days after that date. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager in accordance with all applicable laws and rules and can be undertaken at the offices of the Stabilisation Manager and on the Oslo Børs. Stabilisation may result in an exchange or market price of the Shares that is higher than what might otherwise prevail, and the exchange or market price may reach a level that cannot be maintained on a permanent basis.

Any stabilisation activities will be conducted in accordance with Section 3-12 of the Norwegian Securities Trading Act and the EC Commission Regulation 2273/2003 regarding buy-back programmes and stabilisation of financial instruments. Save as required by law or regulation, the Stabilisation Manager does not intend to disclose the extent of any stabilisation transactions under the Offering.

ENFORCEMENT OF CIVIL LIABILITIES

NORBIT ASA is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and NORBIT ASA's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of NORBIT ASA's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the majority of the members of the senior management of NORBIT ASA (the "**Management**") are not residents of the United States. Virtually all of the Company's assets and the assets of the Board Members and members of Management are located outside the United States. As a result, it may be impossible or difficult for investors in the United States to effect service of process upon the Company, the Board Members and members of Management in the United States or to enforce against the Company or those persons judgments obtained in U.S. courts, whether predicated upon civil liability provisions of the federal securities laws or other laws of the United States.

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against NORBIT ASA or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or the Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934 (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

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1 SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7) below. This summary contains all the Elements required to be included in a summary for this type of securities and the Company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and Warnings

A.1	**Warning**	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	**Warning**	Not applicable. No consent is granted by the Company for the use of the Prospectus for subsequent resale or final placement of the Shares.

Section B – Issuer

B.1	**Legal and commercial name**	NORBIT ASA.
B.2	**Domicile and legal form, legislation and country of incorporation**	NORBIT is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act.
B.3	**Current operations, principal activities and markets**	NORBIT is a global provider of tailored technology solutions to carefully selected niches. The Company is headquartered in Trondheim, Norway, with sales and R&D offices located in Europe, North-America, South-America and Asia. The Company's industrial corporation is divided into three business units: Oceans, Intelligent Traffic Systems (ITS) and Product Innovation and Realization (PIR). Oceans is the business unit in NORBIT developing and manufacturing proprietary technology and solutions targeting the global maritime markets. Oceans' core offering is centred on proprietary sonar and monitoring solutions developed based on identified niches in the market. ITS is an independent supplier of tailored connectivity solutions based on short range communication technology to intelligent traffic systems – ITS. NORBIT offers connectivity devices for satellite-based truck tolling, i.e. tailored DSRC integrated with GPS and GSM antennas, and DSRC based connectivity devices for smart tachographs. PIR is formed by in-house multidisciplinary R&D engineering capabilities and vertically integrated manufacturing capabilities. In addition to act as an enabler for Oceans and ITS, PIR offers R&D and contract manufacturing services to long term key clients.

	PIR has nearly 25 years of history in realizing innovative products, systems and solutions for industrial customers. Initially NORBIT operated based on private labelling with the client's logo on the outside and NORBIT's logo on the inside of the products. PIR´s vertically integrated manufacturing capabilities is based on three factories with history dating back to the 1980s The Product Innovation and Realization (PIR) business unit comprises NORBIT's Original Design Manufacturing (ODM) and its Electonic Manufacturing Services (EMS). The PIR business unit is characterized by its multidisciplinary R&D competence and efficient manufacturing capabilities enabling product innovation at NORBIT, at the same time as it provides additional execution power and scalability for both Oceans and ITS. PIR engages in special projects to explore new market domains, new technologies and enable refinement of next generation NORBIT engineers.
B.4a Significant recent trends	In all three business segments the products are sold on long-term contracts or on order basis where prices are defined either in the contract or based on price lists. Customers of the Group are mainly business to business and long-term. The ITS segment has seen a significant step-up in revenues in Q1-19, the primary reason being that the ITS segment over the last three years has developed new products which have been launched to the market during the first quarter of 2019. The new products have been well received, and are being sold based on long-term contracts with large industrial clients with defined price-levels. The nature of the business in the Oceans segment is more order based and short-term/spot sale. The prices are defined in price lists and the majority of the sale in this segment is through distributors globally.. Over the past year there has been a general shortage in the global market for electronic components. As a precaution, the Group has stocked up on its inventory of such items in order to serve its commitments for the new long-term contracts that were entered into for ITS' sale of new products, as discussed above. The Group continued to stock up on key electronic components in Q1-19.
B.5 Description of the Group	The Company is the ultimate parent company in the Group. The Company is a holding company of the Group. The following table sets out information about the Company's significant subsidiaries:

Company	Registration number	Country of incorporation	% holding
NORBIT ASA	992 718 196	Norway	
NORBIT Subsea AS	994 353 098	Norway	100 %
NORBIT Aptomar AS	988 567 256	Norway	100 %
NORBIT Kabelpartner AS	917 004 390	Norway	100 %
NORBIT ITS AS	994 469 312	Norway	100 %
NORBIT ODM AS	994 486 144	Norway	100 %
NORBIT AblePay AS	994 302 000	Norway	100 %
NORBIT EMS AS	944 679 286	Norway	99,95 %
Øverhagaen Eiendom AS	994 915 339	Norway	99,95 % (via NORBIT EMS AS)
NORBIT Sourcing AS	991 287 817	Norway	100 %
Fenrits AS	981253671	Norway	100 %
NORBIT NV AS	961955866	Norway	100 %
NORBIT US Ltd.	5109658	Delaware	100 %
NORBIT Poland SP Z.o.o.	0000501792	Poland	100 %
NORBIT Hungary Kft.	01-09-271929	Hungary	100 %
NORBIT GmbH	442055 G	Austria	100 %
NORBIT Italy Srl.	00884060526	Itally	100 %
NORBIT Singapore Pte.	201706943C	Singapore	100 %
NORBIT UK (Kilmore Marine Ltd)	SC549670	UK	35 %
NORBIT Sweden AB	559098-7722	Sweden	100 %
NORBIT GmbH	HRB 139979	Germany	50 %
Kvikna Consulting Ehf	5907180410	Iceland	33 %

B.6 Interests in the Company and voting rights

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act.

#	Shareholder	No. of Shares	% Shareholding
1	Vhf Invest	10,556,600	24.31
2	Draupnir Invest	9,570,400	22.04
3	Petors AS	8,515,800	19.61
4	Eidco AS	6,430,100	14.81
5	Esmar AS	5,109,900	11.77

There are no differences in voting rights between the Shares.

The Company is not aware of any arrangements that may at a subsequent date result in change of control of the Company.

B.7 Selected historical key financial information

The selected consolidated financial information presented below has been derived from the Group's audited financial statements. In 2019 the Group converted its financial reporting to International Financial Reporting Standards ("IFRS") as adopted by the European Union, with a 1 January 2016 IFRS opening statement of financial position.

Financial information as at, and for the year ended 31 December 2018, and with audited comparative figures for the year ended 31 December 2017 (the "2018 Financial Statements"), have been prepared in accordance with IFRS.

The Group's audited consolidated financial statements as at, and for the year ended 31 December 2017, and with audited comparative figures for the year ended 31 December 2016 (the "2017 Financial Statements"), have been prepared in accordance with Norwegian Generally Accepted Accounting Principles ("NGAAP"). The "2018 Financial Statements" and the "2017 Financial Statements" (in all the "Financial Statements") are enclosed as Appendix C and D respectively, and have been audited by PricewaterhouseCoopers AS.

For information regarding accounting policies and the use of estimates and judgements, please refer to note 23, Summary of significant accounting policies and note 10, Critical estimates, judgements and errors of the 2018 Financial Statement (Appendix C).

The summary consolidated financial information included herein should be read in connection with the Financial Statements attached to this Prospectus and should be read together with Section 10 "Selected Financial information and operational and financial review".

Selected data from the statement of income. Numbers in NOK million.

Figures in NOK million	Q1 2019 IFRS (unaudited)	Q1 2018 IFRS (unaudited)	2018 IFRS (audited)	2017 IFRS (audited)	2017 NGAAP (audited)	2016 NGAAP (audited)
Revenue	157,7	90,1	438,4	350,1	350,1	310,2
Other gains and losses	10,9	0,0	0,0	2,1	0,0	0,0
Changes in inventories of finished goods and work in progress	0,0	0,0	-13,3	-2,0	1,9	1,9
Raw materials and consumables used	70,7	46,1	222,8	189,9	186,0	167,5
Employee benefits expenses	32,8	26,2	110,9	90,0	88,8	80,8
Depreciation and amortization expenses	9,5	9,8	36,7	32,6	27,2	22,9
Other operating expenses	15,0	11,8	43,2	33,7	37,0	41,5
Operating profit/loss	**40,6**	**-3,8**	**38,0**	**7,9**	**9,2**	**-4,3**
Share of profit from associates	0,0	0,0	26,3	0,3	0,3	1,1
Interest income	0,0	0,0	0,0	0,0	0,0	0,7
Other financial income	7,8	4,0	15,1	10,8	10,6	9,0
Interest expenses	-2,0	-2,4	-9,3	-10,7	-9,9	-6,7
Other financial expenses	-5,4	-2,1	-15,1	-5,4	-5,4	-7,1
Net financial items	**0,4**	**-0,5**	**-9,3**	**-5,3**	**-4,7**	**-4,1**
Profit before tax	**41,0**	**-4,2**	**55,0**	**2,9**	**4,8**	**-7,3**
Income tax expense	-7,0	0,9	-7,0	25,6	25,0	2,7
Profit for the period	**34,0**	**-3,3**	**48,0**	**28,5**	**29,8**	**-4,6**

Selected data from the statement of financial position. Numbers in NOK million.

Figures in NOK million	Q1 2019 IFRS (unaudited)	Q1 2018 IFRS (unaudited)	2018 IFRS (audited)	2017 IFRS (audited)	2017 NGAAP (audited)	2016 NGAAP (audited)
Fixed assets						
Intangible assets						
Research and development, patents	120,0	88,0	104,3	85,1	85,1	71,9
Deferred tax asset	32,4	41,1	33,1	40,0	38,9	11,4
Goodwill	0,0	0,0	0,0	0,0	-1,7	-1,1
Total intangible fixed assets	**152,5**	**129,1**	**137,4**	**125,1**	**122,2**	**82,2**
Tangible assets						
Property	21,6	23,5	22,1	23,0	23,0	24,7
Right-to-use asset	11,6	17,9	12,7	17,8	0,0	0,0
Production equipment	37,5	13,6	36,1	11,8	20,3	22,5
Total tangible fixed assets	**70,8**	**55,0**	**71,0**	**52,6**	**43,3**	**47,2**
Financial assets						
Investment in associated companies	1,4	4,1	1,4	4,1	4,1	2,6
Investment in shares and other assets	0,6	0,1	0,6	0,1	0,1	0,1
Total financial assets	**2,0**	**4,2**	**2,0**	**4,2**	**4,2**	**2,7**
Total fixed assets	**225,3**	**188,4**	**210,4**	**181,9**	**169,8**	**132,2**
Current assets						
Inventories	141,5	88,5	122,9	81,0	81,0	59,5
Receivables						
Accounts receivables	125,3	78,6	102,0	56,0	56,0	49,9
Other receivables	20,5	18,0	26,1	19,5	19,5	14,2
Financial instruments	2,0	0,4	0,0	0,2	0,0	0,0
Total receivables	**147,8**	**97,0**	**128,1**	**75,6**	**75,4**	**64,0**
Bank deposits, cash etc.	4,3	3,8	9,1	14,8	14,8	6,3
Total current assets	**293,5**	**189,4**	**260,1**	**171,4**	**171,3**	**129,8**
Total assets	**518,8**	**377,8**	**470,5**	**353,4**	**341,1**	**262,0**

Figures in NOK million	Q1 2019 IFRS (unaudited)	Q1 2018 IFRS (unaudited)	2018 IFRS (audited)	2017 IFRS (audited)	2017 NGAAP (audited)	2016 NGAAP (audited)
Paid-in equity						
Share capital	0,4	0,4	0,4	0,4	0,4	0,4
Share premium reserve	43,8	33,3	43,8	33,3	33,3	12,4
Total paid-in capital	**44,3**	**33,8**	**44,3**	**33,8**	**33,8**	**12,8**
Retained earnings						
Other equity	117,6	68,6	103,9	71,7	68,7	41,5
Total retained earnings	**117,6**	**68,6**	**103,9**	**71,7**	**68,7**	**41,5**
Non-controlling interests	1,3	9,4	9,7	9,4	9,4	15,0
Total equity	**163,2**	**111,8**	**157,9**	**114,9**	**111,9**	**69,3**
Long term debt						
Debt to financial institution	107,4	63,3	84,8	66,4	76,8	52,5
Lease liabilities	4,8	11,1	5,9	11,0	0,0	0,0
Other long term debt	-0,1	7,9	0,2	7,6	13,6	11,6
Total long term debt	**112,1**	**82,3**	**90,8**	**85,1**	**90,4**	**64,1**
Short term debt						
Liabilities to financial institutions	95,6	84,5	85,2	65,8	55,4	62,5
Lease liabilities	7,0	6,8	7,0	6,7	0,0	0,0
Trade creditors	80,0	56,2	75,6	45,5	45,5	46,2
Payable tax	0,0	0,0	0,0	0,0	0,0	0,8
Public duties payable	0,1	11,0	11,6	8,1	8,1	4,3
Financial instruments	0,0	0,0	1,2	0,0	0,0	0,0
Dividend					6,0	0,3
Other short term debt	60,9	25,3	41,2	27,4	23,8	14,5
Total short term debt	**243,5**	**183,7**	**221,7**	**153,4**	**138,8**	**128,7**
Total debt	**355,6**	**266,0**	**312,6**	**238,5**	**229,2**	**192,7**
Total equity and debt	**518,8**	**377,8**	**470,5**	**353,4**	**341,1**	**262,0**

Figures in NOK million	Q1 2019 IFRS (unaudited)	Q1 2018 IFRS (unaudited)	2018 IFRS (audited)	2017 IFRS (audited)	2017 NGAAP (audited)	2016 NGAAP (audited)
Group revenue	**157,7**	**90,1**	**438,4**	**350,1**	**350,1**	**310,2**
Other current assets	22,6	18,4	26,1	19,6	19,5	14,2
Accounts receivable	125,3	78,6	102,0	56,0	56,0	49,9
Inventory	141,5	88,5	122,9	81,0	81,0	59,5
Accounts payable	80,0	56,2	75,6	45,5	45,5	46,2
Other current liabilities	60,9	36,2	52,8	35,5	31,8	19,6
Net working capital (NWC)	**148,3**	**93,1**	**122,6**	**75,6**	**79,1**	**57,7**
NWC-ratio (% of revenue)	**24 %**	**26 %**	**28 %**	**22 %**	**23 %**	**19 %**

Selected data from the statement of cash flow. Numbers in NOK million.

Figures in NOK million	Q1 2019 IFRS (unaudited)	Q1 2018 IFRS (unaudited)	2018 IFRS (audited)	2017 IFRS (audited)	2017 NGAAP (audited)	2016 NGAAP (audited)
Cash flows from operatings activities						
Profit for the period	34,0	-3,3	48,0	28,5	29,8	-4,6
Adjustments for:						
Income tax expense recognised in profit or loss	7,0	-0,9	7,0	-25,6	-25,0	-2,7
Share of profit from associates	0,0	0,0	-0,3	-0,3	-0,3	-1,1
Investment income recognised in profit or loss	-10,9	0,0	-26,0	-2,1	0,0	0,0
Depreciation and amortization of non-current assets	9,5	9,8	36,7	32,6	27,2	22,9
Net foreign exchange (gain)/loss					0,0	0,5
	39,6	**5,6**	**65,4**	**33,2**	**31,7**	**15,0**
(Increase)/decrease in trade and other receivables	-23,3	-22,6	-46,0	-3,9	-3,9	10,4
(Increase)/decrease in inventories	-18,6	-7,5	-41,9	-12,3	-12,3	7,6
Increase/(decrease) in trade and other payables	4,4	10,6	30,0	-2,0	-2,0	-0,4
Increase/(decrease) in provisions	10,5	1,9	8,3	-1,5	-2,4	-6,8
Increase/(decrease) in other liabilities	0,0	0,0	-0,1	-0,8	-0,5	-1,4
Net cash generated by operating activities	**12,7**	**-12,0**	**15,9**	**12,8**	**10,6**	**24,4**
Cash flows from investing activities						
Payments to acquire financial assets	0,0	0,0	0,0	-1,1	-1,1	0,0
Proceeds on sale of financial assets	0,0	0,0	29,4	0,0	0,0	0,0
Payments for property, plant and equipment	-4,2	-5,6	-37,3	-8,9	-5,7	-7,4
Payments for intangible assets	-20,8	-8,7	-38,2	-30,2	-30,2	-14,5
Net cash flow on acquisition of subsidiaries	0,4	0,0	0,0	-1,2	-1,2	0,0
Net cash (used in)/generated by investing activities	**-24,6**	**-14,2**	**-46,2**	**-41,4**	**-38,2**	**-21,9**
Cash flows from financing activities						
Proceeds from issue of equity instruments of the Company	0,0	0,0	10,5	21,0	21,0	0,0
Transactions with non-controlling interests	-19,3	0,0	0,0	-2,5	-2,5	0,2
Proceeds from borrowings	104,0	0,2	13,1	35,1	34,3	5,0
Repayment of borrowings	-82,1	-3,6	0,0	-9,5	-9,5	-8,5
Net change in overdraft facility	10,4	18,8	17,0	-7,1	-7,1	2,7
Dividends paid to owners of the Company	-6,0	0,0	-16,0	0,0	0,0	-3,8
Net cash (used in)/generated by financing activities	**7,0**	**15,3**	**24,6**	**37,0**	**36,2**	**-4,4**
Net increase in cash and cash equivalents	**-4,8**	**-11,0**	**-5,7**	**8,5**	**8,5**	**-2,0**
Cash and cash equivalents at the beginning of the period	9,1	14,8	14,8	6,3	6,3	8,3
Cash and cash equivalents at the end of the period	**4,3**	**3,8**	**9,1**	**14,8**	**14,8**	**6,3**

Selected data from the statement of changes in equity. Numbers in NOK million.

	Attributable to owners						
Figures in NOK million	**Share capital and premium**	**Other equity**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 january 2017	**0,4**	**12,4**	**0,0**	**40,2**	**52,9**	**15,0**	**67,9**
Profit for the period	0,0	0,0	0,0	28,5	28,5	0,0	28,5
Other comprehensive income	0,0	0,0	0,0	0,3	0,3	0,0	0,3
Total comprehensive income for the period	**0,0**	**0,0**	**0,0**	**28,8**	**28,8**	**0,0**	**28,8**
Transaction with owners in their capacity as owners:							
Contributions of equity net of transaction costs	0,0	21,0	0,0	0,0	21,0	0,0	21,0
Acquisition of non-controlling interest	0,0	0,0	0,0	3,1	3,1	-5,6	-2,5
Dividends provided for or paid	0,0	0,0	0,0	-0,3	-0,3	0,0	-0,3
	0,0	**21,0**	**0,0**	**2,8**	**23,8**	**-5,6**	**18,2**
Balance at 31 December 2017	**0,4**	**33,3**	**0,0**	**71,7**	**105,5**	**9,4**	**114,9**

	Attributable to owners						
Figures in NOK million	**Share capital and premium**	**Other equity**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 31 December 2017 as originally presented	**0,4**	**33,3**	**0,0**	**71,7**	**105,5**	**9,4**	**114,9**
Profit for the period	0,0	0,0	0,0	47,6	47,6	0,3	48,0
Other comprehensive income	0,0	0,0	0,0	0,6	0,6	0,0	0,6
Total comprehensive income for the period	**0,0**	**0,0**	**0,0**	**48,2**	**48,2**	**0,3**	**48,6**
Transaction with owners in their capacity as owners:							
Contribution of equity, net of transaction costs and tax	0,0	10,5	0,0	0,0	10,5	0,0	10,5
Dividends provided for or paid	0,0	0,0	0,0	-16,0	-16,0	0,0	-16,0
	0,0	**10,5**		**-16,0**	**-5,5**	**0,0**	**-5,5**
Balance at 31 December 2018	**0,4**	**43,8**	**0,0**	**103,9**	**148,2**	**9,7**	**157,9**

	Attributable to owners						
Figures in NOK million	**Share capital and premium**	**Other equity**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 31 December 2018 as originally presented	**0,4**	**43,8**	**0,0**	**103,9**	**148,2**	**9,7**	**157,9**
Profit for the period	0,0	0,0	0,0	34,0	34,0	0,0	34,0
Other comprehensive income	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total comprehensive income for the period	**0,0**	**0,0**	**0,0**	**34,0**	**34,0**	**0,0**	**34,0**
Transaction with owners in their capacity as owners:							
Transaction with non-controlling interest	0,0	0,0	0,0	-14,4	-14,4	-8,4	-22,8
Dividends provided for or paid	0,0	0,0	0,0	-6,0	-6,0	0,0	-6,0
	0,0	**0,0**	**0,0**	**-20,4**	**-20,4**	**-8,4**	**-28,8**
Balance at 31 March 2019	**0,4**	**43,8**	**0,0**	**117,6**	**161,8**	**1,3**	**163,2**

B.8	**Selected key pro forma financial information**	Not applicable. There is no pro forma financial information.
B.9	**Profit forecast or estimate**	Not applicable. No profit forecasts or estimates are made.
B.10	**Audit report qualifications**	Not applicable. There are no qualifications in the audit reports.
B.11	**Insufficient working capital**	Not applicable. The Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements, for the period covering at least 12 months from the date of this Prospectus.

Section C - Securities

C.1	**Type and class of securities admitted to trading and identification number**	The Company has one class of Shares on issue and all Shares provide equal rights in the Company. Each Share carries one vote. The Sale Shares are, and the New Shares will be, created under the Norwegian Public Limited Companies Act and registered in book-entry form with the VPS under ISIN NO 001 0856511.
C.2	**Currency of issue**	The Shares are issued in NOK (as defined below).
C.3	**Number of shares in issue and nominal value**	As of the date of this Prospectus, the Company's share capital is NOK 4,342,950 divided into 43,429,500 Shares with each Share having a nominal value of NOK 0.10.
C.4	**Rights attaching to the securities**	The Company has one class of Shares on issue and, in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company. Each of the Shares carries one vote. The rights attaching to the Shares are described in Section 13.9.1 "The articles of association and certain aspects of Norwegian law".
C.5	**Restrictions on transfer**	The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company's shareholders. Share transfers are not subject to approval by the Board of Directors.
C.6	**Admission to trading**	The Company expects to apply for admission to trading of its Shares on the Oslo Børs on 5 June 2019. It is expected that the board of directors of the Oslo Børs will approve the listing application of the Company on or about 11 June 2019, subject to certain conditions being met. The Company currently expects commencement of trading in the Shares on the Oslo Børs on or around 19 June 2019. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.
C.7	**Dividend policy**	In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in the Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Limited Companies Act**") (see Section 6.2 "Legal constraints on the distribution of dividends"), the Company's

	capital requirements, including capital expenditure requirements, the Company's financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors. The Board of Directors adopted 16 May 2019 the following dividend policy for the Company: "NORBIT ASA's dividend policy is to pay out annual dividends between 30 and 50 per cent of the company's ordinary net profit after tax. When deciding on the annual dividend the company will take into account the company's financial position, investment plans as well as the needed financial flexibility to provide for sustainable growth."

Section D - Risks

D.1	**Key risks specific to the Group or its industry**	***Risks related to the business of the Group and the industry in which the Group operates*** • Geopolitical risks. The Company has activity in a number of region world-wide, including in Europe, North America and Asia. As a result, its operations are subject to a variety of country, regulatory and political risks, particularly in connection with its operations in emerging markets. • The Company relies, and will in the future continue to rely, on a significant supply of consumables, spare parts and equipment to operate, maintain, repair, upgrade and deliver its equipment and systems and perform its services. Certain parts and equipment that the Company uses in its operations may be available from only a small number of suppliers, manufacturers, sub-contractors or service providers, or in some cases must be sourced through a single supplier, manufacturer, sub-contractor or service provider. • The Company relies on information technology systems to conduct its business, and disruption, failure or security breaches of these systems could adversely affect its business and results of operations. • The Company's value creation primarily comprises delivery of systems and solutions of high technological complexity, and the delivery is typically organised as projects. Effective project management is therefore a key success factor in reducing operating risk, particularly in development contracts where the risk of the project not being completed is high. • Loss of key personnel or the failure to obtain or retain highly skilled personnel could materially adversely affect the Company's operations. Should any of the risks materialize, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flows and/or prospects, which could cause a decline in the value and trading price of the Group's shares, resulting in the loss of all or part of an investment in the Company's shares.

	Risks related to financing • In order to execute the Company's growth strategy, the Company may require additional capital in the future, which may not be available. • The Company routinely executes a large volume of transactions involving daily settlement of substantial amounts, many of which expose the Company to the risk of contractual default by a counterparty. The Company's profitability, cash flows and financial condition may have a materially adverse effect, should its counterparties fail to meet their contractual obligations. • The Company has a significant share of its revenues outside Norway and a large share of the cost-base in Norway, and its accounting and reporting currency is the Norwegian krone. Currency fluctuations could therefore have a material adverse effect on its business, results of operations, cash flows, financial condition and/or prospects. This may also give a disadvantage towards competitors operating in specifically U.S. Dollars and Euro. Should any of the risks materialize, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flows and/or prospects, which could cause a decline in the value and trading price of the Group's shares, resulting in the loss of all or part of an investment in the Company's shares.
D.3 **Key risks specific to the securities**	***Risks related to the Listing and the Shares*** • The trading volume and price of the Shares could fluctuate significantly and the market price of the Shares may decline such that the Shares trade at prices significantly below the Offer Price. • Prior to the Listing, there was no public market for the Shares and there is no assurance that an active trading market for the Shares will develop or be sustained. The market value of the Shares may be substantially affected by the extent to which a secondary market develops for the Shares following the completion of this Offering. • The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on the market price of the Shares. Sales of substantial amounts of the Shares in the public market following the Offering or the perception that such sales could occur, could adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate. • Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares. • Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders (the "**General Meeting**"), existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S Securities Act. • Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could

	be unable to vote such Shares unless their ownership is re-registered in their names with the VPS prior to any General Meeting. • The Company's ability to pay dividends in accordance with its dividend policy or otherwise is dependent on the availability of distributable reserves and the Company may be unable or unwilling to pay any dividends in the future. • Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway as the Company is a public limited company organised under the laws of Norway and the majority of the members of the Board of Directors and Management reside in Norway. • Norwegian law could limit shareholders' ability to bring an action against the Company. The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. • The Company will incur increased costs as a result of being a publicly traded company. Any such increased costs, individually or in the aggregate, could have a material adverse effect on the Company's business, results of operations, financial condition and prospects. • Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK. • The transfer of shares is subject to restrictions under the securities laws of the United States and other jurisdictions. The Shares have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. Should any of the risks materialize, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flows and/or prospects, which could cause a decline in the value and trading price of the Company's shares, resulting in the loss of all or part of an investment in the Company's shares.

Section E - Offer

E.1	**Net proceeds and estimated expenses**	The net proceeds to the Company will be approximately NOK 230 million, based on estimated total transaction costs of, and incidental to, the Listing and the Offering of approximately NOK 20 million to be paid by the Company.
E.2a	**Reasons for the Offering and use of proceeds**	The Company's intention with the Offering and Listing is to: • diversify the shareholder base and enable other investors to take part in the Group's future growth and value creation; • enable the current shareholders to realise parts of their holding and as a result allow for a liquid market for the Shares going forward; • enhance the Group's profile with investors, business partners and customers; • further enhance the ability of the Group to attract and retain key management and employees; and • facilitate the use of Shares as currency in M&A transactions and provide access to capital markets.

		The Company will primarily use the proceeds of the Offering for (i) investments into R&D and manufacturing capacity, (ii) repayment of debt, (iii) M&A opportunities and (iv) general corporate purposes.
E.3	**Terms and conditions of the Offering**	The Offering consists of (i) an offer of New Shares to raise gross proceeds of approximately NOK 250 million by the issuance of New Shares in the Company and (ii) an offer of up to 15,213,068 Sale Shares, all of which are existing, validly issued and fully paid-up registered Shares with a nominal value of NOK 0.10, offered by the Selling Shareholders. In addition, the Managers may elect to over-allot a number of Additional Shares, equalling up to approximately 15% of the final number of New Shares and Sale Shares issued and sold in the Offering. In this respect, the Lending Shareholders are expected to grant to the Stabilisation Manager (Arctic Securities), on behalf of the Managers, an Over-Allotment Option, which may be exercised on behalf of the Managers by Arctic Securities, as Stabilisation Manager, to purchase for a corresponding number of Additional Shares to cover any such over-allotments. The Offering consists of: • An Institutional Offering, in which Offer Shares are being offered to (a) institutional and professional investors in Norway, (b) to investors outside Norway and the United States, subject to applicable exemptions from prospectus and registration requirements, and (c) in the United States to investors who are QIBs in transactions exempt from registration requirements under the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000. • A Retail Offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit. • An Employee Offering, in which Offer Shares are being offered to the Eligible Employees and the Board Members and sold at the same price as in the Institutional Offering and the Retail Offering, provided, however, that the Offer Price will be reduced by 20% for an application amount per Eligible Employee or Board Member between NOK 10,500 and NOK 1,000,000. Offer Shares allocated for amounts between NOK 15,000 and NOK 1,000,000 (rounded down to the nearest whole Offer Share) will be subject to a lock-up obligation whereby these Offer Shares may not be traded, sold, pledged or otherwise disposed of for a period of two years from the first day of Listing. The Employee Offering is subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each Eligible Employee or Board Member. Eligible Employees and Board Members participating in the Employee Offering will receive full allocation for any application up to NOK 1,000,000. Multiple applications by one applicant in the Employee Offering will be treated as one application with respect to the maximum application limit, the guaranteed allocation, the reduced offer price and the discount. All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in

		transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in reliance on Regulation S. The Bookbuilding Period for the Institutional Offering will take place from 5 June 2019 at 09:00 hours (CET) to 14 June 2019 at 14:00 hours (CET). The Application Period for the Retail Offering and the Employee Offering will take place from 5 June 2019 at 09:00 hours (CET) to 14 June 2019 at 12:00 hours (CET). The Company, in consultation with the Managers, reserves the right to shorten or extend the Bookbuilding Period and Application Period at any time. The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 17 June 2019, by issuing contract notes to the applicants by mail or otherwise. Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment for Offer Shares in the Institutional Offering is expected to take place on or about 19 June 2019. Arctic Securities, acting as settlement agent for the Retail Offering and the Employee Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 17 June 2019, by issuing allocation notes to the applicants by mail or otherwise. The due date for payment in the Retail Offering and the Employee Offering is on or about 17 June 2019. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering and the Employee Offering is expected to take place on or about 19 June 2019.
E.4	**Material and conflicting interests**	The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a management fee in connection with the Offering and, as such, have an interest in the Offering. In addition, the Company may, at its sole and absolute discretion, pay to the Joint Global Coordinators an additional discretionary fee, and cause the Selling Shareholders to do the same, in connection with the Offering. The Selling Shareholders will receive the proceeds from the sale of the Sale Shares and the Lending Shareholders will receive the proceeds from the sale of any Shares sold pursuant to the Over-Alltoment Option. Please also see Section 11.5.1 "Synthetic option scheme" for a description of the Company's syntethic option scheme. Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.
E.5	**Selling shareholder and lock-up agreements**	The Company will, subject to customary exceptions, be subject to a lock-up whereby the Company undertakes that it will not, without the prior written consent of the Joint Global Coordinators, during the period from the date of the Placing Agreement and until 12 months from the first day of Listing, (1) issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other equity interest in the capital of the Company or any securities convertible into or exercisable for such Shares or other equity interests, or (2) enter into any swap or other agreement that transfers to another, in whole or in part, any of the

		economic consequences of ownership of the Shares or other equity interests, whether any such transaction described in (1) or (2) above is to be settled by delivery of the Shares or other securities or interests, in cash or otherwise, or (3) publicly announce or indicate an intention to effect any transaction specified in (1) or (2) above. The Selling Shareholders will, subject to customary execptions, be subject to a lock-up whereby each Selling Shareholder undertakes that it will not, directly or indirectly, without the prior written consent of the Joint Global Coordinators, during the period from the date of the Placing Agreement and until 12 months from the first day of Listing, (1) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (3) publicly announce an intention to effect any transaction specified in clause (1) or (2). The lock-up shall not prevent the pledging of any Shares to a financial institution. The Company's Board Members and Executive Management will, subject to customary exceptions, be subject to a lock-up whereby he/she shall not and will not, directly or indirectly, without the prior written consent of the Managers (1) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option or right to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (3) publicly announce an intention to effect any transaction specified in clause (1) or (2) above, for a period of 12 months following the first day of Listing. The lock-up shall not prevent the pledging of any Shares to a financial institution. Offer Shares allocated to Eligible Employees or Board Members for amounts between NOK 15,000 and NOK 1,000,000 (rounded down to the nearest whole Offer Share) will be subject to a lock-up obligation whereby these Offer Shares may not be traded, sold, pledged or otherwise disposed of for a period of two years from the first day of Listing.
E.6	**Dilution resulting from the Offering**	Assuming that the Offer Price is set at the low-end of the Indicative Price Range and excluding the effects of the reduced offer price in the Employee Offering, 10,869,565 New Shares may be issued in the Offering, which corresponds to a dilution for the existing shareholders of approximately 20%. Assuming that the Offer Price is set at the high-end of the Indicative Price Range and excluding the effects of the reduced offer price in the Employee Offering, 8,333,333 New Shares may be issued in the Offering, which corresponds to a dilution for the existing shareholders of approximately 16%.
E.7	**Estimated expenses charged to investor**	Not applicable. No expenses or taxes will be charged by the Company or the Managers to the applicants in the Offering.

2 RISK FACTORS

An investment in the Offer Shares involves inherent risk. Before making an investment decision with respect to the Offer Shares, investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 are the material known risks and uncertainties faced by the Company as of the date hereof that the Company believes are the material risks relevant to an investment in the Offer Shares. An investment in the Offer Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the Offer Shares. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Company and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Offer Shares, resulting in the loss of all or part of an investment in the Offer Shares.

The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Company's business, results of operations, cash flows, financial condition and/or prospects. The risks mentioned herein could materialise individually or cumulatively. The information in this Section 2 is as of the date of this Prospectus.

2.1 Risks related to the business of the Group and the industry in which the Group operates

2.1.1 Risks related to the various markets in which the Company operates

The activities of the Company are international with delivery of high-tech products, systems and solutions with related services, primarily to customers in the maritime market and the ITS market. Market risk can therefore vary somewhat within these different segments and markets. Further, the Company has exposure to a wide range of industries through its engineering and manufacturing services, and covers amongst other various industrial customers.

The Company's main activities in the martime market is through the Oceans segment where NORBIT's core offering is sonar solutions targeting identified niches in the global market for sonar solutions and comprise a large variety of end users including amongst other public clients within hydrography, dredging companies, survey companies, defence and research organizations. The global sonar market is a competitive market where reduced demand or loss of market shares will have effect on the Company's business.

The Company's main activity in the aquaculture market is to provide high power submersible and dimmable multispectral lights for firsheries and cage-based farming. The aquaculture market is in a world perspective relatively stable. Reduced demand or loss of market shares will have effect on the Company's business.

The Company's main activities in the ITS market is to provide tailored products based on DSRC technology to ITS integrators, ITS system suppliers, ITS operators and to suppliers of smart tachographs. The ITS market is a competitive market where international and/or national regulations and political decision impacts the demand for ITS products and solutions. Reduced demand or loss of market shares will have an effect on the Company's business.

2.1.2 Risks related to cyclical fluctuations

Cyclical fluctuations influence the industries and markets in which Company operates to various degrees and at different points in time. Historically, this has primarily been due to the highly competitive nature of the international industries in which the Company operates and changes in the supply and demand for its systems and solutions, and changes in the level and pattern of global economic growth. As such, the operations of the Company may be adversely affected by general downturns in the general economic and market conditions in the countries and regions where it operates. The Company's performance and growth depends heavily on the demand for sonar solutions and ITS related products and services internationally. Further, as mentioned earlier the Company has exposure to a wide range of industries through its engineering and manufacturing services, where changes in the level and pattern of global economic growth will impact NORBIT's customers willingness to invest in R&D and demand for advanced electronic components. A decrease in such demand may materially adversely affect the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.1.3 Risks related to competition

Increased competition in the markets where the Company operates may lead to reduced profitability and/or expansion opportunities, and its market shares and competitive position in these markets may erode in the future. Any new markets that are entered into could include participants that have greater experience or financial strength than the Company, and it may thus not be successful in entering such new markets. Further, rapid shifts in technology forces companies to make strategy movements. Inability to follow the technology shifts could eventually marginalize companies and reduce their competitive position. If any of these risks were to materialise, it may have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.1.4 Geopolitical risk

The Company has activity in a number of region world-wide, including in Europe, North America and Asia. As a result, its operations are subject to a variety of country, regulatory and political risks, particularly in connection with its operations in emerging markets. These risks include potential political and economic uncertainty, application of foreign exchange controls, price controls, corruption, nationalisation, expropriation, regulatory changes, crime and the lack of enforcement thereof, political insurrection, governmental interference, currency fluctuations, restrictions and devaluations, punitive or unpredictable taxation, trade barriers, export duties and quotas and other restrictive government actions, hostility from local populations, restrictions on the ability to repatriate dividends from subsidiaries, natural disasters and other catastrophic events, and changes in law and government policy. The financial risks of operating in emerging markets also include risks related to inflation, devaluation, price volatility, currency convertibility and country default.

Furthermore, the legal systems in the emerging markets in which the Company operates may be less predictable than those in more developed markets, as the laws of and courts in those markets may not be fully developed in the enforcement of contracts and other types of commercial disputes. Third parties or governments could also seek to hold the Company liable for obligations of related parties based on legal principles that differ from those which would be applied by courts in more developed markets. Any of these factors could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects by causing interruptions in its operations, by increasing the costs of operating in these countries or by limiting its ability to.

2.1.5 Environmental risk

The activities of a number of the Company's customers and NORBIT itself are subject to environmental regulations pursuant to a variety of international conventions and state and municipal laws and regulations. Litigation or criminal investigations relating to breach of environmental regulations may involve companies in the Group. The Company may incur significant costs, fines and liabilities due to any such litigation or investigation in addition to loss of reputation. This could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

Additionally, the Company owns real property with a long history of industrial operations and under Norwegian law, the Company could be required to remediate or be held responsible for all of the costs relating to any contamination discovered at the Company's past or present real property.

In general, environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increase capital expenditures and operating cost. Environmental laws and regulations may result in a material increase in the cost of operating the Company's units or otherwise materially adversely affect its business, profitability, cash flows and financial condition.

2.1.6 The Company's future business performance depends on its contract portfolio

The Company's revenue is derived from contractual arrangements and its business areas use various contractual formats. The Company delivers a large variety of products and services both in respect of size, contract period, and complexity, and to different segments. Agreed contract terms might imply risk of losses upon cancellation of contracts or consequential damages for any dysfunctionality of the product or services. Contract losses could also materialize as a consequence of cost overrun of fixed price contracts. Some of the Company's contracts are also long term frame agreement that contain no or limited minimum purchase obligations and there can be no assurance that any revenue will be derived from such contracts.

The Company's ability to renew or extend existing contracts or enter into new contracts will largely depend on prevailing market conditions. If the Company is unable to enter into new contracts that start immediately after the end of its current contracts or if new contracts are entered into on terms less favourable compared to existing contract terms, or which leave the Company with mobilisation or demobilisation costs that cannot be fully recovered, it could have a material adverse effect on the Company's business, results of operations, cash flow, financial condition and/or prospects.

2.1.7 *The Company's contracts may be subject to early termination*

Some of the Company's existing customers have, and future customers may have, the right to terminate their contracts without cause in compliance with applicable notice periods. In addition, under certain circumstances, the Company's existing contracts permit, and future contracts may permit, a customer to terminate its contract early without the payment of any termination fee, as a result of non-performance, delay, quality of deliverables, or force majeure events. Many of these events are beyond the Company's control. Early termination of contracts may reduce the revenue received by any businesses affected by the termination, which may have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

During periods of challenging market conditions, the Company may be subject to an increased risk of its customers seeking to repudiate or delay commencement of their contracts, including through claims based on anticipated actual or alleged non-performance. If the Company's customers cancel their contracts with the Company and the Company is unable to secure new contracts on a timely basis and on substantially similar terms, or if contracts are suspended for an extended period of time, the Company's backlog could be reduced, which may have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.1.8 *The Company's earnings and business are subject to risk caused by counterparties in contracts, and failure and misrepresentation of such counterparties causing them not to meet their obligations could cause loss to the Company or otherwise materially and adversely affect the business of the Company*

The ability of each counterparty to perform its obligations under a contract with the Company will depend on a number of factors that are beyond the Company's control and may include, among other things:

- general economic conditions;
- the condition of the maritime, ITS and other industries to which the counterparty is exposed;
- the overall financial condition of the counterparty; and
- various expenses.

Should a counterparty, especially one of the Company's major customers, fail to honour its obligations under its agreements with the Company, the Company could sustain significant losses, which could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.1.9 *Unforeseen or unanticipated risks, costs or timing when bidding on or managing contracts could adversely affect the Company's business, results of operations, cash flows, financial condition and/or prospects*

In preparation for a tender for a new contract, the Company assesses its current capacity, and, if it is awarded the contract, it determines how to deploy resources in order to perform its obligations under the contract. The Company's financial and operating performance depends on making accurate assumptions and estimates, as well as identifying key issues and risks (including, but not limited to, the degree of complexity of the project assumptions regarding inter alia utilisation of equipment, operational expenses, tax payments, availability of skilled personnel and availability of critical equipment with long lead times) with respect to potential projects at the tender stage of the project, and ensuring that the pricing and contractual arrangements in relation to each project adequately safeguard the Company against, or compensate it for, such risks. Assumptions are particularly necessary when tendering for a new customer or entering new product or geographic markets, as the Company does not yet have the experience on which it can base its assumptions for the tender. In tenders where the response time is long, the risks generally increases, especially political risks and currency risks. The Company must manage project risks efficiently and adapt to changes that occur during the life of a project. Even when a risk is properly identified, the Company may be unable to or may not accurately quantify it. Unforeseen or unanticipated risks or incorrect assumptions when bidding for a contract may lead to increased costs for the Company which could a have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.1.10 *Risks related to project management*

The Company's value creation primarily comprises delivery of products and solutions of high technological complexity, and the delivery is typically organised as projects. Effective project management is therefore a key success factor in reducing operating risk, particularly in development contracts where the risk of the project not being completed is high. The Company has established project management goals based on internal and external "best practices", and project managers attend an internal training program. The projects' revenues are based on contracts, and uncertainty is largely related to estimating the remaining costs and determining the percentage of completion, but also counterparty risk and warranty obligations. The Company has established principles for categorising projects in terms of technological complexity and development content. This forms the basis for an assessment of implementation risk and recognition of revenue in the projects. Failure to manage project in a satisfactory manner could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.1.11 Loss of key personnel or the failure to obtain or retain highly skilled personnel could materially adversely affect the Company's operations

The Company's success depends on its retention of key personnel and its ability to recruit, retain and develop skilled personnel for its business. The demand for personnel with the capabilities and experience required in technology industry is high, and success in attracting and retaining such employees is not guaranteed. There is intense competition for skilled personnel and there are, and may continue to be, shortages in the availability of engineers and other appropriately skilled people at all levels. Shortages of qualified personnel or the Company's inability to obtain and retain qualified personnel could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.1.12 Any failure in a customer's infrastructure or applications as a result, or alleged result, of the Group's service or solution's failure, or any other breach of the Group's customer contracts, could result in a claim for substantial damages against the Group and/or result in significant reputational harm

Many of the Group's engagements involve projects and services that are critical to the customers' operations. Any failure in a component or application that the Group has designed, built or supports, or has operated or supported in the past, could result in a claim for substantial damages against the Group and/or significant reputational harm, regardless of the Group's responsibility for the failure. The Group attempts to limit by contract its liability for damages arising from negligent acts, errors, mistakes or omissions in rendering its services and solutions. However, there can be no assurance that such damages are subject to a contractual limitation on liability or that any such contractual limitations on liability will be enforceable or will otherwise protect the Group from liability for damages. In some cases, the Group has also entered into customer contracts that do not contain provisions regarding limitations of liability or contain unbalanced indemnity provisions. Certain categories of damages are typically not limited in amount (for example, breach of confidentiality, gross negligence, wilful misconduct or infringement of third-party intellectual property rights). Any failure in products, components or modules that the Group has designed, built, supports, or operated or supported in the past, could result in a claim for substantial damages against the Group and/or significant reputational harm, regardless of the Group's responsibility for the failure.

Although the Group has product liability insurance coverage, there can be no assurance that any such coverage will continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage for any future claim. The successful assertion of one or more large claims against the Group that exceed any available insurance coverage, or changes in the Company's insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

2.1.13 Undetected errors or defects in the Group's products, systems or solutions could adversely affect the Group's performance and reduce the demand for its products and services

The Group's products, modules, components or solutions, as well as hardware, software and services provided by subcontractors, could contain errors or defects that the Group has not been able to detect. Such errors could adversely affect the performance of the products, systems or solutions and negatively impact the demand thereof. Despite testing by the Group and users of the offered software, errors have occurred and will likely continue to occur in the Group's products, systems and solutions from time to time. If errors or defects are discovered, the Group may have to incur significant capital expenditures to eliminate them and may not be able to successfully correct them in a timely manner or at all. Errors and defects could also result in a loss of, or delay in, market acceptance of the relevant products, systems or solutions, adverse client reactions, negative publicity and could damage the Group's reputation. Hence, any defects or errors in the Group's products, systems or solutions could result in the loss of orders or a delay in the receipt of orders, and could result in reduced operating revenue, delays in market acceptance, diversion of development resources, product liability claims or increased service and warranty costs, any of which could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.1.14 Disruptions of deliveries by the Company's suppliers or sub-contractors could increase operating costs, decrease revenues and adversely impact the Company's operations. In addition, consolidation of suppliers may limit the Company's ability to obtain supplies and services when needed at an acceptable cost or at all

The Company relies, and will in the future continue to rely, on a significant supply of consumables, spare parts and equipment to operate, maintain, repair, upgrade and deliver its equipment and systems and perform its services. Certain parts and equipment that the Company uses in its operations may be available from only a small number of suppliers, manufacturers, sub-contractors or service providers, or in some cases must be sourced through a single supplier, manufacturer, sub-contractor or service provider. A disruption in the deliveries from such third-party suppliers, manufacturers, sub-contractors or service providers, capacity constraints, production disruptions, price increases, quality control issues, recalls or other decreased availability of parts and equipment could adversely affect the Company's ability to meet its commitments to customers, adversely impact the Company's operations and revenues or increase the Company's operating costs.

Over the past year there has been a general shortage in the global market for electronic components. In order to be able to serve its obligations related to the new long term contracts the Company has, from a precautionary principle, during 2018 increased its inventory of such items.

This may limit the Company's ability to obtain supplies and services when needed, at an acceptable cost or at all. Cost increases (also due to change of suppliers), delays or unavailability could materially adversely affect the Company's future operations, which may in turn have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.1.15 The Company's business involves numerous operating hazards and the Company's own insurance may not be adequate to cover the Company's losses

The operations of the Company are subject to hazards inherent in the industries where it operates, equipment defects, fires, explosions and pollution. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by employees, third parties or customers and suspension of operations. Operations may also be suspended because of machinery breakdowns, abnormal conditions, and failure of subcontractors to perform or supply goods or services, or personnel shortages.

Although the Company carries protection and indemnity insurance, all risks may not be adequately insured against, and any particular claim may not be paid. Any claims covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material.

The Company may also be unable to procure adequate insurance coverage at commercially reasonable rates in the future. For example, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. Any uninsured or underinsured loss could harm the Company's business, financial condition and operating results. In addition, the Company's insurance may be voidable by the insurers as a result of certain of the Company's actions.

The Company's insurance coverage will not in all situations provide sufficient funds to protect the Company from all liabilities that could result from its operations. The amount of the Company's insurance cover may be less than the related impact on enterprise value after a loss. The Company's coverage includes policy limits. As a result, the Company retains the risk for any losses in excess of these limits. Any such lack of reimbursement may cause the Company to incur substantial costs. In addition, the Company could decide to retain substantially more risk in the future. Moreover, no assurance can be made that the Company has, or will be able to maintain in the future, adequate insurance against certain risks. If a significant accident or other event occurs and is not fully covered by the Company's insurance or any enforceable or recoverable indemnity from a customer, it could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.1.16 The Group relies on third parties, including subcontractors and distributors, to complete some parts of its projects and may be adversely affected by the sub-standard performance or non-performance of those third party subcontractors

The Group engages third-party subcontractors to perform some parts of its projects. The Group may not have the skills to perform the work undertaken by its subcontractors and any inability to hire qualified subcontractors could hinder the successful completion of a project. Further, the Group's employees may not be able to monitor or control the performance of these subcontractors as efficiently as they could if that work was performed by the Group itself. The Group may suffer losses on contracts if the amounts it is required to pay for subcontractor services exceed its original estimates. While the Group seeks to mitigate the risks associated with subcontractors by imposing contractual obligations on its subcontractors that mirror those it has with its customers, obtaining insurance cover for the entire project and (in some cases) requesting bank guarantees to cover non-performance by subcontractors of the relevant parts of the projects, the subcontracting of work exposes the Group to risks associated with non- performance, delayed performance or sub-standard performance. If any such risk were to materialise, this could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

2.1.17 *The Company may not be able to successfully implement its strategies*

Maintaining and expanding the Company's operations and achieving its other objectives involve inherent costs and uncertainties and there is no assurance that the Company will achieve its objectives. There is no assurance that the Company will be able to undertake these activities within its expected time-frame, that the cost of any of the Company's objectives will be at expected levels or that the benefits of its objectives will be achieved within the expected timeframe or at all. The Company's strategies may also be affected by factors beyond its control, such as volatility in the world economy and in each of its markets, the capital expenditure and investment by its customers and the availability of acquisition opportunities in a market. Any failures, material delays or unexpected costs related to the implementation of the Company's strategies could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.1.18 *The Company's labour costs and related operating costs could increase as a result of a number of factors*

A number of factors could increase the Company's labour costs and potentially affect other costs of operations. The Company's incurrence of additional labour related costs could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.1.19 *Damage to the Company's reputation and business relationships may have an adverse effect beyond any monetary liability*

The Company's business depends on customer goodwill, the Company's reputation and on maintaining good relationships with its customers, joint venture partners, suppliers, employees and regulators. Any circumstances that publicly damage the Company's goodwill, injure the Group's reputation or damage the Group's business relationships may lead to a broader adverse effect on its business and prospects than solely the monetary liability arising directly from the damaging events by way of loss of business, goodwill, customers, joint venture partners and employees.

2.1.20 *The Company relies on information technology systems to conduct its business, and disruption, failure or security breaches of these systems could adversely affect its business and results of operations*

The Company relies heavily on information technology ("IT") systems in order to achieve its business objectives. The Company relies upon industry accepted security measures and technology such as access control systems to securely maintain confidential and proprietary information maintained on its IT systems, and market standard virus control systems. However, as a high-tech company, the Company is constantly exposed to external threats associated with data security and is under constant pressure from different external players. There is a risk of virus attacks, attempts at hacking, social manipulation and phishing scams, as well as theft of intellectual property or sensitive information belonging to the Company or its business partners. Further, the Company's portfolio of hardware and software products, solutions and services and its enterprise IT systems may be vulnerable to damage or disruption caused by circumstances beyond its control, such as catastrophic events, power outages, natural disasters, computer system or network failures, cyber-attacks or other malicious software programmes.

The failure or disruption of the Company's IT systems to perform as anticipated for any reason could disrupt the Company's business and result in decreased performance, significant remediation costs, transaction errors, loss of data, processing inefficiencies, downtime, litigation, and the loss of suppliers or customers. A significant disruption or failure could have a material adverse effect on the Company's business operations, financial performance and financial condition.

2.1.21 *Risks relating to the Company's intellectual property strategy*

The Company has historically relied primarily on a combination of copyright laws, trademark laws, trade secrets, and general secrecy based on strict confidentiality procedures and comprehensive contractual provisions to protect its intellectual property rights ("IPR"). As patenting effectively would provide current and future competitors with otherwise unobtainable knowledge, and patent protection to some extent may be circumvented by avoiding or amending one or more patent claims, patenting has not been used to a large extent. Even though the Company has experienced that this strategy has provided a better protection than a patent registration that would have provided competitors with full access to the technology and solutions, there is a risk that competitors may attempt to commercialise the Company's solutions due to the Company's choice of not registering exclusive rights to utilisation. This could have a material effect on the Company's business operations, financial performance and financial condition.

2.1.22 *Risks relating to compliance with the General Data Protection Regulation*

The Group is subject to data protection legislation (EU Directive 95/46/EC as implemented under Norwegian law) and is subject to the General Data Protection Regulation ("GDPR"). The Company has updated its routines for internal control, and is in the process of implementing and documenting new and updated routines in accordance with the GDPR. This process is expected to be completed within the 12 months grace period the Norwegian Data Protection Authority has indicated following the implementation of GDPR in Norwegian Law on 20 July 2018. However, until the documentation and implementation process is completed, there is a risk that the Company fails to comply with the GDPR and may be exposed for sanctions, such as bans on processing and fines. This could have a material adverse effect on the Company's business operations, financial performance and financial condition.

2.1.23 The Group may not be able to keep pace with a significant step change in technological development

The Company operates in markets that are highly susceptible to technological developments. Such technological developments have resulted in, and will likely continue to result in, substantial improvements in equipment functions and performance throughout the industry. As a result, the Company's future success and profitability will be dependent in part upon its ability to

- improve existing services and solutions;
- address the increasingly sophisticated needs of its customers; and
- anticipate major changes in technology and industry standards and respond to technological developments on a timely basis.

If the Company is not successful in acquiring new equipment or upgrading its existing systems and solutions, or the technical skill set of its employees, on a timely and cost-effective basis in response to technological developments or changes in industry standards, this could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.1.24 The Company's operations may be affected by adverse weather and other natural conditions

Inclement weather conditions may impact the Company's operational performance. Extreme weather conditions may lead to more challenging operating conditions for systems and equipment delivered by the Company, and hence lead to increased probability of failure to perform with resulting potential liabilities. Accordingly, adverse weather and other natural conditions may have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.1.25 The Group's transfer pricing documentation and policies may be challenged

The Group has activity in several countries and its activities are subject to different tax jurisdictions. As such, there is a risk that tax authorities may challenge the Group's transfer pricing documentation and policies regarding intercompany transactions between companies in the Group. Changes in rules related to transfer pricing documentation and policies in any of the jurisdictions in which the Group operates, or adverse outcomes from tax audits that the Group may be subject to in any of the jurisdictions in which it operates could have an adverse effect.

2.2 Financial risks

2.2.1 In order to execute the Company's growth strategy, the Company may require additional capital in the future, which may not be available

To the extent the Company does not generate sufficient cash from operations, the Company may need to raise additional funds through debt or additional equity financings to execute the Company's growth strategy and to fund capital expenditures. Adequate sources of capital funding may not be available when needed or may not be available on favourable terms. The Company's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms. If the Company raises additional funds by issuing additional shares or other equity or equity-linked securities, it may result in a dilution of the holdings of existing shareholders. If funding is insufficient at any time in the future, the Company may be unable to fund maintenance requirements and acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.2.2 The Company's existing or future debt arrangements could limit the Company's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or the Company's ability to declare dividends to its shareholders

The current indebtedness and future indebtedness that the Company may incur could affect the Company's future operations, as a portion of the Company's cash flow from operations will be dedicated to the payment of interest and principal on such debt and will not be available for other purposes. Covenants contained in the Company's debt agreements require the Company and its Subsidiaries to meet certain financial measures. These may affect the Company's flexibility in planning for, and reacting to, changes in its business and limit the Company's ability to dispose of assets or use the proceeds from such dispositions, withstand current or future economic or industry downturns or compete with others in the industry for strategic opportunities.

In addition, such financial measures do and could further place restrictions on the Company's ability to declare dividends to its shareholders. The Company's ability to meet its debt service obligations and to fund planned expenditures will be dependent upon the Company's future performance, which will be subject to general economic conditions, industry cycles and financial, business and other factors affecting the Company's operations, many of which are beyond the Company's control. The Company's future cash flows may be insufficient to meet all of its debt obligations and contractual commitments, and any such insufficiency could adversely affect the Company's business.

To the extent that the Company is unable to repay its indebtedness as it becomes due or at maturity, the Company may need to refinance its debt, raise new debt, sell assets or repay the debt with the proceeds from equity offerings. Additional indebtedness or equity financing may not be available to the Company in the future for the refinancing or repayment of existing indebtedness, and the Company may not be able to complete asset sales in a timely manner sufficient to make such repayments.

2.2.3 If the Company is unable to comply with restrictions and the financial covenants in agreements governing its indebtedness, there could be a default under the terms of these agreements, which could result in an acceleration of repayment of funds that have been borrowed

If the Company is unable to comply with restrictions and covenants in the agreements governing its indebtedness or in current or future debt financing agreements, there could be a default or cancellation under the terms of those agreements. The Company's ability to comply with such restrictions and covenants, including meeting financial ratios and measures, is dependent on its future performance. See Section 10.10 "Liquidity and capital resources" for further information on any restrictive covenants pertaining to the Company's existing debt arrangements. If a default occurs under these agreements, lenders could terminate their commitments to lend or accelerate the outstanding loans and declare all amounts borrowed due and payable. Borrowings under debt arrangements that contain cross-acceleration or cross-default provisions may also be accelerated and become due and payable. In addition, certain of the Company's financing agreements include change of control provisions which if triggered could result in the Company having to immediately prepay all amounts, including interest, accrued and owing under the relevant facility. If any of these events occur, the Company cannot guarantee that its assets will be sufficient to repay in full all of its outstanding indebtedness, and the Company may be unable to find alternative financing. Even if the Company could obtain alternative financing, that financing might not be on terms that are favourable or acceptable. The occurrence of such events may have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.2.4 Risks related to the Company's liquidity

The Company may not be able to meet its liabilities as they fall due. The Company's policy on overall liquidity is to ensure that there are sufficient cash and other liquid funds available which, when combined with committed credit facilities, are sufficient to meet short-term funding requirements. An insufficient liquidity position may have a material adverse effect on the operations and development of the Company, which in turn may have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.2.5 Credit risk

The Company routinely executes a large volume of transactions involving daily settlement of substantial amounts, many of which expose the Company to the risk of contractual default by a counterparty. The Company's profitability, cash flows and financial condition may have a materially adverse effect, should its counterparties fail to meet their contractual obligations. Further, a general downturn in financial markets and economic activity may result in a higher volume of late payments and outstanding receivables. Even though the Company seeks to recover all outstanding receivables, the amounts of write-offs may increase and have a materially adverse effect on the nosiness, results of operations, cash flows, financial condition and/or prospects of the Company.

2.2.6 Currency risk

The Company has a significant share of its revenues outside Norway and a large share of the cost-base in Norway, and its accounting and reporting currency is the Norwegian krone. Currency fluctuations could therefore have a material adverse effect on its business, results of operations, cash flows, financial condition and/or prospects. This may also give a disadvantage towards competitors operating in specifically U.S. Dollars and Euro. Currency fluctuations in general has increased significantly in recent years and can have a substantial impact on the Company's operating costs directly. Currency fluctuations during tendering processes until signing of contract may also affect profitability. Hedging of currency towards contracts is a normal part of the financial operation of the Company. Cancellation of contracts, third party or customers bankruptcies may impact the hedged positions and may accordingly also impact the profitability if such conditions are not claused in the contracts. Currency risk can also appear in relation to bidding processes where customers do not accept currency risk clauses in the contract nor accept to carry the currency risk their selves. Such risk can affect the profitability to the Company and in turn have a material adverse effect on its business, results of operations, cash flows, financial condition and/or prospects.

2.3 Risks related to the Listing and the Shares

2.3.1 The price of the Shares could fluctuate significantly

The trading volume and price of the Shares could fluctuate significantly and the market price of the Shares may decline such that the Shares trade at prices significantly below the Offer Price. Securities markets in general have been volatile in the past. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Company's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the strategy described in this Prospectus, as well as the evaluation of the related risks, changes in general economic conditions or the equities markets generally, changes in the industries in which the Company operates, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company and these fluctuations may materially affect the price of the Shares.

2.3.2 There is no existing market for the Shares, and an active trading market may not develop

Prior to the Listing, there was no public market for the Shares and there is no assurance that an active trading market for the Shares will develop or be sustained. The market value of the Shares may be substantially affected by the extent to which a secondary market develops for the Shares following the completion of this Offering. Investors may not be in a position to sell their Shares quickly or at market price if there is no active trading in the Shares.

2.3.3 Future sales, or the possibility for future sales of substantial numbers of Shares could affect the Shares' market price

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on the market price of the Shares. Sales of substantial amounts of the Shares in the public market following the Offering or the perception that such sales could occur, could adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate. Although the Company, its largest shareholders, directors and managers have agreed to be subject to restrictions, subject to certain exceptions, on their ability to sell or transfer their Shares for a period of 12 months after Listing, the Managers may, in their sole discretion and at any time, waive such restrictions on sales or transfer during this period. Additionally, following this period, all Shares owned by the largest shareholders, directors and managers will be eligible for sale or other transfer in the public market, subject to applicable securities laws restrictions.

2.3.4 Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares

The Company may in the future decide to offer additional Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

2.3.5 Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to U.S. or other shareholders

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders (the "**General Meeting**"), existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction.

The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares, and doing so in the future could be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

2.3.6 Investors could be unable to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote such Shares unless their ownership is re-registered in their names with the VPS prior to any General Meeting. There is no assurance that beneficial owners of the Shares will receive the notice of any General Meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote their Shares in the manner desired by such beneficial owners.

2.3.7 The Company's ability to pay dividends in accordance with its dividend policy or otherwise is dependent on the availability of distributable reserves and the Company may be unable or unwilling to pay any dividends in the future

Norwegian law provides that any declaration of dividends must be adopted by the shareholders at the General Meeting, or by the Board of Directors in accordance with an authorisation from the General Meeting. Dividends may only be declared to the extent that the Company has distributable equity and that the Company's equity and liquidity are sound in relation to the risk and scope of the Company's business. As the Company's ability to pay dividends is dependent on the availability of distributable reserves, it is, among other things, dependent upon receipt of dividends and other distributions of value from its subsidiaries and companies in which the Company may invest. As a general rule, the General Meeting may not declare higher dividends than the Board of Directors has proposed or approved. If, for any reason, the General Meeting does not declare dividends in accordance with the above, a shareholder will, as a general rule, have no claim in respect of such non-payment, and the Company will, as a general rule, have no obligation to pay any dividend in respect of the relevant period.

2.3.8 Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway

The Company is a public limited company organised under the laws of Norway. The majority of the members of the Board of Directors and Management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

2.3.9 Norwegian law could limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For example, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritised over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

2.3.10 The Company will incur increased costs as a result of being a publicly traded company.

As a publicly traded company with its Shares listed on the Oslo Børs, the Company will be required to comply with the Oslo Børs's reporting and disclosure requirements and with its corporate governance requirements. The Company will incur additional legal, accounting and other expenses to comply with these and other applicable rules and regulations, including potentially hiring additional personnel. The Company anticipates that its incremental general and administrative expenses as a publicly traded company will include, among other things, costs associated with annual and quarterly reports to shareholders, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation. Any such increased costs, individually or in the aggregate, could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

2.3.11 Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK

The Shares will be priced and traded in NOK on the Oslo Børs and any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through DNB Bank ASA, being the Company's VPS registrar (the "**VPS Registrar**"). Shareholders registered in the VPS who have not supplied their VPS account operator with details of their bank account, will not receive payment of dividends unless they register their bank account details of their VPS account, and thereafter inform the VPS Registrar about said account. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Further, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not NOK.

2.3.12 The transfer of shares is subject to restrictions under the securities laws of the United States and other jurisdictions

The Shares have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. See Section 17 "Selling and Transfer Restrictions". In addition, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Offering and the Listing of the Shares on the Oslo Børs described herein.

The Board of Directors of NORBIT ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

4 June 2019

The Board of Directors of NORBIT ASA

Finn Haugan *Chairperson*	**Bente Avnung Landsnes** *Deputy Chairperson*	**Tom Solberg** *Board Member*
Marit Collin *Board Member*		**Trond Tuvstein** *Board Member*

4 GENERAL INFORMATION

4.1 Other important investor information

The Company has furnished the information in this Prospectus. The Managers make no representation or warranty, whether express or implied, as to the accuracy, completeness or verification of the information in this Prospectus and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Managers, whether as to the past or the future. The Managers disclaim, to the fullest extent permitted by applicable law, any and all liability, whether arising in tort, contract or otherwise which they might otherwise have in respect of this Prospectus or any such statement.

The Managers are acting exclusively for the Company and no-one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

None of the Company, the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

Investing in the Offer Shares involves a high degree of risk. See Section 2 "Risk Factors".

In connection with the Offering, each of the Managers and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Managers or any of their respective affiliates acting in such capacity. None of the Managers intends to disclose the extent of any such investment or transactions other than in accordance with legal or regulatory obligation to do so. In addition, certain of the Managers or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Managers (or their affiliates) may from time to time acquire, hold or dispose of Shares.

4.2 Presentation of financial and other information

4.2.1 Financial information

In 2019 the Group converted its financial reporting to International Financial Reporting Standards as adopted by the European Union ("IFRS"), with a 1 January 2016 IFRS opening statement of financial position. As such the Company has prepared audited consolidated financial statements in accordance with IFRS as of and for the year ended 31 December 2018, and with audited comparative figures for the year 2017 (the "2018 Financial Statements"). The 2018 Financial Statements are included as Appendix C to this Prospectus.

The Group's audited consolidated financial statements as at, and for the year ended 31 December 2017, and with audited comparative figures for the year ended 31 December 2016 (the "2017 Financial Statements"), have been prepared in accordance with Norwegian Generally Accepted Accounting Principles ("NGAAP"). The 2017 Financial Statements are included as Appendix D to this Prospectus.

Interim condensed consolidated statements for the three months ended 31 March 2019 with comparable figures for the three months ended 31 March 2018 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("IAS 34") (the "Interim Financial Statements"). The Interim Financial Statements are included as Appendix B.

The 2018 Financial Statements and the 2017 Financial Statements (together; the "Financial Statements") have been audited by PricewaterhouseCoopers, as set forth in their auditor's reports included with the 2018 Financial Statements and 2017 Financial Statements. PricewaterhouseCoopers has also issued a limited review report for the Interim Financial Statements, which is included in Appendix B.

The Company presents its financial information in NOK (presentation currency).

4.2.2 *Industry and market data*

In this Prospectus, the Company has used industry and market data from independent industry publications and market research. These include MarketsandMarkets' "Sonar System Market" Report from 2019, ACEA Report, "Vehicles in Europe 2018 and "Consolidated Registrations - By Country reports" from ACEA's website.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by these third party providers, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently unpredictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Company cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Prospectus, any statements regarding the Company's competitive position are based on the Company's own assessment and knowledge of the market in which it operates.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk Factors" and elsewhere in this Prospectus.

4.2.3 *Other information*

In this Prospectus, all references to "NOK" and "Norwegian kroner" are to the lawful currency of Norway, all references to "USD", "$" and "U.S. dollars" are to the lawful currency of the United States of America, all references to "EUR", "€" and "euros" are to the lawful common currency of the EU member states who have adopted the Euro as their sole national currency. The Financial Statements are published in NOK.

4.2.4 *Rounding*

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.3 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear, among other areas, in the following sections in this Prospectus, Section 7 "Business of the Company", Section 8 "Industry and Market Overview", and Section 10 "Selected Financial Information and operating review", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Company, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Company's future business development and financial performance, and the industry in which the Company operates, such as, but not limited to, statements relating to:

- the Company's strategy, outlook and growth prospects;

- the Company's operational and financial objectives, including statements relating to expectations for the financial year 2019 and statements as to the Company's medium or long-term growth, margin, and dividend policy;
- the competitive nature of the business in which the Company operates and the competitive pressure and competitive environment in general;
- earnings, cash flow, dividends and other expected financial results and conditions;
- the expected growth and other developments of the industries which the Company operates;
- the Company's planned investments;
- forecasts; and
- the Company's liquidity, capital resources, capital expenditures, and access to funding.

Prospective investors in the Offer Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements.

The risks that could affect the Company's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "Risk Factors".

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Company's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "Risk Factors" for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates when considering an investment in the Company.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

4.4 Exchange rates

The following table sets out the actual annual average of monthly rates in the Norwegian kroner exchange rate against USD and EUR over the years ended 31 December 2018, 2017 and 2016, and up until the date of the Prospectus.

	2016	**2017**	**2018**	**Q1 2019**
EUR	9.35	9.35	9.62	9.73
USD	8.46	8.27	8.13	8.61

5 REASONS FOR THE OFFERING AND THE LISTING

The Company's intention with the Offering and Listing is to:

- diversify the shareholder base and enable other investors to take part in the Group's future growth and value creation;
- enable the current shareholders to realise parts of their holding and as a result allow for a liquid market for the Shares going forward;
- enhance the Group's profile with investors, business partners and customers;
- further enhance the ability of the Group to attract and retain key management and employees; and
- facilitate the use of Shares as currency in M&A transactions and provide access to capital markets.

The gross proceeds from the sale of the New Shares in the Offering are expected to amount to approximately NOK 250 million and net proceeds of approximately NOK 230 million, based on estimated total transaction costs of approximately NOK 20 million related to the New Shares and all other directly attributable costs in connection with the Listing and the Offering to be paid by the Company.

The Company will primarily use the proceeds of the Offering for (i) investments into R&D and manufacturing capacity, (ii) repayment of debt, (iii) M&A opportunities and (iv) general corporate purposes.

Regarding repayment of debt, the Company has one long-term debt facility with a DNB that it intends to use part of the net proceeds from the Offering to pay down its approximately NOK 100 million outstanding balance. The Company will not terminate the debt facility following the repayment of the outstanding amount and will thus have an undrawn debt facility of NOK 150m.

6 DIVIDENDS AND DIVIDEND POLICY

6.1 Dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in the Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (Norwegian Public Limited Companies Act) (see Section 6.2 "Legal constraints on the distribution of dividends"), the Company's capital requirements, including capital expenditure requirements, the Company's financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The Board of Directors adopted 16 May 2019 the following dividend policy for the Company: "NORBIT ASA's dividend policy is to pay out annual dividends between 30 and 50 per cent of the company's ordinary net profit after tax. When deciding on the annual dividend, the company will take into account the company's financial position, investment plans as well as the needed financial flexibility to provide for sustainable growth."

The proposal to pay a dividend in any year is, in addition to the legal restrictions as set out in Section 6.2 "Legal constraints on the distribution of dividends", further subject to any restrictions under the Company's borrowing arrangements or other contractual arrangements in place at the time.

There can be no assurance that a dividend will be proposed or declared in any given year. If a dividend is proposed or declared, there can be no assurance that the dividend amount or yield will be as contemplated above.

In 2018 the Company paid dividends in amounts of NOK 38.979 per share to its shareholders, in aggregate NOK 16.0 million, equivalent to approximately NOK 0.368 per share taking into account the share split resolved by the Company's extraordiary General Meeting on 3 May 2019. No dividends were distributed to the shareholders of the Company in 2017. In 2016 the Company paid dividends in amounts of NOK 10.472 per share to its shareholders, in aggregate NOK 3.8 million, equivalent to approximately NOK 0.087 per share taking into account the share split resolved by the Company's extraordiary General Meeting on 3 May 2019.

6.2 Legal constraints on the distribution of dividends

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution cover (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealised gains. The amount of any receivable held by the Company which is secured by a pledge over Shares in the Company, as well as the aggregate amount of credit and security which, pursuant to Sections 8-7 to 8-10 of the Norwegian Public Limited Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.

  The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividends shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 15 "Taxation".

6.3 Manner of dividend payments

Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through the VPS Registrar. Shareholders registered in the VPS who have not supplied their VPS account operator with details of their bank account, will not receive payment of dividends unless they register their bank account details on their VPS account, and thereafter inform the VPS Registrar about said account. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

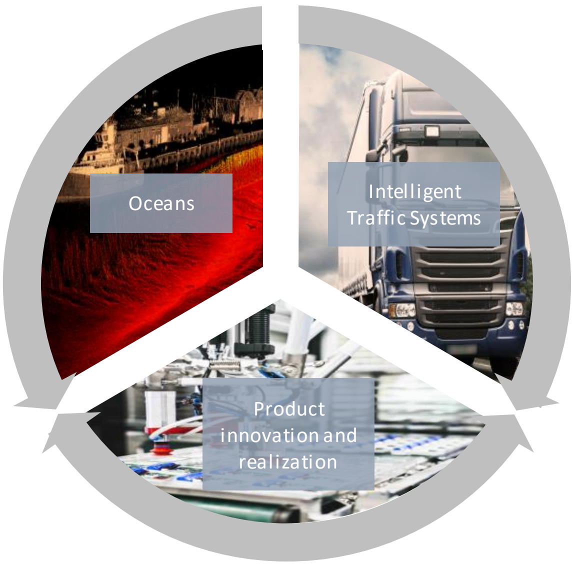
7 BUSINESS OF THE COMPANY

7.1 Introduction

NORBIT is an international, knowledge-based group that supplies tailored technology solutions in selected niche markets. The Company is headquartered in Trondheim, Norway, with in-house integrated manufacturing facilities located in Selbu, Røros and Trondheim. NORBIT has sales support offices located in Europe, North-America, South-America and Asia. The Company's R&D resources are mainly located in Trondheim, Norway, and in Hungary.

NORBIT is structured in three main business units: Oceans, Intelligent Traffic Systems (ITS) and Product Innovation and Realization (PIR).

Figure 7.1 – NORBIT's three business units



- **Oceans:** Oceans encompasses all NORBIT's knowledge and competence targeting the global maritime markets with proprietary technology and solutions. The Company offers ultra-compact sonars for a range of special applications including seabed mapping and hydrography. The Company has further developed proprietary solutions and software for maritime and environmental monitoring. The Company is continuously working on expanding its offering in selected niches of the Oceans business unit.

- **Intelligent Traffic Systems ("ITS"):** The ITS business unit has been a leading provider of products and solutions to international system integrators for more than 10 years. NORBIT has evolved into an independent supplier of tailored connectivity solutions based on short-range communication technology to intelligent traffic systems. ITS has seen a step-up in both revenue and profitability driven by long-term contracts with international blue-chip clients.

- **Product Innovation and Realization ("PIR"):** PIR is formed by in-house multidisciplinary R&D engineering capabilities and integrated world class manufacturing. In addition to act as an enabler for Oceans and ITS, PIR offers R&D and contract manufacturing services to long-term key clients. PIR has nearly 25 years of history in realizing innovative products, systems and solutions for industrial customers. PIR´s integrated world-class manufacturing is based on three factories with history dating back to the 1980s.

7.2 Overview of the Company's operations

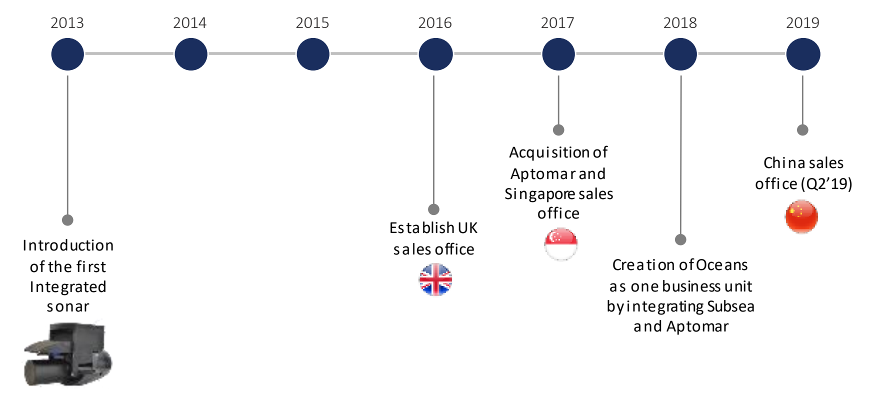
7.2.1 Overall introduction to activities

The following section will provide an in-depth description of each of NORBIT's three business units.

7.2.2 Oceans

Oceans is the business unit in NORBIT developing and manufacturing proprietary technology and solutions targeting global maritime markets. The Company's core offering is based on sonar technology. The NORBIT sonar solutions are targeting carefully selected niches in the global sonar market. Oceans' history dates to the introduction of NORBIT's first integrated sonar in 2013. The business unit has predominantly grown organically, but has also strengthened their market position through inorganic activities. Graph 7.2.2(a) below outlines the key milestones for the Oceans business unit.

Figure 7.2.2(a) – Key milestones for Oceans



The Oceans business unit was established in 2018 by combining the complementary competence and offering of NORBIT's subsea segment and Aptomar's monitoring solutions, the latter which was acquired in 2017. NORBIT is in the process of establishing a sales office in Shanghai, China, to serve the Asian market together with its Singapore office. The Company has hired one employee to this office which is expected to open during Q2-19 once all legal paper work has been finalized.

Oceans' core offering is centred around proprietary sonar and monitoring solutions developed based on identified niches in the market. The sonar offering is based on portable and compact sonars and laser solutions for surface, subsea and objects imaging and mapping. Figure 7.2.2(b) and 7.2.2(c) below illustrates the key application areas for Oceans' sonar solutions.

Figure 7.2.2(b) – Surface deployment

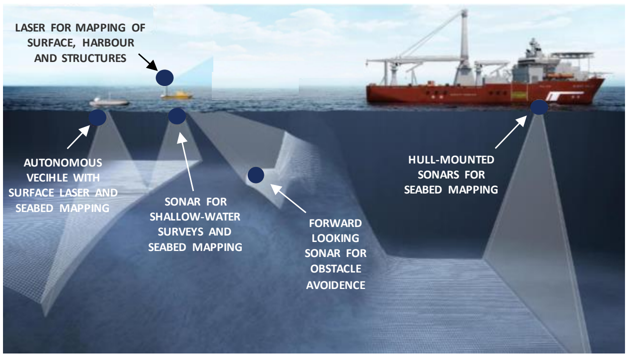
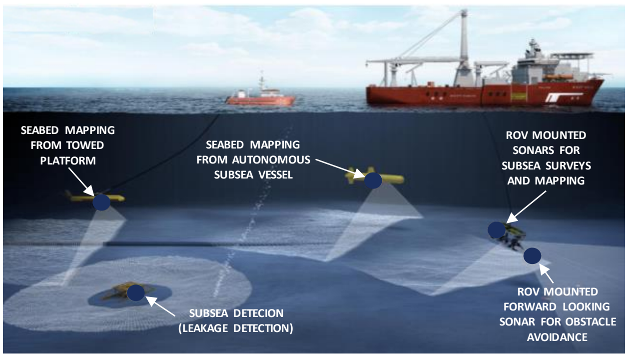


Figure 7.2.2(c) – Subsea deployment

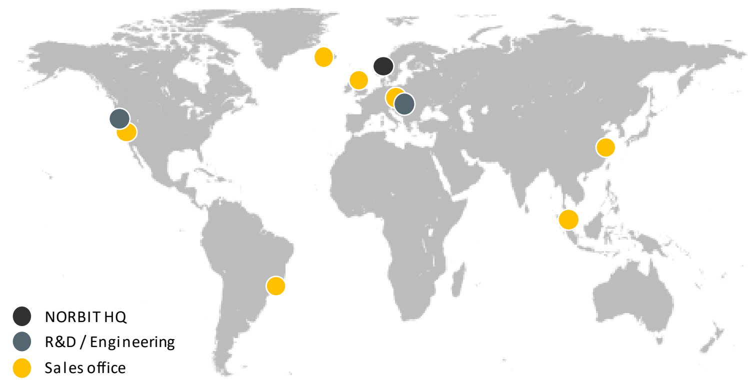


Oceans operates with a proven indirect sales and distribution strategy utilizing local partners in a global distribution network. This strategy enables sales to be driven by partners with strong local presence and key expertise that are supported by Ocean's regional sales offices globally. The sales strategy involves dividing the partners into one of three tiers based on their expertise and commitment to NORBIT and its products.

- **Tier 1:** Oceans' products and solutions constitute most of the Tier 1 partners' revenues resulting in a high commitment to the sales of NORBIT's products. Furthermore, their commitment to NORBIT is reinforced as they are required to invest in their own products and solutions for demonstration and resale. Tier 1 partners are equipped with high knowledge regarding Oceans' products that enable them to conduct demonstrations of all products and solutions unassisted by NORBIT employees.
- **Tier 2:** Oceans' products and solutions constitute a large share of the Tier 2 partners' revenues. Like the Tier 1 partners, the Tier 2 partners' in-depth technical knowledge enables them to have unassisted demonstration of all products and solutions offered by NORBIT Oceans. Unlike the Tier 1 partners, they are not required to invest in the products and solutions for demonstration or which they resell, resulting in lower commitment to NORBIT than for Tier 1 distributors.
- **Tier 3:** Oceans' products and solutions constitute an important part of Tier 3 partners' revenues. They predominantly offer new clients an introduction to Oceans' products and solutions and thereby serve as a sales pipeline for the Tier 1 or 2 partners in their region.

Figure 7.2.2(d) below shows Oceans' global presence.

Figure 7.2.2(d) – Sales presence



Oceans serves a highly diversified customer base worldwide through its global indirect distribution with its largest customer in 2018 accounting for only ~3% of Oceans' sales. The sale of sonar solutions is aimed at a wide range of different clients, including:

- **Public clients within hydrography** such as e.g. US Army Corp of Engineers and UK Hydrographic Office
- **Private dredging companies** such as e.g. Boskalis, Jan De Nul Group and DEME
- **Survey companies** such as e.g. Horizon Geosciences and Fugro
- **Research and education institutions** such as e.g. Scripps and National Oceanography Centre
- **Defence** such as e.g. SAAB and Atlas Elektronik
- **Other companies** such as e.g. small maritime rental companies and contractors

Sale of sonar solutions has been the main growth driver facilitated by its global, indirect sales strategy. Sonar sales are mainly carried out with the client placing an order based on an offer proposed by NORBIT, which is supported by NORBIT's standard terms regulating NORBIT's responsibility. The size of an order varies and depends on the type of sonar and configuration in addition to the number of sonars ordered. Occasionally sales for NORBIT Oceans might be subject to public tenders. Oceans delivered revenues of NOK 190 million in 2018 up from NOK 102 million in 2017. Over the same period, Oceans' EBITDA has grown from NOK 30 million in 2017 to NOK 54 million in 2018. In Q1 2019, the segment delivered revenues of NOK 59 million and an EBITDA of NOK 17 million, compared to revenues of NOK 30 million and EBITDA of NOK 2 million in Q1 2018. The year-on-year growth in Q1-19 was a result of continued sales of its sonar solutions. See Figures 7.2.2(e) and 7.2.2(f) below for the development in Oceans revenue and EBITDA.

Figure 7.2.2(e) – Oceans revenue

Figure: Oceans Revenue

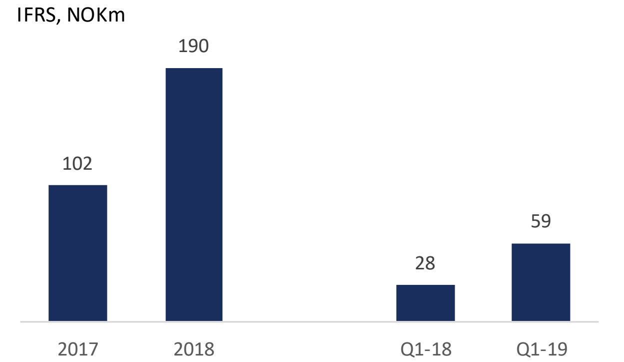
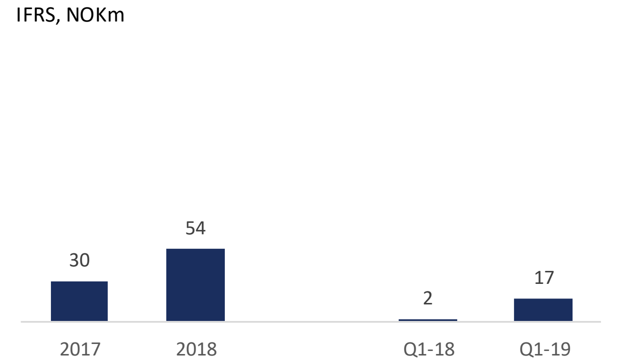


Figure 7.2.2(f) – Oceans EBITDA

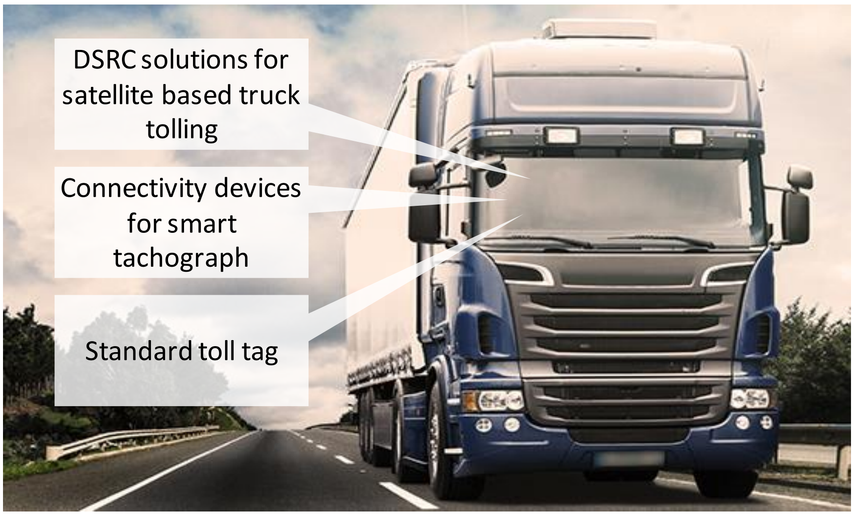
Figure: Oceans EBITDA



7.2.3 Intelligent Traffic Systems (ITS)

NORBIT ITS is a provider of tailored solutions, based on dedicated short-range communication (DSRC) to niche markets within international intelligent traffic systems (ITS). As shown in Figure 7.2.3(a), NORBIT offers connectivity devices for satellite-based truck tolling, i.e. tailored DSRC integrated with GPS and GSM antennas, and DSRC based connectivity devices for smart tachographs. NORBIT has supplied DSRC products based on the CEN (European Committee for Standardization) standard to professional customers for over 10 years. The range of products covers all relevant uses of CEN DSRC, both in the vehicle, at the roadside and at service desks. Further, the sale of these products is mainly driven by business to business related contract negotiations.

Figure 7.2.3(a) – Specialised supplier to the international ITS market



Source: Information provided by the company

NORBIT has developed own DSRC devices based on its own in-house R&D and intellectual property rights.

NORBIT's DSRC techonology enables devices to communicate and transfer information within short ranges. Due to EU regulation and high focus on transition to distance-based truck tolling[1], a new market for DSRC technology combined with GNSS technology has emerged; see Section 8.3.3 for further details. NORBIT delivers DSRC modules used for enforcement of GNSS tolling OBUs. Examples of clients in this market are Siemens, Continental and Toll Collect.

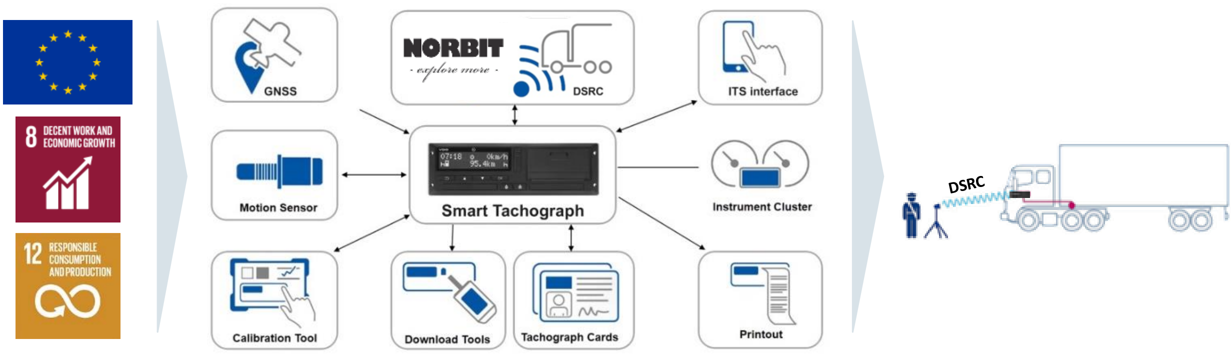
[1] Road charges in the EU: a fairer and environmentally friendlier system, News European Parliament, http://www.europarl.europa.eu/news/en/headlines/society/20181018STO16586/road-charges-in-the-eu-a-fairer-and-greener-system, freely available accessed on 05.05.2019

Figure 7.2.3(b) – EU regulation and focus on distance-based tolling creates a new market with huge potential

Source: Information provided by company

NORBIT offers DSRC devices specifically tailored for integration with new generation of smart tachographs. By being able to provide highly advanced and customized DSRC solutions, NORBIT has entered into a new niche market as a component supplier to large international smart tachographs vendors. The tachograph is a device that registers the truck drivers driving and resting hours. NORBIT's DSRC device enables wireless remote enforcement of driving and resting hours by use of DSRC based communication with smart tachographs from the road side or from vehicle mounted mobile DSRC readers. Examples of clients in this market are Continental and Intellic.

Figure 7.2.3(c) – DSRC device as connectivity component in all smart tachographs



Source: Information provided by company; Continental AG

In addition to the mentioned customised DSRC solutions, NORBIT also offers standard DSRC based toll tags and roadside units. The toll tags have primarily been delivered in the Nordic region where NORBIT has frame agreements with clients such as Statens Vegvesen (AutoPASS) and Öresundsbroen Konsortiet. NORBIT's clients for the standard electronic toll tags are primarily toll operators, both public and private entities. Sales of standard toll tags are done mainly through public tenders and occasionally through business to business related contract negotiations. Roadside units on the other hand are usually sold based on trade sales with standard terms to system integrators, such as e.g. Tecsidel and Aselsan.

The majority of sales in ITS is covered through long-term contracts or frame agreements with larger companies, such as Siemens, TollCollect and Continental. The contract length varies, some of these contracts have duration of up to 5 to 7 years. In addition, ITS has some frame agreements for DSRC based toll tags, which has been entered into on the back of a public tender process. The revenues from standard DSRC based toll tags was approximately 6% of ITS' total revenues in Q1-19.

ITS delivered revenues of NOK 40 million in 2018 down from NOK 43 million in 2017, corresponding to a growth rate of –7.9%. EBITDA was NOK 10 million and NOK -2 million in 2018 and 2017, respectively. In Q1-19, the segment delivered revenues of NOK 36 million and an EBITDA of NOK 17 million, compared to revenues of NOK 11 million and EBITDA of NOK -1 million in Q1-18. The strong year-on-year growth in Q1-19 was a result of NORBIT ramping up deliveries on its new long-term agreements delivering components for smart tachographs and DSRC solutions for satellite-based tolling. See Figure 7.2.3(e) and 7.2.3(f) for an overview of historical revenue and EBITDA for the ITS segment.

Figure 7.2.3(e) – ITS revenue

Figure: ITS Revenue

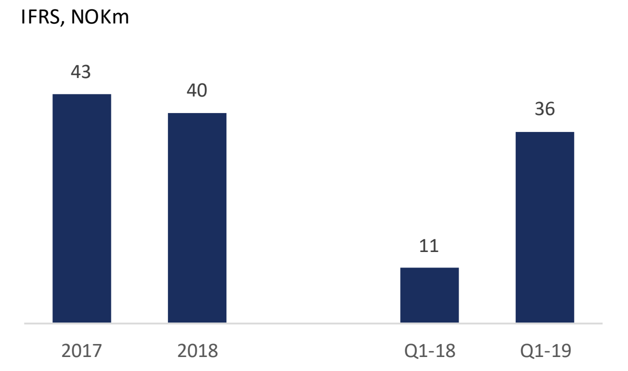
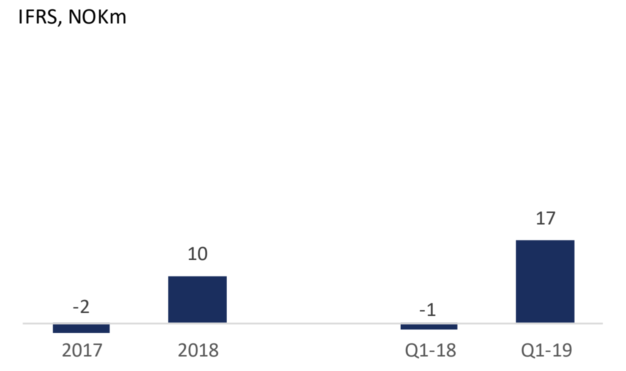


Figure 7.2.3(f) – ITS EBITDA

Figure: ITS EBITDA



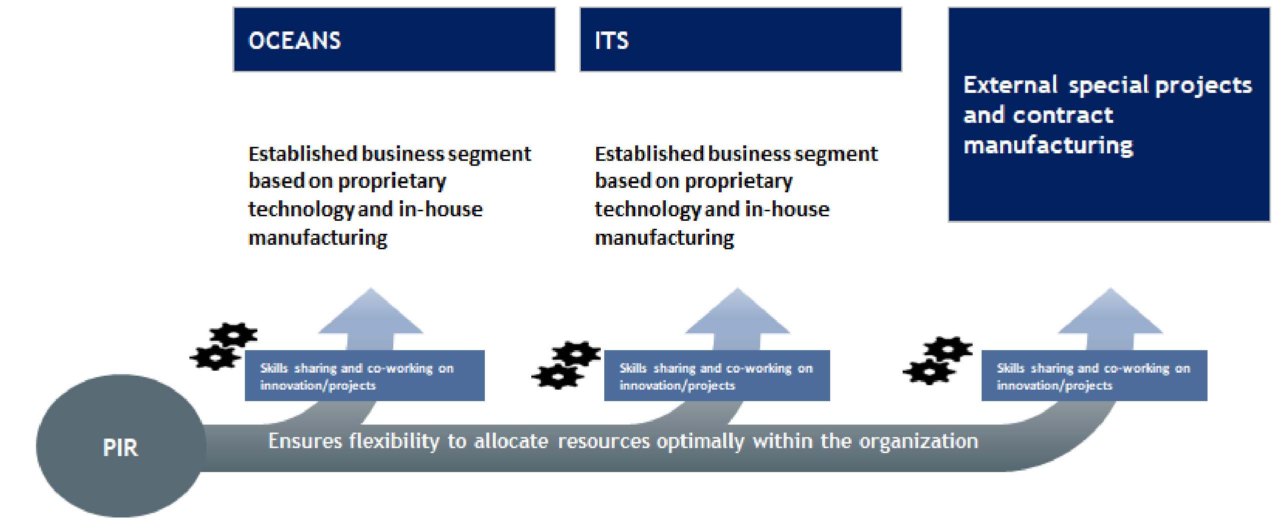
7.2.4 Product Innovation and Realization (PIR)

The Product Innovation and Realization (PIR) business unit comprises NORBIT's R&D Services, Original Design Manufacturing (ODM) and its Electronic Manufacturing Services (EMS). The PIR business unit is characterized by its multidisciplinary R&D competence and manufacturing capabilities enabling product innovation in a highly industrialized manner. PIR brings execution power and scalability for both Oceans and ITS. This is illustrated in Figure 7.2.4 (a) below. Both the Oceans and ITS segments have been spun out as separate business units from the current PIR unit.

NORBIT PIR offers R&D and contract manufacturing services to long-term key clients covering a wide range of different sub segments.

PIR offers R&D services in special projects with selected key clients. The external special projects that are executed through PIR benefits the Company's efforts to refine engineering skills and know-how, while accumulating domain knowledge from a wide range of different markets. Some of the external projects result in tailored products based on NORBIT Intellectual Property which are sold to the end market through NORBIT PIR´s clients. The products are usually client or dual branded. The external projects create profits that directly funds further R&D activity within PIR.

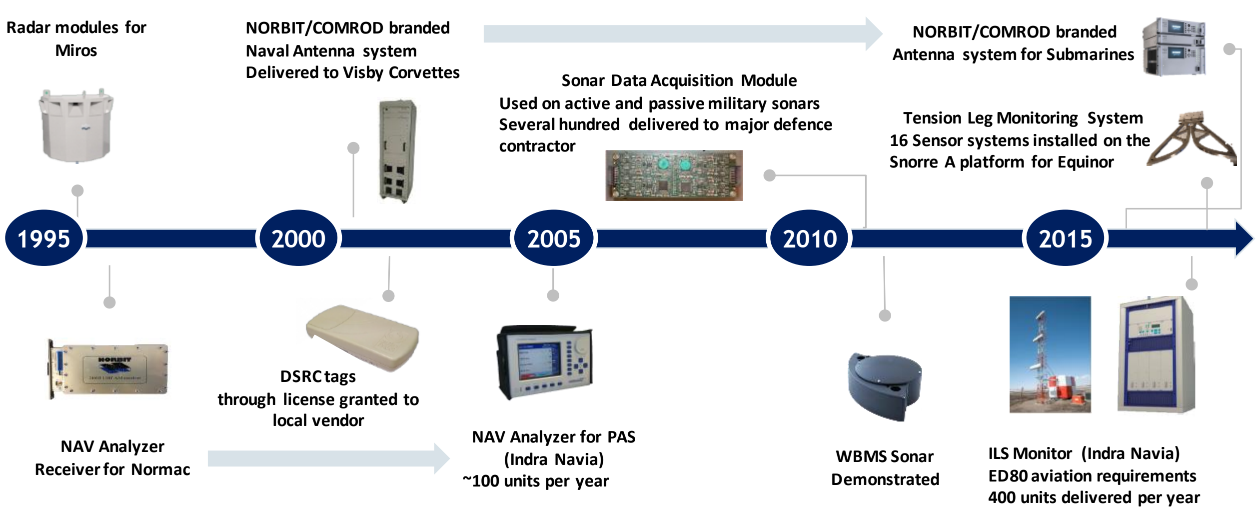
Figure 7.2.4(a) – Resource allocation in PIR



Source: Information provided by company

NORBIT has nearly 25 years of experience in realizing innovative technology, products and solutions for industrial customers. Please see figure 7.2.4(b) below for an overview of some of the products realized through NORBIT PIR's sub-segment ODM.

Figure 7.2.4(b) – Key product developments from NORBIT ODM



Source: Information provided by company; Continental AG

NORBIT has in-house manufacturing that manufactures various electronic components for third party clients in addition to proprietary products for the Oceans and ITS segments. All manufacturing occurs at NORBIT's three production facilities:

- **Røros**: The Røros facility is a highly robotized, automated high-volume factory. The high-volume manufacturing at Røros are one of very few automotive certified electronic manufacturing plants in the Nordic region.
- **Selbu:** Manufacturing at the Selbu factory is predominantly aimed at serving NORBIT's industrial clients with high-complexity Printed Circuit Board Assembly (PCBA) and big box products.

- **Trondheim:** In addition to electromechanical assembly, the Trondheim factory offers cable and wire harness. The factory is specialised in proprietary processes related to subsea cables.

Approximately 50% of the volumes delivered from NORBIT factories relate to manufacturing of products for Oceans and ITS.

Examples of customers in the PIR segment are:

- NORBIT's R&D Services and Original Design Manufacturing (ODM): Miros, Indra Navia, Comrod, Equinor.
- Electronic Manufacturing Services (EMS): TE Connectivity, Kongsberg Automotive, Preh, The Switch, Cinderella.

The majority of sales in PIR are done through long-term frame agreements with industrial players, such as the above-mentioned clients.

PIR delivered revenues of NOK 221 million in 2018 down from NOK 229 million in 2017. The business unit delivered EBITDA of NOK 20 million in both 2018 and 2017. In Q1 2019 the business unit delivered revenues of NOK 68 million and an EBITDA of NOK 8 million, compared to revenues of NOK 61 million and EBITDA of NOK 7 million in Q1 2018. See Figures 7.2.4(c) and 7.2.4(d) below for PIR's revenue and EBITDA development.

Figure 7.2.4(c) – PIR revenue

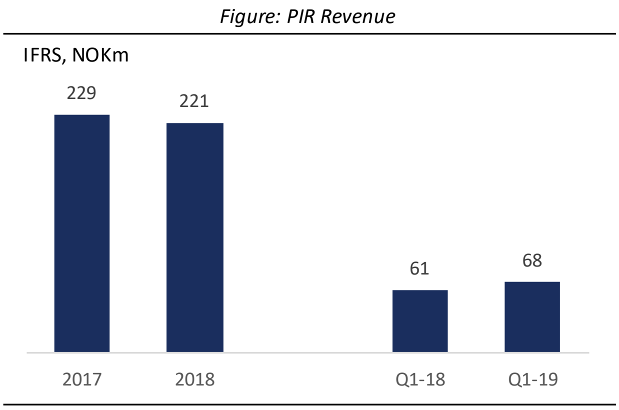
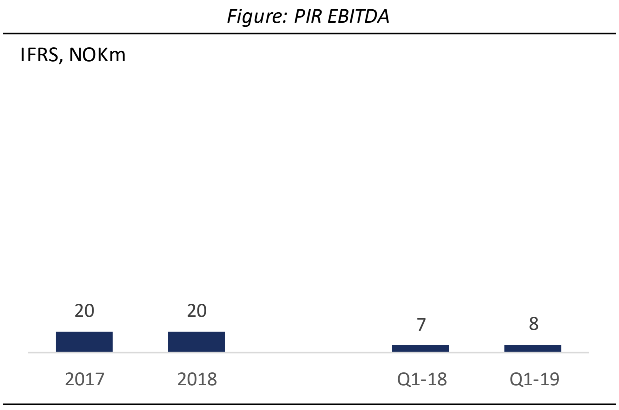


Figure 7.2.4(d) – PIR EBITDA



7.3 History and important events

The table below provides an overview of key events in the history of the Company:

Year	Event
1995	The Company was established
1999	NORBIT ETC AS established – a company with Electronic toll collection competence
2007	NORBIT Sourcing AS established
2009	Corporate structure established with the business units ITS, Subsea and ODM
2009	NORBIT acquired (jointly with local employees) the Røros factory (formerly Kitron Microelectronics AS)
2011	NORBIT acquired 33.34% in Kvikna Ehf in Iceland
2012	Initiated international expansion
2012	NORBIT US established
2012	Acquired the Selbu factory (formerly ASTI Trøndelag Industrielektronikk AS)
2013	NORBIT Poland established
2015	NORBIT Hungary established
2015	NORBIT GmbH established in Austria
2016	New group management established
2016	NORBIT Italy established
2016	The Selbu and Røros factories were merged and named NORBIT EMS AS
2017	Expansion in the APAC region with the establishment of the Singapore office
2017	NORBIT Sweden established

Year	Event
2017	Acquired Kabelpartner integrated in NORBIT as NORBIT Kabelpartner AS
2017	Acquired Aptomar
2017	NORBIT UK established
2017	Business unit Oceans established based on NORBIT Subsea AS and NORBIT Aptomar AS
2018	Kvikna Consulting Ehf established with NORBIT as 33% shareholder
2019	Acquired Ablepay
2019	Business unit Product Innovation and Realisation (PIR) established based on NORBIT ODM AS, NORBIT EMS AS and NORBIT Kabelpartner AS

7.4 Key strengths

Market driven organisation with deep domain knowledge:

Core to NORBIT, as an international supplier of tailored technology solutions to selected niche markets, is an integrated deep domain knowledge based on the markets in which the Company operates. The innovation of both new solutions and entry to new markets for existing solutions are based on NORBIT's ability to identify untapped niches in the market.

Strong product portfolio:

NORBIT has accumulated a portfolio of proprietary IPR over the years resulting from its R&D activities and manufacturing of new products, both for NORBIT's own core segments and when the Company develops innovative solutions for external clients.

Proven ability to commercialize on innovative IPR and products/solutions:

NORBIT has throughout its history demonstrated a key ability to develop and commercialize new innovative products and solutions. This ability is enabled by strong in-house multidisciplinary R&D competence and unique domain knowledge that is accumulated in NORBIT's PIR segment. This ability is further enhanced by NORBIT's manufacturing capabilities.

Cross utilization of competence across segments gives NORBIT flexibility in its R&D to innovate both related to new products and new manufacturing processes.

Strong company culture with clear values:

NORBIT's corporate culture is inspired by great explorers and serves as the fundament for the Company's culture. NORBIT has defined "Explore more" as the company´s core purpose. NORBIT's vision is "NORBIT is to be recognized as world class, enabling people to explore more". This vision is further supported by three core values (i) We deliver, (ii) Safe under pressure and (iii) Refinement of talents.

7.5 Strategy

This section will cover NORBIT's strategies for maintaining growth in its three business segments separately due to the nature of the segment's operations.

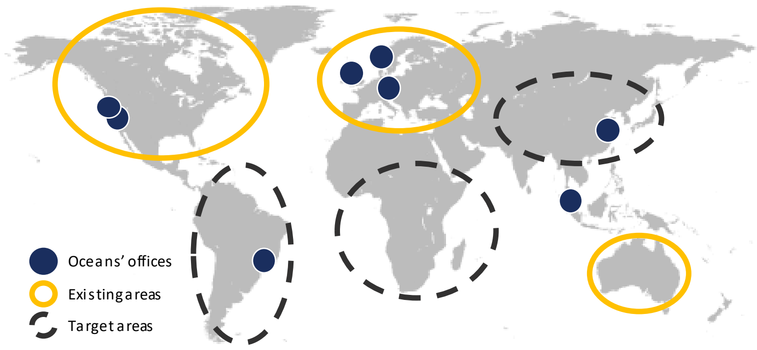
7.5.1 Oceans

NORBIT's growth strategy for its Oceans segment is to (i) grow its product offering and (ii) grow its distribution network globally.

(i) Expand product offering by enabling clients to explore more in new market niches utilizing NORBIT's sonar solutions.

(ii) Further strengthen NORBIT's global indirect distribution network. This will be done by expanding the number of Tier 1 partners in its existing areas to strengthen its market presence and by targeting new selected regions. Figure 7.5.1 below displays the Company's existing presence alongside its key target regions going forward.

Figure 7.5.1 – Grow distribution network globally



7.5.2 Intelligent traffic systems (ITS)

NORBIT's growth strategy for the ITS segment is based on identifying new product opportunities by utilizing its IPR and experience to secure new long-term contracts. This can be divided into two key priorities.

(i) Develop and maintain NORBIT's position as a supplier of DSRC solutions to satellite-based tolling OBU vendors. NORBIT is well-positioned in this segment due to its experience and ability to deliver tailored DSRC solutions.

(ii) NORBIT is to utilize its experience and competence to develop new applications of the short-range communications technology and to broaden the customer base. The development of DSRC modules for smart tachographs is a recent example of this.

7.5.3 Product Innovation and Realization (PIR)

NORBIT's primary goal for PIR is to remain an enabler for further growth. This strategy can be further divided into the two points below.

(i) Key strategy for the PIR segment is enabling increasing innovation capabilities. As part of this, special R&D projects for external clients are regarded as strategically important to ensure long-term leading-edge technology development competence within the Group.

(iii) NORBIT also aims to further increase capacity and efficiency at its existing manufacturing plants to support the continued growth of its own in-house segments, in addition to keep growing with its key long-term contract manufacturing clients going forward.

7.6 Research and development

Investments into research and development has been an important part of NORBIT's strategy to develop new and innovative technological solutions and is expected to remain an important part of the Company's strategy going forward. NORBIT has spent 5-9% of sales on investments into R&D between 2016 and 2018, as can be seen in Figure 7.6.1 below. The Company has ongoing R&D activities within its two core segments Oceans and ITS for sonar technology and DSRC, respectively. These R&D activities have the aim of expanding the Company's offering within these segments by identifying new market niches for its technology. For instance, the Company has identified a new niche for its sonar technology relating to dredging. Going forward, NORBIT has an ambition of investing around 5% of revenues each year into R&D. The Company do not expect a decline in the nominal value spent on R&D, but the per cent part of revenues will decline towards the 5% goal going forward due to revenue growth.

Figure 7.6.1 – Investments into research and development

Figures in NOK million	**Q1 2019 IFRS (unaudited)**	**2018 IFRS (audited)**	**2017 IFRS (audited)**	**2016 NGAAP (audited)**
Revenue (incl. other gain and losses)	168,6	438,4	352,2	310,2
Investments into R&D	20,8	38,2	32,2	14,5
Investments into R&D as % of revenue	12 %	9 %	9 %	5 %

7.7 Intellectual property

7.7.1 IPR Strategy

NORBIT has historically relied primarily on a combination of copyright laws, trademark laws, trade secrets, and general secrecy based on strict confidentiality procedures and comprehensive contractual provisions to protect its intellectual property rights (IPR).

To a large extent, copyright laws and strict secrecy has been preferred over patenting for protection of IPR due to the unique complexity and nature of its IPR, and the technological advantages created by NORBIT's extensive experience, knowledge and R&D activities. Strict secrecy, combined with custom made and/or exclusive components, has effectively made reversed engineering and copying very difficult and time-consuming for any entity attempting to copy NORBIT's technology, thus providing effective protection of NORBIT's IPR.

As patenting effectively would provide current and future competitors with otherwise unobtainable knowledge, and patent protection to some extent may be circumvented by avoiding or amending one or more patent claims, patenting has not been used to a large extent. However, NORBIT has acquired several patents through take-overs, and also have several new patents pending.

NORBIT has through many years accumulated substantial IPR of various nature, including:

- Trademarks;
- Patents;
- domain names; and
- trade secrets and know-how,

Trade secrets and know-how will typically consist of one or more of the following elements:

- Requirement specifications;
- Design specification;
- Design documentation;
- Block diagram;
- Schematic drawings;
- PCB Artworks;
- Cable and wire harness documentation;
- Design and Development process descriptions;
- Test specifications;
- Test data and Test reports;
- Mechanical drawings;
- Product specifications;
- Part reference files;
- Assembly instructions;
- Manufacturing process documentation;
- User documentation;
- Source code;
- FPGA Images; or
- Algorithms.

NORBIT's IPR is critical for the business, both through the technological and competitive advantages that are results of NORBIT's R&D, and the brand protection and acknowledgement achieved in NORBIT's various markets.

NORBIT will attempt to obtain registration of its trademarks wherever practicable, in order to be able to pursue any infringement of its trademarks and will consider a wider scope of jurisdictions as the Asian and South American markets increase in volume and value.

NORBIT has also acquired several trademarks through company take-overs, has several patents pending, and will consider increasing its patenting process, where patents will provide necessary protection.

7.7.2 Patents

NORBIT has acquired several patents through take-overs, and also have several new patents pending.

The table below provides an overview of the Company's filed and granted patents.

Patent NO	PCT/EP/US	Description	Entity	Status	Priority date	Expiry date
20170411		Patch antenna feed	NORBIT ITS	Patent pending	2017-03-15	
20170194	WO2018146085A1	Patch Antenna	NORBIT ITS	Patent pending	2017-02-08	
20170109		Transponder Stabilization	NORBIT ITS	Patent pending	2017-01-25	
20170110	WO2018138111A1	Wideband Antenna Balun	NORBIT ITS	Patent pending	2017-01-25	
20170071	WO2018134241A1	Retrodirective Wireless Device and Method	NORBIT ITS	Patent pending	2017-01-17	
20055897	WO2007069901A1	Approach, module for subscription identity and system for mobile communication terminal data	NORBIT AblePay	Granted	2005-12-12	12.12.2025
20043677	WO2006025750A1	Mobilephone presence- and localisation system based on a SIM-card sender	NORBIT AblePay	Granted	2004-09-02	02.09.2024
20075187	US20090096867A1	Marine search system	NORBIT Aptomar	Granted	2007-10-11	NO: 11.10.2027 US: 30.06.2030
20054131	EP1922247B1 US7672760B2	Floodlight	NORBIT Aptomar	Granted	2005-09-06	NO: 06.09.2025 US: 02.09.2028

7.7.3 Trademarks

NORBIT has registered several trademarks with the Norwegian Industrial Property Office, as well as EU and US registrations, which are protected in accordance with applicable intellectual property laws in these jurisdictions. Registered trademarks include the NORBIT name as a word trademark.

NORBIT also owns trademarks for Fenrits (previously used for ITS-products) as well as AblePay, BlueSIM and Aptomar.

The table below provides an overview of the Company's registered trademarks.

Trademark No.	Application No.	Type of Trademark	Nationality	Classes:	Entity	Expiry date
189712	19976775	"NORBIT logo (old)", figure	Norway	09, 42		30.09.2028
235056	200606568	"Fenrits", word	Norway	09, 38, 42	NORBIT ASA	27.11.2026
189711	19976774	"NORBIT", word	Norway	09, 42	NORBIT ASA	30.04.2028
4460848		"NORBIT", word	USA	09; US: 21, 23, 26, 36, 38	NORBIT ASA	
7488571	400381-001/ TMX/PGO	"NORBIT", word	EU	09, 41, 42	NORBIT ASA	23.12.2028
292982	20170081 1	"Ablepay", word	Norway	09, 38, 42	NORBIT AblePay	27.01.2027
301002	201701688	"BlueSIM", word	Norway	09, 38, 42	NORBIT AblePay	10.02.2027
254996	200912838	"Aptomar", word	Norway	07, 09, 38	NORBIT Aptomar	06.04.2020
254995	200912837	"aptomar logo", figure	Norway	07, 09, 38	NORBIT Aptomar	06.04.2020

7.7.4 Domain names

NORBIT has also registered approximately 165 domain names relevant for its trademarks, brands, business entities and key products. The most important domain names are related to the Norbit-name, e.g norbit.com, norbit.no etc.

7.8 Health, safety and environment

Health, safety and environment (HSE) is a management responsibility for all organizational levels. The Board of Directors is responsible for that introduction and practice of the HSE work in the organization. The company's top management shall ensure that the relevant legislation is complied with and is responsible for the HSE to be properly addressed in the daily work. Risk assessments is being carried out and evaluated annually.

To further emphasize NORBIT's HSE work, there is elected a safety representative among the employees at each site. The main objective is to safeguard the interest of the employees in matters relating to the work environment and to be a link between the employees and the top management. A safety round is conducted at regular intervals to address issues regarding the safe work environment.

7.9 Material contracts

Below is an overview of the main categories of contracts entered into by the Group in the ordinary course of business:

- Engineering, development, manufacturing and sales contracts regulating the various products, services and development for the various part of the Group.
- Oceans typically enter into contracts regulating sale of sonar systems and services related to such contracts.
- ITS typically enters into contracts regulating sale of ITS related components and services related to such contracts.
- PIR typically enters into contracts regulating sale of engineering, development, manufacturing with 3rd parties or internally with subsidiaries within the Group.
- Mergers, acquisition and divestments that are performed as part of NORBIT's ordinary course of business.

The Company and other Group Companies as part of their normal business also enter into financing agreements, loan agreements, guarantee agreements with third party relating to the ordinary course of NORBIT's activities.

Other than as set out above, the Group has not entered into any material contracts outside the ordinary course of business for the two years prior to the date of the Prospectus or any other contract entered into outside the ordinary course of business which contains any provision under which any member of the Company has any obligation or entitlement.

7.10 Insurance

The Group currently maintains insurance coverage of the type and in amounts that it believes to be customary in the industry. The Management and Board of Directors are also covered by directors and officers' liability insurance.

7.11 Property

NORBIT owns its production facilities at Selbu and Røros, while the Company has entered into commercial lease agreements for all other of its premises.

7.12 Legal proceedings

From time to time, the Company may be involved in litigation, disputes and other legal proceedings arising in the normal course of its business.

Neither the Company nor any other company in the group is, nor has been, during the course of the preceding 12 months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Company's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

7.13 Dependency on contracts, patents, licenses etc.

Other than set out in Section 7.9 "Material contract", it is the Company's opinion that the Group's existing business or profitability is not materially dependent on patents or licenses, industrial, commercial or financial contracts.

8 INDUSTRY AND MARKET OVERVIEW

8.1 Introduction

NORBIT's operations and product offering are structured into three main business units: Oceans, Intelligent Traffic Systems (ITS) and Product Innovation and Realization (PIR). This section proves an introduction to the markets in which the Company operates. There is no single market or market drivers for NORBIT due to the nature of the Company's operations and different markets and drivers for its business units. As a result, an introduction and description will be provided for each business unit independently in order to provide a description of each business unit and its core drivers.

8.2 Oceans

8.2.1 Introduction to the sonar market

Sonar technology utilizes sound propagation for communication, subsea imaging or to detect objects at or below the surface. The technology is normally classified as either active or passive. Active sonars are emitting sound pulses and listening for echoes, whereas passive sonars are listening for sounds made by other vessels. Active sonars are considered highly proficient due to their enhanced capability to detect and locate subsea objects, whereas passive sonars are often used in military settings. Active solutions account for most of the global sonar market with a market share of approximately 72%.

The following sub-sections will cover the size and growth of the overall sonar market, as well as relevant market segments. All information related to market sizes and growth related to the sonar market in the section is sourced from Markets and Markets, Global Sonar Systems: Forecast to 2023 (2019) unless otherwise stated.

8.2.2 The global sonar market and market outlook

NORBIT Oceans' offering is primarily serving selected parts of the global sonar market.

The global sonar market was estimated to be approximately USD 2,648 million at the end of 2018. The market is expected to grow at a compound annual growth rate (CAGR) of 7.0% to reach USD 3,711 million at the end of 2023. This growth can be attributed to advancement in both high-resolution imaging for seabed scanning and active sonar technology, increased adoption of sonar systems by naval forces and increasing maritime trade activity.

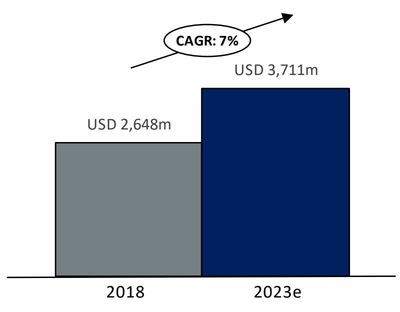
Seabed mapping covers both the commercial and defence segments of the market and involves several activities requiring high resolution imaging of the seabed. This includes environmental surveillance, offshore exploration, dredging and military operations. In these types of projects traditional underwater studies are often limited by deep water, lack of visibility and accumulation of debris which creates a demand for applicable sonar solutions.

North-America, Europe and Asia-Pacific are currently the three main regions in the global sonar market and jointly account for approximately 92% of the market. From 2018 until 2023, these regions are forecasted to capture most of the market growth. In the rest of the world, emerging economies in Southeast Asia are forecasted to experience increased growth going forward predominantly driven by catch-up growth.

See graphs 8.2.2(a) and 8.2.2(b) for an overview of the projected overall sonar market and regional market growth.

Figure 8.2.2(a) – Sonar market growth

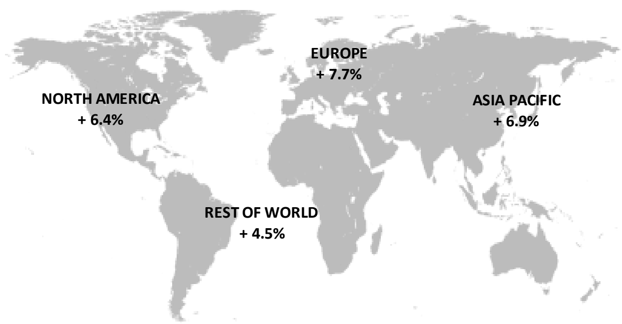
Figure: Sonar market growth



Source: Markets and Markets, Global Sonar Systems: forecast to 2023 (2019)

Figure 8.2.2(b) – Regional market growth

Figure: Regional market growth



Source: Markets and Markets, Global Sonar Systems: forecast to 2023 (2019)

8.2.3 Market segmentation

By application: Based on area of application the global sonar market can be split into the sub-segments Defence and Commercial. The Defence segment is the larger of the two accounting for approximately 60% of the total market, whereas the Commercial segment accounts for the remaining approximately 40%. NORBIT's solutions are primarily targeting the commercial part of the sonar market. The commercial segment is the segment that is expected to experience the strongest growth among the two between 2018 and 2023e. The CAGR forecast of approximately 8.5% for the commercial segment is mainly driven by an increase in sea trade traffic and maritime traffic. The Company is increasingly focusing on solutions aimed at the defence segment as well.

By installation: Based on type of installation the global sonar market can be segmented into five groups. Vessel mounted sonars constitutes the largest segment accounting for approximately 47% of the market followed by towed sonars (23% market share) and solutions for unmanned underwater vehicles, commonly known as "UUVs" (18% market share). The remaining parts of the sonar market can be divided into airborne solutions (12% market share) and sonars for ports (0.2% market share). The strongest growth in the period 2018 to 2023e is projected within sonars for hydrography and UUVs at a CAGR of approximately 13.8% and 11.5%. NORBIT's sonars are targeting all the three largest installation segments.

8.2.4 Overview of market players

The global sonar market is a large and fragmented market characterized by both several large providers of sonar solutions for a range of applications, as well as smaller players having a specified focus towards different sub-segments targeting different market niches.

Selected relevant competitors for NORBIT's sonar solutions are Kongsberg, Teledyne (formerly RESON) and R2Sonic.

- **Kongsberg:** Publicly listed company headquartered in Kongsberg, Norway. Develop and deliver integrated vessel solutions for vessels within traditional merchant, fishing, offshore, offshore installation and other research. Supplies products and systems for advanced mapping surveying, sonars, underwater communication, marine robotics and underwater cameras for, among other things, research, fishing and defence vessels, as well as aquaculture installations.[2]
- **Teledyne Marine (RESON):** Teledyne Marine is a group of subsea technology companies that have been assembled by Teledyne Technologies Incorporated. Specialized in oceanographic research, marine transportation, biological solutions, offshore energy, defence/security, and water resources.[3]
- **R2Sonic:** Privately held company headquartered in Texas that produce underwater acoustic products to both the public and private sector. Main focus is on serving the maritime industry and specialized in multibeam sonar devices and electronic engineering.[4]

8.3 Intelligent Traffic Systems (ITS)

8.3.1 Introduction to the intelligent traffic systems market

Intelligent traffic systems (ITS) are systems and service solutions that combine information technology and the ability of computer/system devices to communicate with each other, to improve passenger safety and traffic efficiency by minimizing traffic related challenges. Both post-industrial and developing economies are dealing with growing traffic and transportation related challenges. Hence, they are deploying new solutions that integrate device-communication and information technology. The adoption of intelligent transportation systems is expected to improve traffic management, traveller information, vehicle control, public transportation and commercial vehicles operations. ITS solutions are described as a key part of the "smart city" concept, that is, an optimal use of all the interconnected information available today to better understand and control its operations and optimize the use of limited resources to increase efficiencies, reduce costs, and enhance quality of life[5].

8.3.2 The global ITS market

The global intelligent traffic systems cover a wide range of solutions and services aiming to combine information and connectivity to improve transportation. The global ITS market was estimated to be worth USD 23.4 billion in 2018 and

[2] Kongsberg Maritime webpage, url: https://www.kongsberg.com/maritime/about-us/a, 23.04.2019, freely available

[3] Teledyne Marine webpage, url: http://www.teledynemarine.com/SitePages/HomePage.aspx, 23.04.2019, freely available

[4] R2Sonics webpage, url: https://www.r2sonic.com/about-us/, 23.04.2019, freely available

[5] Cosgrove M & al, (2011), Smart Cities series: introducing the IBM city operations and management solutions. IBM ; Falconer G & Mitchell Sh (2012), Smart City Framework A Systematic Process for Enabling Smart+Connected Communities

is projected to reach USD 30.7 billion by 2023, at growing at a CAGR of 5.7% between 2018 and 2023[6]. The global growth is driven by increasing concerns related to public safety, increasing traffic congestion problem, and favourable government initiatives for effective traffic management[7].

North America has historically held the largest share of the ITS market. This is mainly attributed to the adoption of ITS to counter traffic congestion and increase safety on roads. Due to the positive effects ITS implementation has on society, government funding and support of ITS is strong - and has become a major driver for the growth. According to Markets and Markets North America's market share was about 40% in 2017[8].

Going forward Asia-Pacific is projected to experience high growth in the ITS market. Asia Pacific is expected to grow from an estimated market size of USD 8.3 billion in 2019 to USD 12.10 billion by 2022[9]. A major driver for growth in the Asian pacific market is the rising concern for traffic congestion[10]. According to Markets and Markets Asia-Pacific had about 15% of the market in 2017 and is expected to increase its market share going forward[11].

In Europe, the European Commission, together with relevant industry organizations and public authorities, have significantly increased focus to find common solutions to the various bottlenecks for deployment of ITS. Through financial instruments the European Commission supports innovative projects in ITS and through legislative instruments it ensures that ITS solutions are rolled out consistently[12]. The European intelligent transportation system (ITS) market size, in terms of value, is estimated to be USD 13 billion in 2019 and reach a market size of USD 16 billion by 2022. According to Markets and Markets Europe's market share was about 30% in 2017[13]. Within the European market Germany has been and is expected to continue as the dominant player. In addition, Italy, France and UK are projected to have high growth within ITS going forward.

8.3.3 Market segmentation

Within the ITS market NORBIT has a particular focus on the sub-market segments for devices based on dedicated short-range communication (DSRC) and global navigation satellite system (GNSS) technologies, which are specialized niche segments within the ITS market. Please note that DSRC components are used in both standard DSRC and GNSS based tolling systems. In the latter DSRC components contribute to enforcement of the tolling service. The markets for NORBIT's DSRC solutions for GNSS based tolling devices and DSRC devices for smart tachographs are both considered relatively dependent on the size of the market for trucks[14]. This is partially due to the intensified EU-initiated focus on utilization of smart tachographs, distance-based tolling and the EU priority to connect all tolling in Europe and enable vehicles to only need one OBU[15] that connect to any European electronic tolling system[16]. Further, the EU regulations related to smart tachographs will be implemented from 15 June 2019. From this date and onwards all new trucks being registered in the EU must have a smart tachograph installed in the vehicle. The utilization of smart tachographs is

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[6] "Intelligent Transportation System Market by Offering, System (Advanced Traffic Management System, Advanced Traveler Information System, ITS-Enabled Transportation Pricing System), Application, and Geography - Global Forecast to 2023", Markets and Markets, March 2018,

[7] Intelligent Transportation System (ITS) Market Size, Share & Trends Analysis Report By Type (ATIS, ATMS, ATPS, APTS), By Application (Traffic Management, Road Safety, Freight Management), And Segment Forecasts, 2018 – 2024, Grand View Research, report summary freely available

[8] Intelligent Transportation System Market by Offering, System (Advanced Traffic Management System, Advanced Traveler Information System, ITS-Enabled Transportation Pricing System), Application, and Geography - Global Forecast to 2023, Markets and Markets, March 2018, Breakdown of Primary Participants by region freely available

[9] Intelligent Transportation System (ITS) Market Research Report - Global Forecast 2016 – 2022, Market Research Future

[10] Intelligent Transportation System 2019 Global Market - Challenges, Drivers, Outlook, Growth Opportunities – Analysis to 2023, Press release 04.01.2019, WiseGutReports, http://heraldkeeper.com/market/intelligent-transportation-system-2019-global-market-challenges-drivers-outlook-growth-opportunities-analysis-2023-211399.html, freely available

[11] Intelligent Transportation System Market by Offering, System (Advanced Traffic Management System, Advanced Traveler Information System, ITS-Enabled Transportation Pricing System), Application, and Geography - Global Forecast to 2023, Markets and Markets, March 2018, Breakdown of Primary Participants by region freely available

[12] Innovating for the transport of the future, Mobility and transport, European Commission, https://ec.europa.eu/transport/themes/its_sk, freely available 29.03.19

[13] Intelligent Transportation System Market by Offering, System (Advanced Traffic Management System, Advanced Traveler Information System, ITS-Enabled Transportation Pricing System), Application, and Geography - Global Forecast to 2023, Markets and Markets, March 2018, Breakdown of Primary Participants by region freely available

[14] Trucks are defined as the total number of vehicles above 3.5t

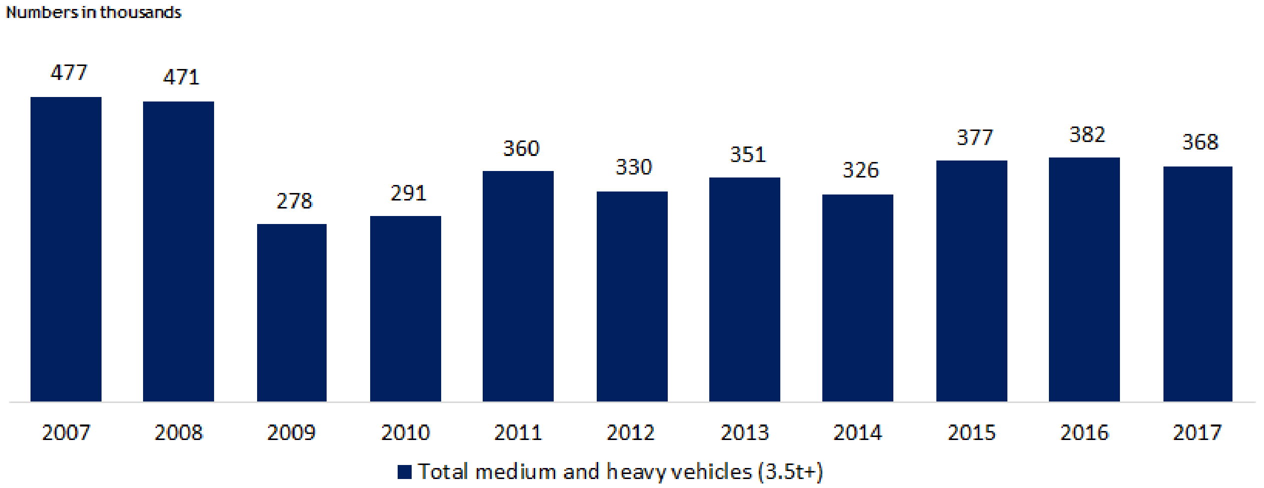
[15] On-board unit

[16] Briefing, EU Legislation in process, Revision of the European Electronic Tolling Service (EETS) Directive, Eurpoean Parliament, freely available 06.02.2019

supported by the Regulation (EU) No 165/2014 - Tachographs in road transport[17] and Commission Implementing Regulation (EU) 2016/799 - Requirements for the construction, testing, installation, operation and repair of tachographs and their components[18]. The GNSS based tolling is supported by Directive 2004/52/EC - regarding the interoperability of electronic road toll systems in the Community[19] and Commission Decision 2009/750/EC - regarding the definition of the European Electronic Toll Service and its technical elements[20].

The total number of trucks on the road within EU is 6.3 million[21]. Further the number of registered trucks in EU every year is historically about 400,000 as shown in the Figure 8.3.3 below.

Figure 8.3.3 – EU registered medium and heavy vehicles 2007-2017



Source: 2) Consolidated Registrations - By Country reports, ACEA website, Association Auxilliaire de l'Automobile (AAA), freely available

8.3.4 *Value chain*

There are many companies which are active in the ITS market and the value chain varies somewhat depending on which subsegment of the overall ITS market one focuses on. In general, there are some companies which are specialized component suppliers, such as NORBIT ITS, while others are focused on providing complete ITS systems, operating ITS systems or vertically integrated across the ITS value chain.

In the market for satellite-based tolling, GNSS solutions with integrated DSRC for enforcement use, NORBIT is a component supplier with specialized competence within connectivity technology like DSRC. Another example of a specialised component supplier in this niche is suppliers of GNSS modules, such as Tellit. NORBIT sell these components to GNSS OBU vendors such as Siemens, TollCollect and Continental.

In the smart tachograph market niche providers with specialized competence, such as DSRC based components like NORBIT provides, act as component providers to developers and suppliers of complete smart tachograph solutions. The components provided by niche players like NORBIT are then integrated into the smart tachograph by the smart tachograph vendors. Providers of smart tachographs include Continental, Intellic and Stoneridge. Smart tachographs are sold to truck OEMs that install the tachograph into the trucks before the trucks are sold in the open market.

8.3.5 *Market outlook*

The ITS market in general is expected to experience significant growth going forward, as explained in section 8.3.2. The monitoring and information systems will help drivers to find safe routes and track the total travel time, as well as enable the owners to monitor their vehicles. Operations associated with moving freight and passengers in commercial vehicles and activities necessary to regulate these operations, as well as activities related to safety assurance, commercial vehicle

[17] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0165&from=EN
[18] https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1468399756621&uri=CELEX:32016R0799
[19] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32004L0052&from=EN
[20] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32009D0750&from=EN
[21] Report: Vehicles in use - Europe 2018, ACEA, freely available 29.03.19

credentials, and tax administration are becoming a top priority for governments all over the world. The increasing demand for the expansion of transportation networks and growth in the logistics sector are key reasons for the growing demand going forward. This is underpinned by new regulations from the EU recently, as mentioned in section 8.3.3 and their sustainable development goals that directly points on issues that are solved through ITS. Key market drivers are increased social, economic and environmental efficiencies, reduced costs, and improved quality of life as a consequence of increased implementation of ITS. For a more quantified market outlook we refer to the global market section above.

8.4 Product Innovation and Realization

As mentioned in section 7.2.4 the activities in the product innovation and realization (PIR) segment comprise NORBIT's R&D Services, Original Design Manufacturing (ODM) and its Electronic Manufacturing Services (EMS). Hence, this segment is influenced by several different end-markets and market drivers due to the nature of the segment with clients covering several industries and the services comprising both R&D services and manufacturing services. R&D services are partly influenced by the development in relevant markets for NORBIT's Oceans and ITS products, as a significant part of the available engineering capacity is used to support the internal business units ITS and Oceans. Relevant competitors in the market for R&D services and ODM are Data Respons, Prevas and Qrtech.

The majority of the revenue in the PIR unit originates from PIR's sub-segment EMS. The European EMS market is estimated to represent annual revenue of approximately EUR 30.6bn in 2017 and is expected to grow at a CAGR of 3% in the period from 2017 to 2023. The market is very fragmented and competitive with approximately 1,300 companies with EUR 10 million or more in annual revenue. Approximately 1,250 of these represent annual revenue in the range of EUR 10 million to EUR 40 million[22]. Relevant competitors in the EMS market are for example the Nordic EMS players Kitron, Scanfil, HANZA, Sanmina and Inition.

[22] Source: Kitron ASA Capital Markets Day presentation 21 March 2019 page 17 – link: https://newsweb.oslobors.no/message/472605

9 CAPITALISATION AND INDEBTEDNESS

9.1 Introduction

The financial information presented below should be read in connection with the other parts of this Prospectus, in particular Section 10 "Selected Financial Information and Operating and Financial Review" and the Audited Financial Statements with their notes included in Appendix C of this Prospectus.

The financial information presented below provides information about the Company's capitalisation and net financial indebtedness on an actual basis as at 31 March 2019 and, in the "As adjusted" column, the Company's capitalisation and net financial indebtedness as at the date of the Prospectus on an adjusted basis to give effect to the Offering as described below. The financial information presented in the column "As of 31 March 2019" is derived from the Company's unaudited consolidated Interim Financial Statement for the first 3 months of 2019.

The gross proceeds from the Offering are estimated to be in the amount of NOK 250 million and with approximate transaction costs related to the Offering of NOK 20 million payable by the Company.

Other than as set out above, there has been no material change to the Company's capitalisation and net financial indebtedness since 31 March 2019.

9.2 Capitalisation

The following table sets forth information about the Company's capitalisation (as adjusted) as at the date of this Prospectus.

	As of 31 March 2019		Adjustment amount		As adjusted
Figures in NOK million	*(unaudited)*		*(unaudited)*		*(unaudited)*
TOTAL CAPITALISATION					
Total current debt	**243,5**		**-**		**243,5**
- Guaranteed	-		-		-
- Secured	102,6	*1*	-		102,6
- Unguaranteed/unsecured	140,9	*2*	-		140,9
Total non-current debt	**112,1**		**-**		**112,1**
- Guaranteed	-		-		
- Secured	112,1	*3*	-		112,1
- Unguaranteed/unsecured	-		-		-
Total shareholders' equity	**161,8**		**239,5**	*4*	**417,1**
a. Share capital	0,4		0,9	*4*	1,3
b. Legal reserve	43,8		238,6	*4*	282,4
c. Other reserves	117,6		-		133,4
Total	**517,4**		**239,5**		**772,7**

Note 1

Secured loan of NOK 102.6 million is made up of debt drawn up on DNB overdraft facility as of 31 March 2019 of NOK 82.8 million, short term part of other loans of NOK 12.8 million (primarily loans from Innovation Norway) and NOK 7.0 million in short term leasing. The overdraft facility agreement with DNB has a limit of NOK 130 million. DNB has a NOK 400 million cross collateral security in the Group of operating equipment, inventories and accounts receivables (for the overdraft facility and the 150 million long term facility). The leasing liability of NOK 7.0 million is secured by mortgages on underlying leasing objects. Loans from Innovation Norway are also secured loans.

Note 2

The NOK 140.9 million unguaranteed and unsecured amount is made up of NOK 80 million in trade accounts payable and NOK 60.9 million in other short-term debt.

Note 3

The NOK 112.1 million secured amount is made up of NOK 107.4 million in debt to financial institutions (mainly NOK 100 mill in DNB facility and NOK 7.4 million primarily from Innovation Norway) and NOK 4.7 million in leasing liabilities. The NOK 100 million DNB facility relates to the Group's long-term facility of NOK 150 million with DNB (of which NOK 50 million was undrawn as of 31 March 2019). DNB has a NOK 400 million cross collateral security in the Group (of operating equipment, inventories and accounts receivables) for this long-term facility as well as for the 130 million overdraft facility (see note 1). The leasing liability of NOK 4.7 million is secured by mortgages on underlying leasing objects.

Note 4
The share issue of NOK 250 million is based on the mid-price of 26.50 NOK pr share in the Indicative Price Range, implying that 9.4 million Shares will be issued, with an increase of NOK 943,000 in nominal share capital and the remaining (net of share issue costs of NOK 10.5 million) classified as share premium (legal reserve). It should be noted that the Company in addition estimates about NOK 9.5 million in costs not related directly to the share issue but to the listing process, and which therefore will be expensed over the Company's profit and loss.

9.3 Indebtedness

The following table sets forth information about the Company's indebtedness (as adjusted) as at the date of this Prospectus.

Figures in NOK million	As of 31 March 2019 (unaudited)		Adjustment amount (unaudited)		As adjusted (unaudited)
(A) Cash	4,3		230,0	*5*	234,3
(B) Cash equivalents	-		-		-
(C) Traded securities and other financial instruments	2,0		-		2,0
(D) Liquidity (A) + (B) + (C)	**6,3**		**230,0**		**236,3**
(E) Current financial receivables	**-**		**-**		**-**
(F) Current bank debt	83,1	*1*	-		83,1
(G) Current portion of long term debt	19,5	*4*	-		19,5
(H) Other current financial debt	22,8	*2*	-		22,8
(I) Current financial debt (F) + (G) + (H)	**125,4**		**-**		**125,4**
(J) Net current fiancial indebtedness (I) -(E)-(D)	**119,1**		**-230,0**		**-110,9**
(K) Non-current bank loans	107,4	*3*	-		107,4
(L) Bonds issued	-		-		-
(M) Other non-current loans	4,8	*4*	-		4,8
(N) Non-current financial indebtedness (K) + (L) + (M)	**112,2**		**-**		**112,2**
(O) Net financial indebtedness (J) + (N)	**231,3**		**-230,0**		**1,3**

Note 1
Current bank debt of NOK 83.1 million is made up of NOK 82.8 million drawn up on DNB overdraft facility as of 31 March 2019 and NOK 0.3 million from Toten Sparebank. The overdraft facility agreement with DNB has a limit of NOK 130 million.

Note 2
Other current financial debt is made up NOK 22.8 million as of 31 March 2019 in relation to acquisition of non-controlling interests.

Note 3
The NOK 107.4 million is debt to financial institutions, of which NOK 100 million is long term debt drawn up from DNB facility and NOK 7.4 million in various other loans (primarily from Innovation Norway).

Note 4
Leasing liabilities are reflected with NOK 7.0 million (short term part of leasing liabilities) as current portion of long-term debt, and 4.8 million (long-term part of leasing liability) as other non-current loans. Current portion of long term debt of NOK 19.5 million in the indebtedness table therefore includes NOK 12.5 million of short term part other loans (primarily Innovation Norway) and NOK 7 million short term part of leasing liability.

Note 5
The adjustment amount of NOK 230.0 million in cash is based on the proposed NOK 250 milllion share issue, where

9.4 million Shares are to be issued for net proceeds of NOK 239.5 million (net of share issue costs of NOK 10.5 million), based on a mid-term price of NOK 26.5 pr Offer Share in the Indicative Price Range. In addition to the share issue costs (which will be deducted directly from the share issue proceeds) the Company estimates about NOK 9.5 million in other fees in relation to the listing, which will be expensed over profit and loss. The adjustment of NOK 230 million hence reflects both share issue costs of NOK 10.5 million and costs in relation to listing of NOK 9.5 million.

9.4 Working capital statement

The Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements, for the period covering at least 12 months from the date of this Prospectus.

9.5 Contingent and indirect indebtedness

As at 31 March 2019 and as at the date of the Prospectus, the Company did not have any contingent or indirect indebtedness.

10 SELECTED FINANCIAL INFORMATION AND OPERATIONAL AND FINANCIAL REVIEW

The financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU as of and for the year ended 31 December 2018 and with audited comparative figures for the year ended 31 December 2017 (the "2018 Financial Statements"), and the audited financial statements prepared in accordance with Norwegian GAAP ("NGAAP") for the year ended 31 December 2017 and with audited comparative figures for the year ended 31 December 2016 (the "2017 Financial Statements"), have been audited by PricewaterhouseCoopers AS, as set forth in their auditor's report included with the respective financial statements in Appendices C and D.

The "2018 Financial Statements" and the "2017 Financial Statements" together constitute the "Financial Statements".

10.1 Introduction and basis for preparation

The selected financial information presented in this section has been extracted from the Group's consolidated interim financial statement for the three months ended 31 March 2019 (the "Interim Financial Statement") and from the audited Financial Statements.

The selected consolidated financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Interim and the Financial Statements included in Appendices B, C and D, respectively, of this Prospectus and should be read together with the other information included in Section 10 "Selected Financial Information and Operational and Financial Review".

The Group operates with three operating segments which are not separate legal entities, hence reference to these segments are subject to management adjustments based on IFRS.

10.2 Significant accounting policies and estimates

For information regarding accounting policies and the use of estimates and judgements, please refer to notes 23 and 10 of the Financial Statements as of, and for the year ended, 31 December 2018, included in this Prospectus as Appendix C.

The preparation of the financial statements according to IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates and judgments are evaluated on a continually basis, and are based on historical experiences and other factors that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual outcome. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below. Significant accounting policies are described in note 23 to the 2018 IFRS financial statements presented in Appendix C.

10.3 Significant changes

There has been no significant change in the Company's financial or trading position since 31 March 2019, except as discussed in Section 10.11 "Recent developments and trends".

10.4 Summary of accounting policies and principles and main changes when converting from NGAAP to IFRS

For information regarding accounting policies and the use of estimates and judgements, please refer to notes 23 and 10 of the 2018 audited Financial Statement included in this Prospectus as Appendix C and D.

The Company has implemented IFRS 9 from 2017, and IFRS 15 and 16 is described in the financial statements.

With effect from (and including) financial year 2017 the Group converted its financial reporting from NGAAP to IFRS. The conversion did not result in any major changes, except for the following:

- Implementation of IFRS 16 leasing; which requires the lessee to recognise assets and liabilities for all leases with a term of more than 12 months.
- Recognition of dividends; under IFRS dividends are not recognized until approved by the shareholder meetings.

Please refer to note 24 in the 2018 Financial Statement for an overview and analysis of other changes due to the conversion from NGAAP to IFRS.

10.5 Selected data from the statement of income

The table below sets out selected data from the Group's statement of income for the three months ended 31 March 2019 (unaudited) and for the years ended 31 December 2018, 2017 and 2016 (audited). Figures in NOK million.

Figures in NOK million	**Q1 2019 IFRS (unaudited)**	**Q1 2018 IFRS (unaudited)**	**2018 IFRS (audited)**	**2017 IFRS (audited)**	**2017 NGAAP (audited)**	**2016 NGAAP (audited)**
Revenue	157,7	90,1	438,4	350,1	350,1	310,2
Other gains and losses	10,9	0,0	0,0	2,1	0,0	0,0
Changes in inventories of finished goods and work in progress	0,0	0,0	-13,3	-2,0	1,9	1,9
Raw materials and consumables used	70,7	46,1	222,8	189,9	186,0	167,5
Employee benefits expenses	32,8	26,2	110,9	90,0	88,8	80,8
Depreciation and amortization expenses	9,5	9,8	36,7	32,6	27,2	22,9
Other operating expenses	15,0	11,8	43,2	33,7	37,0	41,5
Operating profit/loss	**40,6**	**-3,8**	**38,0**	**7,9**	**9,2**	**-4,3**
Share of profit from associates	0,0	0,0	26,3	0,3	0,3	1,1
Interest income	0,0	0,0	0,0	0,0	0,0	0,7
Other financial income	7,8	4,0	15,1	10,8	10,6	9,0
Interest expenses	-2,0	-2,4	-9,3	-10,7	-9,9	-6,7
Other financial expenses	-5,4	-2,1	-15,1	-5,4	-5,4	-7,1
Net financial items	**0,4**	**-0,5**	**-9,3**	**-5,3**	**-4,7**	**-4,1**
Profit before tax	**41,0**	**-4,2**	**55,0**	**2,9**	**4,8**	**-7,3**
Income tax expense	-7,0	0,9	-7,0	25,6	25,0	2,7
Profit for the period	**34,0**	**-3,3**	**48,0**	**28,5**	**29,8**	**-4,6**

10.6 Operational and financial review of statement of income

The following is a discussion and analysis of the Group's statement of income, based on the audited Financial Statements and Interim Financial Statements. This operating and financial review should be read together with the other parts of this Prospectus. The audited Financial Statements as of, and for the years ended, 31 December 2018 and 2017 and the interim financial statements have also been prepared in accordance with IFRS as adopted by the EU, while the financial statements for the years ended, 31 December 2017 and 2016 have been prepared in accordance with NGAAP pursuant to the Norwegian Accounting Act.

a) Results of operations for the Group – by segment

The Group has three segments:

- Oceans
- Intelligent Traffic Systems (ITS)
- Product Innovation & Realization (PIR)

There is no single market or market drivers for NORBIT due to its operations in different markets, where each market is impacted by its own business drivers. As a result, an operational and financial review is first provided - in this section - for each segment independently. Please refer to Section 7.2 for a detailed description of each segment and the main business drivers. In section b) Results of operations for the Group below, the operational and financial results for the overall Group is discussed and analyzed by the Management.

It should be noted that NORBIT har chosen to do an early implementation of IFRS 16 (Leases), and this was adopted from 2017 and onwards. Implementation of IFRS 16 implies a reallocation of leasing expenses from other operating expenses to depreciation and amortisation. As the 2016 financial statements are prepared under NGAAP, leasing expenses are classified differently in 2016 as compared to 2017 and 2018 and Q1-19.

The table below sets out each segment and how it reconciles with the consolidated figures. Please note that there are eliminations between the operating segments described below. These are mainly related to internal sale, mainly from

PIR to Oceans and ITS. Elimination on the EBITDA-line is mainly a consequence of unallocated group costs. Please also refer to supplemental information at the end of this section for further details.

Figures in NOK millions.

Figures in NOK million	**Q1 2019 IFRS (unaudited)**	**Q1 2018 IFRS (unaudited)**	**2018 IFRS (audited)**	**2017 IFRS (audited)**	**2017 NGAAP (audited)**	**2016 NGAAP (audited)**
Revenue (incl. other gain and losses)						
Oceans	58,9	27,9	189,9	102,3	102,3	43,6
ITS	36,0	10,5	39,5	42,9	42,9	57,5
PIR	68,4	61,0	221,1	229,3	227,3	216,1
Group/elim	5,2	-9,4	-12,1	-22,3	-22,3	-7,0
Total	**168,6**	**90,1**	**438,4**	**352,2**	**350,1**	**310,2**
EBITDA						
Oceans	16,9	1,6	54,0	30,1	29,3	5,9
ITS	16,8	-1,3	9,6	-1,9	-2,2	16,7
PIR	7,9	6,8	20,0	19,9	16,5	-3,2
Group/elim	8,5	-1,1	-8,9	-7,5	-7,1	-0,9
Total	**50,1**	**6,0**	**74,8**	**40,6**	**36,4**	**18,5**

The Ocean operating segment

See sections 8.2, 7.2.2 and 7.5.1 for a detailed overview of the Ocean operating segment. Below is Management's review of the Ocean segment.

Figures in NOK millions.

Figures in NOK million	**Q1 2019 IFRS (unaudited)**	**Q1 2018 IFRS (unaudited)**	**2018 IFRS (audited)**	**2017 IFRS (audited)**	**2016 NGAAP (audited)**
Oceans					
Revenue (incl. other gain and losses)	58,9	27,9	189,9	102,3	43,6
EBITDA	16,9	1,6	54,0	30,1	5,9
EBIT	13,2	-2,5	38,9	17,8	-4,5

Revenue in the Oceans operating segment grew by approximately 86% from 2017 to 2018. The growth was to a significant degree related to strong sales of sonars. The Group established a sales office in United Kingdom in 2016 and a sales office in Singapore in 2017 which has boosted and will continue to boost sonar sales. The office in Singapore boosted sales in overall Asia, which has become an important market for Oceans. In 2017, the Company acquired Aptomar AS which is included in the 2017 and 2018 IFRS audited financial statements. Prior to the acquisition, Aptomar AS reported for 2016 revenues of NOK 28 million and a negative operating result of NOK 3 million. The Company has made a profitable turnaround of the Aptomar business in 2017 and 2018, and NORBIT Aptomar AS reported revenues of NOK 37 million in 2018 and NOK 37 million in 2017, with results from operations improving from negative NOK 5.7 million for 2017 to NOK 2 million for 2018. Aptomar adds environmental monitoring and detection solutions to Oceans, with a strong focus on providing software solutions.

Oceans has increased the revenues further into Q1-19, with revenue of NOK 58.9 million, an EBITDA of NOK 16.9 million and EBIT of NOK 13.2 million, which is well ahead of 2018 when Q1-19 is considered on an annualised basis. The increase in revenue, EBITDA and EBIT for Q1-19 stem from increased revenues from sale of sonars.

Oceans has healthy gross margins and reported gross margins of approximately 64% in 2017 and 2018, and 60% for Q1-19 (65% Q1-18). The decrease in gross margin is due to changes to the product mix. Oceans had EBITDA-margins of approximately 29% and 28% in 2017 and 2018 respectively, and 29% for Q1-19.

The ITS operating segment

See sections 8.3, 7.2.3 and 7.5.2 for a detailed overview of the ITS operating segment. Below is Management's review of the ITS segment.

Figures in NOK millions.

Figures in NOK million	Q1 2019 IFRS (unaudited)	Q1 2018 IFRS (unaudited)	2018 IFRS (audited)	2017 IFRS (audited)	2016 NGAAP (audited)
ITS					
Revenue (incl. other gain and losses)	36,0	10,6	39,5	42,9	57,5
EBITDA	16,8	-1,3	9,6	-1,9	16,7
EBIT	15,4	-3,1	3,6	-7,5	10,9

The ITS operating segment experienced a revenue decrease of approximately 8% from 2017 to 2018. This is mainly down to the fact that the ITS division has been working on the development of a new product range to support a new strategy. In 2016 the ITS operating segment was mainly focused on Dedicated Short-Range Communication (DSRC) solution for satellite-based tolling. Contracts for this segment are driven by countries implementing this solution and can potentially provide strong growth in sales in the future. EU regulation is supportive for connecting all tolling in Europe and wants vehicles to only need one on-board-unit to connect to any European electronic Tolling System. NORBIT's DSRC solution enables compatibility across country borders. The ITS division has thus developed new advanced solutions (including truck tolling, smart tachographs and DSRC modules) and successfully secured long-term contracts for these solutions as a result of the new strategy implemented by management in 2016.

The ITS segment also has healthy gross margins and approximately had 62% gross margin in 2018. In 2017, the gross margin was only 34% due to being heavily impacted by sale of on-board-units which have lower gross margins. In 2018, the Company started to commercialise on their stronger product portfolio and had sales on their new smart tachographs. As a consequence of initial sales of the new smart tachographs in 2018, the EBITDA-margins grew from negative 5% in 2016 to 24% in 2018.

The positive trend with improved results from the ITS segment has continued into Q1-19, with revenues of NOK 36.0 million, EBITDA of NOK 16.8 million and EBIT of NOK 15.4 million, figures that all are well ahead of 2018 when Q1-19 is considered on an annualised basis. Gross margin for the ITS segment was 73% in Q1-19. The increased sales in the ITS segment mainly reflects new products launched during the quarter and shows the step up in ITS revenues based on long term contracts with industrial clients.

The PIR operating segment

See sections 8.4, 7.2.4 and 7.5.3 for a detailed overview of the PIR operating segment. Below is Management's review of the PIR segment.

Figures in NOK millions.

Figures in NOK million	Q1 2019 IFRS (unaudited)	Q1 2018 IFRS (unaudited)	2018 IFRS (audited)	2017 IFRS (audited)	2016 NGAAP (audited)
PIR					
Revenue (incl. other gain and losses)	68,4	61,0	221,1	229,3	216,1
EBITDA	7,9	6,8	20,0	19,9	-3,2
EBIT	3,8	3,2	6,3	5,7	-10,4

The PIR operating segment kept a stable revenue level in 2017 and 2018. While the PIR division also has strong gross margins, it is heavily impacted by the personnel associated with research and development and high complexity manufacturing. The PIR division was affected by a single incident in 2016 which resulted in a negative EBITDA-margin on NGAAP-figures. Other operating expenses in 2016 were significantly influenced by an overrun on external consultants related to a specific aviation project in the PIR operating segment.

Revenue of NOK 68.4 million, EBITDA of NOK 7.9 million and EBIT of NOK 3.8 million for the PIR segment in Q1-19 reflects a steady but modest growth, with an EBITDA margin of 12 % for Q1-19, which is a slight improvement from an EBITDA margin of 9% for 2018.

Other/ eliminations between segments

The table below sets forth the eliminations between the segments. Figures in NOK millions.

Figures in NOK million	Q1 2019 IFRS (unaudited)	Q1 2018 IFRS (unaudited)	2018 IFRS (audited)	2017 IFRS (audited)	2016 NGAAP (audited)
Other / eliminations					
Revenue (incl. other gain and losses)	5,2	-9,4	-12,1	-22,3	-7,0
EBITDA	8,5	-1,1	-8,9	-7,5	-0,9
EBIT	8,2	-1,3	-10,7	-8,1	-0,2

Eliminations are mainly related to internal sale, mainly from PIR to Oceans and ITS. Elimination on the EBITDA-line is mainly a consequence of unallocated group costs. While the eliminations of internal sales will typically be a negative amount of NOK 3 to 5 million per quarter, the acquisition of Ablepay in Q1-19 resulted in a positive effect of NOK 10.9 million, which netted with normal internal sales eliminations resulted in a positive elimination of NOK 5.2 million in revenue for Q1. This effect as well resulted in positive EBITDA and EBIT eliminations of NOK 8.5 and NOK 8.2 respectively for Q1-19.

b) Results of operations for the overall Group

In this section Management discusses and analyzes the overall operational and financial results for the Group, for the period covered by the historical financial statements.

Q1 2019 IFRS vs. Q1 2018 IFRS

See Section 10.5 "Selected data from the statement of income" for the statements of income. All amounts in brackets are comparative figures for Q1-18 unless specifically stated.

Operating revenues:

Consolidated operating revenues for the period amounted to NOK 157.7 million (NOK 90.1 million), an increase of NOK 67.6 million, or 75.0%. The increase in the same period comprises a 111% growth in Oceans and 241% growth in ITS. The step-up in revenues in the ITS segment is a consequence of new products which were launched during Q1-19. The PIR segment also had a significant growth of 12% in Q1-19.

Other gains and losses:

Consolidated Other income for the period amounted to NOK 10.9 million (NOK 0.0 million), an increase of NOK 10.9 million. The increase reflects a one-off effect due to the acquisition of Ablepay AS (bargain gain).

NORBIT has after the acquisition done a valuation of the existing technology in the company and the valuation resulted in a gain of NOK 10.9 million recognised as other gains and losses in the condensed statement of profit or loss in Q1-19.

Raw materials and consumables used (Cost of goods sold – COGS):

Consolidated COGS for the period amounted to NOK 70.7 million (NOK 46.1 million), an increase of NOK 24.6 million, or 53%. The increase reflects the higher activity level in Q1-19. COGS in percentage of operating revenue was reduced, however, from 51% to 45%, due to changes in the product mix, especially in the ITS segment.

Wages, salaries and social security expenses:

Consolidated expenses for wages, salaries and social security amounted to NOK 32.8 million (NOK 26.2 million), an increase of NOK 6.6 million, or 25.2%. The increase is primarily due the growth of the Group which requires more employees. Wages in percentage of operating revenues are lower in Q1-19 showing the scalability in selling and producing own products in the ITS and Oceans segments without the need of an equivalent increase in number of employees.

Depreciation, amortization and impairment:

Consolidated depreciation, amortization and impairment amounted to NOK 9.5 million (NOK 9.8 million), a reduction of NOK 0.3 million, or 3.1%.

Other operating expenses:

Consolidated other operating expenses amounted to NOK 15.0 million (NOK 11.8 million), an increase of NOK 3.2 million, or 27.1%. The increase is primarily due to increased activity level, however other operating expenses in percentage of revenues is lower in Q1-19 than for Q1-18 showing that scalability of the Groups revenues is possible without adding significant with operating expenses.

Net financial income:
Consolidated net financial expenses amounted to NOK 0.4 million (net financial expenses of a negative NOK 0.5 million). Increased Other financial expenses of NOK 3.4 million was balanced with increased Other financial income of NOK 3.3 million, reflecting hedging activities. Other financial income and other financial expenses are primarily related to profit and loss on foreign currency forwards. These derivatives are only purchased as a part of the Group's foreign currency hedging activities. However, as this hedging activity does not meet the strict requirement necessary to apply hedge accounting under IFRS, the derivatives are recognised at fair value through profit and loss.

Profit before tax:
As a result of the above, consolidated profit before tax for Q1-19 was NOK 41 million (profit before tax NOK a negative 4.2 million), an increase of NOK 45.2 million.

Income tax expenses:
Income tax expenses amounted to NOK 7 million (a negative NOK 0.9 million), an increase of NOK 7.9 million, reflecting the positive result before taxes.

Profit for the period:
Due to the effects discussed above, consolidated gain for Q1-19 amounted to NOK 34.0 million (profit of a negative NOK 3.3 million), an increase of NOK 37.3 million.

2018 IFRS vs. 2017 IFRS
See Section 10.5 "Selected data from the statement of income" for the statements of income. All amounts in brackets are comparative figures for 2017 unless specifically stated.

Operating revenues:
Consolidated operating revenues for 2018 amounted to NOK 438.4 million (NOK 350.1 million), an increase of NOK 88.3 million, or 25.2%. The increase is primarily driven by the increased revenues in the Oceans segment of NOK 87.6 million in the period.

Other income:
Consolidated Other income for 2018 amounted to NOK 0.0 million (NOK 2.1 million), a decrease of NOK 2.1 million. In 2017 the acquisition of Kabelpartner resulted in other operating income of NOK 2.1 million.

Raw materials and consumables used (Cost of goods sold - COGS):
Consolidated COGS for 2018 amounted to NOK 209.5 million (NOK 187.9 million), an increase of NOK 21.6 million, or 11.5%. The increase reflects the higher activity level in 2018 and increased revenues. COGS in percentage of operating revenue was slightly reduced, however, from 54% to 48%, due to the fact that the underlying profitability in Oceans was strong.

Wages, salaries and social security expenses:
Consolidated expenses for wages, salaries and social security amounted to NOK 110.9 million (NOK 90.0 million), an increase of NOK 20.9 million, or 23.2%. The increase is primarily due to employing more people in the Oceans segment and the full year effect in 2018 of Aptomar and Kabelpartner which were acquired during 2017.

Depreciation, amortization and impairment:
Consolidated depreciation, amortization and impairment amounted to NOK 36.7 million (NOK 32.6 million), an increase of NOK 4.1 million. This is mainly due to the full year effect of amortization of R&D in Aptomar which were acquired with effect November 1, 2017.

Other operating expenses:
Consolidated other operating expenses amounted to NOK 43.2 million (NOK 33.7 million), an increase of NOK 9.5 million, or 28.2%. This is mainly due to the full year effect of other operating expenses in Aptomar which were acquired with effect November 1, 2017, and the acquisition of Kabelpartner with effect March 1, 2017.

Net financial income:
Consolidated net financial items amounted to NOK 16.9 million (net financial expenses of a negative NOK 5.0 million), an increase of NOK 21.9 million. Financial income in 2018 was significantly influenced by the Group's partial sale of the associated company Kvikna. NORBIT reduced it's holding in Kvikna from 33.34% to 5.78% and realised a significant profit of NOK 26.3 million from the sale of shares.

Profit before tax:
As a result of the above discussed changes in revenues and expenses, consolidated profit before tax was NOK 55.0 million (profit before tax NOK 2.9 million), an increase of NOK 52.1 million.

Income tax expenses:
Income tax expenses amounted to NOK 7.0 million (a negative of NOK 25.6 million), an increase of NOK 32.6 million, reflecting the very positive earnings for 2018.

Profit for the period:
Due to the effects discussed above, consolidated gain for the period amounted to NOK 48.0 million (profit of NOK *28.5* million), an increase of NOK 19.5 million.

2017 NGAAP vs. 2016 NGAAP
See Section 10.5 "Selected data from the statement of income" for the statements of income. All amounts in brackets are comparative figures for 2016 unless specifically stated.

Operating revenues:
Consolidated operating revenues for 2017 amounted to NOK 350.1 million (NOK 310.2 million), an increase of NOK 39.9 million, or 12.9%. The increase is driven by organic growth in the Ocean segment, as well as inorganic growth as Kabelpartner was acquired with effect from March 1, 2017 and Aptomar was acquired with effect from November 1, 2017.

Raw materials and consumables used (Cost of goods sold - COGS):
Consolidated COGS for 2017 amounted to NOK 187.9 million (NOK 169.4 million), an increase of NOK 18.5 million, or 10.9%. The increase reflects the organic and inorganic growth in the period. COGS in percentage of operating revenue was approximately flat, however, with 55% for 2016 and slightly reduced to 54% for 2017.

Wages, salaries and social security expenses:
Consolidated expenses for wages, salaries and social security amounted to NOK 88.8 million (NOK 80.8 million), an increase of NOK 8.0 million, or 9.9%. The increase is primarily due to the acquisition of Kabelpartner and Aptomar in 2017.

Depreciation, amortization and impairment:
Consolidated depreciation, amortization and impairment amounted to NOK 27.2 million for 2017 (NOK 22.9 million), an increase of NOK 4.3 million, or 18.8%. This is mainly due to depreciation and amortisation in Aptomar and Kabelpartner which were acquired during 2017.

Other operating expenses:
Consolidated other operating expenses amounted to NOK 37.0 million (NOK 41.5 million), a reduction of NOK 4.5 million, or 10.8%. The reduction is primarily due to less use of external consultants in the PIR segment. One large project was affecting other operating expenses significantly in 2016.

Net financial income:
Consolidated net financial expenses amounted to a negative NOK 4.4 million (net financial expenses of NOK negative 3 million), an increase in expenses of of NOK 1.4 million, due to higher average net interest bearing debt (NIBD) in 2017 compared to 2016.

Profit before tax:
As a result of the above discussed changes in revenues and expenses, consolidated gain before tax was NOK 4.8 million (profit before tax NOK a negative 7.3 million), an increase of NOK 12.1 million.

Income tax expenses:
Income tax revenue amounted to NOK 25.0 million (tax revenue of NOK 2.7 million), an increase in tax revenue of NOK 22.3 million. This was the result of NORBIT in 2017 acquiring 100% of the shares in Aptomar AS. At the date of the acquisition there was significant uncertainty as to whether NORBIT would be able to utilize the tax loss carryforward in Aptomar. Hence, the deferred tax asset related to the tax loss carryforward was not immediately recognised in the purchase price allocation in the acquisition. By the end of 2017, however, the uncertainty had been significantly reduced and the deferred tax asset was recognised through profit and loss.

Profit for the period:
Due to the effects discussed above, consolidated gain for 2017 amounted to NOK 29.8 million (profit of a negative NOK 4.6 million), an increase of NOK 34.4 million.

10.7 Selected data from the statement of financial position

The tables below set out selected data derived from the Company's audited consolidated statement of financial position for the three months ended 31 March 2019 and for the years ended 31 December 2018, 2017 and 2016.

Operational and financial review of assets

The table below sets forth the Group's assets, and the Managements operational and financial review.

Figures in NOK million.

Figures in NOK million	**Q1 2019 IFRS (unaudited)**	**Q1 2018 IFRS (unaudited)**	**2018 IFRS (audited)**	**2017 IFRS (audited)**	**2017 NGAAP (audited)**	**2016 NGAAP (audited)**
Fixed assets						
Intangible assets						
Research and development, patents	120,0	88,0	104,3	85,1	85,1	71,9
Deferred tax asset	32,4	41,1	33,1	40,0	38,9	11,4
Goodwill	0,0	0,0	0,0	0,0	-1,7	-1,1
Total intangible fixed assets	**152,5**	**129,1**	**137,4**	**125,1**	**122,2**	**82,2**
Tangible assets						
Property	21,6	23,5	22,1	23,0	23,0	24,7
Right-to-use asset	11,6	17,9	12,7	17,8	0,0	0,0
Production equipment	37,5	13,6	36,1	11,8	20,3	22,5
Total tangible fixed assets	**70,8**	**55,0**	**71,0**	**52,6**	**43,3**	**47,2**
Financial assets						
Investment in associated companies	1,4	4,1	1,4	4,1	4,1	2,6
Investment in shares and other assets	0,6	0,1	0,6	0,1	0,1	0,1
Total financial assets	**2,0**	**4,2**	**2,0**	**4,2**	**4,2**	**2,7**
Total fixed assets	**225,3**	**188,4**	**210,4**	**181,9**	**169,8**	**132,2**
Current assets						
Inventories	141,5	88,5	122,9	81,0	81,0	59,5
Receivables						
Accounts receivables	125,3	78,6	102,0	56,0	56,0	49,9
Other receivables	20,5	18,0	26,1	19,5	19,5	14,2
Financial instruments	2,0	0,4	0,0	0,2	0,0	0,0
Total receivables	**147,8**	**97,0**	**128,1**	**75,6**	**75,4**	**64,0**
Bank deposits, cash etc.	4,3	3,8	9,1	14,8	14,8	6,3
Total current assets	**293,5**	**189,4**	**260,1**	**171,4**	**171,3**	**129,8**
Total assets	**518,8**	**377,8**	**470,5**	**353,4**	**341,1**	**262,0**

NORBIT has over the years invested heavily in development of new products, especially within the ITS operating segment. This investment programme is the main driver behind the increase in intangible assets over the last two years. NORBIT is expecting to recognize sales to customers based on this development work from 2019. In addition to the ITS operating segment, there has also been product development within the Oceans operating segment, focusing on improvement of the group's sonar technology.

The deferred tax asset increases from 2016 to 2017, primarily caused by the Aptomar acquisition, as described under the statement of income section.

The Group mainly owns property related to the manufacturing plants in Røros and Selbu, and these are recorded with a value of NOK 22 million in the consolidated balance sheet. These properties are depreciated over 25 years.

As of year end 2017, the Group's associated companies comprised Kilmore Marine Ltd. (35% share holding) and Kvikna ehf (33.33% share holding). During 2018 the Group's holding in Kvikna ehf was reduced to 5,78%, hence leaving Kilmore Marine Ltd. as the only associated company by the end of 2018. As of year end 2017, investments in shares and other assets were related to a 0.3% share holding in Tangen Næringsbygg AS. By the end of 2018 the remaining shares after the 2018 partial sale of Kvikna ehf (5.78%) was added to this line item.

The increase in production equipment in 2018 is primarily attributable to capital expenditure within the PIR operating segment. PIR has made investments in order to robotize and increase production capacity in its two factories.

NORBIT has experienced a significant increase in accounts receivables in 2018. This increase is partly related to the underlying growth in revenue but is also attributable to a shift towards larger customers who represents large contracts but also implies more favourable credit terms for the customer.

Inventories have also increased in the period between 2016 and 2018. This is among else related to the notion of having best in class delivery time for sonars in the Oceans segment. In addition, there has been an increase in stock for electronic commodities to avoid shortfalls in deliveries and ramp-up of products in the ITS operating segment.

The increase in other receivables is mainly attributable to an increased utilization of the Norwegian R&D Tax Incentive Program (SkatteFUNN) where the annual tax refund is recognised in the balance sheet at year end.

Bank deposits consist of restricted cash related to payroll taxes. NORBIT's overdraft facility with DNB of NOK 130 million is a multicurrency facility, hence the Group can draw upon both EUR, NOK and USD currencies on this facility.

Operational and financial review of liabilities and equity

The table below sets forth the Group's equity and liabilities, and the Managements operational and financial review.

Figures in NOK million.

Figures in NOK million	**Q1 2019 IFRS (unaudited)**	**Q1 2018 IFRS (unaudited)**	**2018 IFRS (audited)**	**2017 IFRS (audited)**	**2017 NGAAP (audited)**	**2016 NGAAP (audited)**
Paid-in equity						
Share capital	0,4	0,4	0,4	0,4	0,4	0,4
Share premium reserve	43,8	33,3	43,8	33,3	33,3	12,4
Total paid-in capital	**44,3**	**33,8**	**44,3**	**33,8**	**33,8**	**12,8**
Retained earnings						
Other equity	117,6	68,6	103,9	71,7	68,7	41,5
Total retained earnings	**117,6**	**68,6**	**103,9**	**71,7**	**68,7**	**41,5**
Non-controlling interests	1,3	9,4	9,7	9,4	9,4	15,0
Total equity	**163,2**	**111,8**	**157,9**	**114,9**	**111,9**	**69,3**
Long term debt						
Debt to financial institution	107,4	63,3	84,8	66,4	76,8	52,5
Lease liabilities	4,8	11,1	5,9	11,0	0,0	0,0
Other long term debt	-0,1	7,9	0,2	7,6	13,6	11,6
Total long term debt	**112,1**	**82,3**	**90,8**	**85,1**	**90,4**	**64,1**
Short term debt						
Liabilities to financial institutions	95,6	84,5	85,2	65,8	55,4	62,5
Lease liabilities	7,0	6,8	7,0	6,7	0,0	0,0
Trade creditors	80,0	56,2	75,6	45,5	45,5	46,2
Payable tax	0,0	0,0	0,0	0,0	0,0	0,8
Public duties payable	0,1	11,0	11,6	8,1	8,1	4,3
Financial instruments	0,0	0,0	1,2	0,0	0,0	0,0
Dividend					6,0	0,3
Other short term debt	60,9	25,3	41,2	27,4	23,8	14,5
Total short term debt	**243,5**	**183,7**	**221,7**	**153,4**	**138,8**	**128,7**
Total debt	**355,6**	**266,0**	**312,6**	**238,5**	**229,2**	**192,7**
Total equity and debt	**518,8**	**377,8**	**470,5**	**353,4**	**341,1**	**262,0**

Over the last few years, NORBIT has re-focused from lease financing towards financing through traditional bank facilities. This change in strategy is reflected in the decrease in lease liabilities from 2016 and an increase in debt to financial institutions. The Group has a credit facility of NOK 130 million currently and a long-term facility of NOK 150 million.

NORBIT has experienced a significant increase in accounts receivables in 2018 and Q1-19. This increase is partly related to the underlying growth in revenue but is also attributable to a shift towards larger customers with larger contracts and who also require longer credit terms. To mitigate the effect of more customer friendly credit terms towards large customers, NORBIT has renegotiated its credit terms with important suppliers as well as negotiated an increased overdraft facility with DNB of NOK 130 million, as mentioned above. The effect of growth in revenues, shift towards larger contracts with longer credit terms and the negotiations with suppliers have driven the increase in accounts receivable and payable over the last two years.

Other short-term debt also shows an increase beyond what can be explained by growth. This increase is also driven by a few significant prepayments from customers in 2018.

For further details on the development in equity, please refer to the details in the statement of change in equity section below.

Net working capital table

The table below sets forth the Group's net working capital and Managements financial and operational review.

Figures in NOK million	Q1 2019 IFRS (unaudited)	Q1 2018 IFRS (unaudited)	2018 IFRS (audited)	2017 IFRS (audited)	2017 NGAAP (audited)	2016 NGAAP (audited)
Group revenue	**157,7**	**90,1**	**438,4**	**350,1**	**350,1**	**310,2**
Other current assets	22,6	18,4	26,1	19,6	19,5	14,2
Accounts receivable	125,3	78,6	102,0	56,0	56,0	49,9
Inventory	141,5	88,5	122,9	81,0	81,0	59,5
Accounts payable	80,0	56,2	75,6	45,5	45,5	46,2
Other current liabilities	60,9	36,2	52,8	35,5	31,8	19,6
Net working capital (NWC)	**148,3**	**93,1**	**122,6**	**75,6**	**79,1**	**57,7**
NWC-ratio (% of revenue)	**24 %**	**26 %**	**28 %**	**22 %**	**23 %**	**19 %**

Net working capital (NWC) has increased from NOK 75.6 million in 2017 to NOK 122.6 millon in 2018, equivalent to an increase in the Company's NWC-ratio from 22% in 2017 to 28% in 2018. This is partly attributed to new and larger customers that require longer credit terms, resulting in the increase in Accounts receivables from 16% of revenue in 2017 to 23% of revenue in 2018. The Company has also experienced a build-up of inventory from 23% of sales in 2017 to 28% of sales in 2018 driven by increase in sales and new contracts.

10.8 Selected data from the statement of cash flows

The table below sets out selected data from the Company's audited statement of cash flows for the three months ended 31 March 2019 and the years ended 31 December 2018, 2017 and 2016. Figures in million NOK.

Figures in NOK million	Q1 2019 IFRS (unaudited)	Q1 2018 IFRS (unaudited)	2018 IFRS (audited)	2017 IFRS (audited)	2017 NGAAP (audited)	2016 NGAAP (audited)
Cash flows from operatings activities						
Profit for the period	34,0	-3,3	48,0	28,5	29,8	-4,6
Adjustments for:						
Income tax expense recognised in profit or loss	7,0	-0,9	7,0	-25,6	-25,0	-2,7
Share of profit from associates	0,0	0,0	-0,3	-0,3	-0,3	-1,1
Investment income recognised in profit or loss	-10,9	0,0	-26,0	-2,1	0,0	0,0
Depreciation and amortization of non-current assets	9,5	9,8	36,7	32,6	27,2	22,9
Net foreign exchange (gain)/loss					0,0	0,5
	39,6	**5,6**	**65,4**	**33,2**	**31,7**	**15,0**
(Increase)/decrease in trade and other receivables	-23,3	-22,6	-46,0	-3,9	-3,9	10,4
(Increase)/decrease in inventories	-18,6	-7,5	-41,9	-12,3	-12,3	7,6
Increase/(decrease) in trade and other payables	4,4	10,6	30,0	-2,0	-2,0	-0,4
Increase/(decrease) in provisions	10,5	1,9	8,3	-1,5	-2,4	-6,8
Increase/(decrease) in other liabilities	0,0	0,0	-0,1	-0,8	-0,5	-1,4
Net cash generated by operating activities	**12,7**	**-12,0**	**15,9**	**12,8**	**10,6**	**24,4**
Cash flows from investing activities						
Payments to acquire financial assets	0,0	0,0	0,0	-1,1	-1,1	0,0
Proceeds on sale of financial assets	0,0	0,0	29,4	0,0	0,0	0,0
Payments for property, plant and equipment	-4,2	-5,6	-37,3	-8,9	-5,7	-7,4
Payments for intangible assets	-20,8	-8,7	-38,2	-30,2	-30,2	-14,5
Net cash flow on acquisition of subsidiaries	0,4	0,0	0,0	-1,2	-1,2	0,0
Net cash (used in)/generated by investing activities	**-24,6**	**-14,2**	**-46,2**	**-41,4**	**-38,2**	**-21,9**
Cash flows from financing activities						
Proceeds from issue of equity instruments of the Company	0,0	0,0	10,5	21,0	21,0	0,0
Transactions with non-controlling interests	-19,3	0,0	0,0	-2,5	-2,5	0,2
Proceeds from borrowings	104,0	0,2	13,1	35,1	34,3	5,0
Repayment of borrowings	-82,1	-3,6	0,0	-9,5	-9,5	-8,5
Net change in overdraft facility	10,4	18,8	17,0	-7,1	-7,1	2,7
Dividends paid to owners of the Company	-6,0	0,0	-16,0	0,0	0,0	-3,8
Net cash (used in)/generated by financing activities	**7,0**	**15,3**	**24,6**	**37,0**	**36,2**	**-4,4**
Net increase in cash and cash equivalents	**-4,8**	**-11,0**	**-5,7**	**8,5**	**8,5**	**-2,0**
Cash and cash equivalents at the beginning of the period	9,1	14,8	14,8	6,3	6,3	8,3
Cash and cash equivalents at the end of the period	**4,3**	**3,8**	**9,1**	**14,8**	**14,8**	**6,3**

Below find Management's review of cash flows for the period covered by the historical financial information. All amounts in brackets are comparative figures unless specifically stated.

a) Cash flow from operating activities

Q1 2019 IFRS vs. Q1 2018 IFRS

Consolidated net cash flow from operational activities amounted to NOK 12.7 million (a negative NOK 12.0 million), an increase of NOK 24.7 million. Profit for Q1-19 included a bargain gain of NOK 10.9 million without cash effect (investment income) which was added back.

The increase in cash flow from operations (before changes in working capital) was primarily due to an improved profit for the period, which was NOK 34.0 million for Q1-19 compared to NOK 3.3 million for Q1-18. The improved profit was again driven by increased sales in the Oceans segment as well as in the ITS segment where new products were launched during Q1-19.

In particular the build-up in inventories (reflecting a stock-up in components) of NOK 18.6 million (compared to increased inventory of NOK 7.5 million for Q1-18) impacted the cash flow from operations negatively.

2018 IFRS vs. 2017 IFRS

Consolidated net cash flow from operational activities amounted to NOK 15.9 million for 2018 (NOK 12.8 million), an increase of NOK 3.1 million, or 24.2% before changes in working capital. The increase was primarily due to an improved profit for 2018, which was NOK 48.0 million for 2018 compared to NOK 28.5 million for 2017. The improved profit reflects increased revenues in the Oceans segment.

The improved operational cash flow from increased sales was, however, to a large extent reduced with a build-up in accounts receivables of NOK 46 million (compared to negative NOK 3.9 million for 2017), due to increased sales and also partly due to the fact that the new and larger customers NORBIT sold to in 2018 required longer credit terms. NORBIT sought to counteract this to some extent with longer credit terms with its suppliers (hence the cash contribution of NOK 30 million from trade and other payables for 2018 compared to negative NOK 2 million for 2017). During 2018 the Group also had to increase its inventory of electronic components as a precaution for a general shortage for electronic components, which explains the NOK 41.9 million increase in inventories (cash outlay), compared to NOK 12.3 million for 2017 in increased inventory.

N-GAAP 2017 vs. N-GAAP 2016

Consolidated net cash flow from operational activities before changes in working capital amounted to NOK 31.7 million (NOK 15.0 million), a increase of NOK 16.8 million, or 112%. The increase was primarily due to an improved profit for 2017, which was NOK 29.8 million for 2017 compared to minus NOK 4.6 million for 2016, hence an improvement in profit of NOK 34.4 million. However, this profit reflected NOK 25 million in income tax asset recognised at end of 2017 from the tax loss carryforward in Aptomar with no cash effect and hence is netted out.

Increased working capital (to a large extent due to a build-up in inventories as the Group stocked up on electronic components) reduced the cash flow from by operating activities from NOK 24.4 million to NOK 10.6 million for 2017.

b) Cash flow from investing activities

Q1 2019 IFRS vs. Q1 2018 IFRS

Consolidated net cash flow from investing activities was negative at NOK 24.6 million (negative NOK 14.2 million), an increase in investments of NOK 10.4 million, or 73.3%. The increase in investments was driven primarily by NOK 7.9 million from the acquisition of Ablepay AS (included in payments for intangible assets) during the quarter. R&D for Q1-19 (NOK 20.8 million minus Ablepay of NOK 7.9 million) of 12.9 million was slightly higher than the investment in R&D of NOK 8.7 million for Q1-18, the increase reflecting NORBIT's strategy to spend a certain percentage of increased revenue in R&D.

2018 IFRS vs. 2017 IFRS

Consolidated net cash flow from investing activities was negative at NOK 46.2 million (negative NOK 41.4 million), an increase in investments of NOK 4.8 million, or 11.6%. The increase in investment outlays was primarily because of acquisitions in PPE of NOK 37.3 million in 2018 (NOK 8.9 million for 2017), but offset with proceeds from sale of financial assets of NOK 29.4 million (the Kvikna transaction discussed in section 10.7). NOK 30.0 million of the investments in PPE in 2018 were for new industrial robots (new manufacturing lines with automated robots) for the production of new products.

N-GAAP 2017 vs. N-GAAP 2016

Consolidated net cash flow from investing activities was negative at NOK 38.2 million (negative NOK 21.9 million), an increase in investments of NOK 16.3 million, or 74.4%. The increase was primarily due to payments for intangibles of NOK 30.2 million in 2017, compared to NOK 14.5 million in 2016. The increase in intangibles was due to R&D acquired through the Aptomar AS and Kabelpartner acquisitions.

c) Cash flow from financing activities

Q1 2019 IFRS vs. Q1 2018 IFRS

Net cash flow from financing activities was positive NOK 7.0 million (NOK positive at 15.3 million), reflecting that the Company on the one hand drew up its loan financing with net NOK 32.4 million (net of NOK 104 million plus NOK 10.4 minus NOK 82.1 million) in Q1-19, which was on the other hand offset to a large degree with buy-back of shares of NOK 19.3 million and payment of dividends of 6 million. While for Q1-18 only a net amount of NOK 15.0 million was drawn up of financing, and no dividends paid.

2018 IFRS vs. 2017 IFRS

Net cash flow from financing activities was positive at NOK 24.6 million for 2018 (for 2017 positive at NOK 37.0 million). While the Company drew up NOK 30.1 million in its loan facilities in 2018 and raised NOK 10.5 million in new share capital, this was offset with a divididend distribution of NOK 16 million for 2018. For 2017 the net increase in loans was NOK 18.5 million and share capital issue (net of buy back of shares) of NOK 18.5 million, resulting in net cash from financing of NOK 37.0 million for 2017.

N-GAAP 2017 vs. N-GAAP 2016

Net cash flow from financing activities was positive at NOK 36.2 million (negative NOK 4.4 million), mainly reflecting that the Company in 2017 issued share capital of NOK 21 million (nil in 2016) and increased its borrowing with net NOK 17.7 million (compared to a net repayment of NOK 0.8 million in 2016). No dividends were paid in 2017 (NOK 3.8 million for 2016).

The share issues, dividend payments, buy-back of shares and changes in financial leverage over the period 2016 to Q1-19 reflect the Company's work to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

10.9 Selected data from the statement of changes in equity

The table below sets out selected data from the Company's audited statement of changes in equity for the three months ended 31 March 2019 and the years ended 31 December 2018 and 2017.

	Attributable to owners						
Figures in NOK million	**Share capital and premium**	**Other equity**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 january 2017	**0,4**	**12,4**	**0,0**	**40,2**	**52,9**	**15,0**	**67,9**
Profit for the period	0,0	0,0	0,0	28,5	28,5	0,0	28,5
Other comprehensive income	0,0	0,0	0,0	0,3	0,3	0,0	0,3
Total comprehensive income for the period	**0,0**	**0,0**	**0,0**	**28,8**	**28,8**	**0,0**	**28,8**
Transaction with owners in their capacity as owners:							
Contributions of equity net of transaction costs	0,0	21,0	0,0	0,0	21,0	0,0	21,0
Acquisition of non-controlling interest	0,0	0,0	0,0	3,1	3,1	-5,6	-2,5
Dividends provided for or paid	0,0	0,0	0,0	-0,3	-0,3	0,0	-0,3
	0,0	**21,0**	**0,0**	**2,8**	**23,8**	**-5,6**	**18,2**
Balance at 31 December 2017	**0,4**	**33,3**	**0,0**	**71,7**	**105,5**	**9,4**	**114,9**

The change in equity in 2017 is attributable to retained earnings for the period and a net proceed from transactions with owners of NOK 18 million.

Figures in NOK million	Attributable to owners: Share capital and premium	Other equity	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2017 as originally presented	**0,4**	**33,3**	**0,0**	**71,7**	**105,5**	**9,4**	**114,9**
Profit for the period	0,0	0,0	0,0	47,6	47,6	0,3	48,0
Other comprehensive income	0,0	0,0	0,0	0,6	0,6	0,0	0,6
Total comprehensive income for the period	**0,0**	**0,0**	**0,0**	**48,2**	**48,2**	**0,3**	**48,6**
Transaction with owners in their capacity as owners:							
Contribution of equity, net of transaction costs and tax	0,0	10,5	0,0	0,0	10,5	0,0	10,5
Dividends provided for or paid	0,0	0,0	0,0	-16,0	-16,0	0,0	-16,0
	0,0	**10,5**		**-16,0**	**-5,5**	**0,0**	**-5,5**
Balance at 31 December 2018	**0,4**	**43,8**	**0,0**	**103,9**	**148,2**	**9,7**	**157,9**

The change in equity in 2018 is attributable to retained earnings for the period and a net proceed from transactions with owners of NOK -5.5 million.

Figures in NOK million	Attributable to owners: Share capital and premium	Other equity	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2018 as originally presented	**0,4**	**43,8**	**0,0**	**103,9**	**148,2**	**9,7**	**157,9**
Profit for the period	0,0	0,0	0,0	34,0	34,0	0,0	34,0
Other comprehensive income	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total comprehensive income for the period	**0,0**	**0,0**	**0,0**	**34,0**	**34,0**	**0,0**	**34,0**
Transaction with owners in their capacity as owners:							
Transaction with non-controlling interest	0,0	0,0	0,0	-14,4	-14,4	-8,4	-22,8
Dividends provided for or paid	0,0	0,0	0,0	-6,0	-6,0	0,0	-6,0
	0,0	**0,0**	**0,0**	**-20,4**	**-20,4**	**-8,4**	**-28,8**
Balance at 31 March 2019	**0,4**	**43,8**	**0,0**	**117,6**	**161,8**	**1,3**	**163,2**

The change in equity in the first quarter of 2019 is attributable to retained earnings for the period and a net proceed from transactions with minority shareholders and owners of NOK 28.8 million.

10.10 Liquidity and capital resources

The Group's liquidity requirements arise primarily from operating expenses, acquisitions and investments in R&D. The Group's principal sources of liquidity consist of cash generated from operating activities. As of 31 March 2019 NORBIT had total equity of NOK 163.2 million, corresponding to an equity ratio of 31.4%, cash and cash equivalents of NOK 4.3 million and interest bearing debt of NOK 203.0 million.

The Group’s objectives when managing capital are to ensure the ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital, including compliance with covenants in the loan agreements. While the Group has no Treasury department per se, it is the responsibility of the Group’s CFO and Finance department to supervise and monitor financial risk management, cash and liquidity management and secure funding for the Group’s operations.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and/or sell assets to reduce debt.

The Group monitors capital on the basis of the following gearing ratios:

- Carrying value of total equity as % of carrying value of total assets
- NIBD over EBITDA

The Group has an overdraft facility agreement with a limit of NOK 130 (of which NOK 82.8 million was drawn as of 31 March 2019) and long-term facility of NOK 150 million (of which NOK 100.0 million was drawn as of 31 March 2019) with DNB. In addition, the Group has NOK 20.2 million in other loans, primarily from Innovation Norway.

The DNB facility was signed on 19 December 2018 but first drawn down in Q1-19.

The DNB facilities include financial covenants where the Group needs to maintain a book value of equity as a percentage of total assets of minimum 30%, in addition to net interest bearing debt over EBITDA being maximum 4.0x with acceptance for one quarterly deviation. Further, the DNB facilities has a change of control-clause that is triggered when a) a natural or legal person, directly of indirectly, becomes an owner of 50% or more of the shares issued by NORBIT or

b) NORBIT, directly or indirectly, sells subsidiaries or material assets. DNB has a NOK 400 million cross collateral security in the Group for each of operating equipment, inventories and accounts receivables. The interest rate on the overdraft facility is 1 month NIBOR + 1.40 percentage point margin on the drawn amount, and a commission of 0.1% of the credit facility amount. The credit facility is denominated in NOK. The interest rate on the long term facility is 3 month NIBOR + 1.80 percentage point margin.

Available funding as of 31 March 2019 is the undrawn long-term DNB facility of NOK 50 million, and undrawn overdraft DNB facility of approximately NOK 47 million.

The Group also has loan agreements with Innovation Norway of NOK 18.1 million.

The Group is in compliance with all loan covenants as of the date of this Prospectus.

Figure 10.10 – Overview of NORBIT's financing arrangements

Debtor	Creditor	Facility	Total debt as of 31 March 2019	Payments 2019	Payments 2020	Payments 2021	Payments 2022	Payments 2023	Payments in 2024 and later
Norbit ASA	DNB	NOK 130 mill overdraft facility	82,80						
		Interests and commission		2,73	2,73	2,73	2,73	2,73	
		Installments		0,00	0,00	0,00	0,00	0,00	1)
Norbit ASA	DNB	NOK 150 mill capex and acquisition facility	100,00						
		Interests and commission		3,21	3,29	3,37	3,45	3,53	
		Installments		20,00	20,00	20,00	20,00	20,00	
AblePay AS	DNB	Installment loan	1,80						
		Interests and commission		0,08	0,07	0,05	0,04	0,02	
		Installments		0,00	0,40	0,40	0,40	0,40	0,20
Norbit Subsea AS	Innovasjon Norge	Installment loan	0,80						
		Interests and commission		0,02	0,01				
		Installments		0,53	0,27				
Norbit ITS AS	Innovasjon Norge	Installment loan	6,20						
		Interests and commission		0,27	0,24	0,22	0,19	0,16	
		Installments		0,56	0,56	0,56	0,56	0,56	3,39
Norbit EMS AS	Innovasjon Norge	Installment loan	9,00						
		Interests and commission		0,39	0,37	0,34	0,32	0,29	
		Installments		0,56	0,56	0,56	0,56	0,56	6,19
AblePay AS	Innovasjon Norge	Installment loan	2,10						
		Interests and commission		0,09	0,08	0,06	0,04	0,02	
		Installments		0,00	0,50	0,50	0,50	0,50	0,10
Norbit Sourcing AS	Toten Sparebank	Overdraft facility	0,30						
		Interests and commission		0,01					
		Installments		0,30					
		Total interests and commission		**6,81**	**6,79**	**6,77**	**6,76**	**6,75**	
		Total installments		**21,96**	**22,29**	**22,03**	**22,03**	**22,03**	**9,87**
		Total payments		**28,77**	**29,08**	**28,80**	**28,79**	**28,78**	**9,87**

1) Please refer to assumptions on down-payment of the overdraft facility below

Interest expenses on the DNB facilities are based on the following reference interest rates:

- Overdraft facility: NIBOR 1M plus credit margin
- Capex and acquisition facility: NIBOR 3M plus credit margin

The overdraft facility does not have instalments. However, the facility is subject to annual renewal. In the above the overdraft facility is assumed to be renewed indefinitely. Overdraft balance is assumed to stay on the same level as at 31 March 2019 throughout the period covered by the table above.

10.11 Investments and acquisitions (business combinations)

a) Investments

NORBIT's investment can be divided into investments into Property, Plant and Equipment (PPE) and investments into intangibles. Investments in 2016 (NGAAP) totaled NOK 21.9 million, NOK 41.1 million in 2017 (IFRS) and NOK 75.5 million in 2018 (IFRS). Of the NOK 75.5 millon investments in 2018 about NOK 30 million referred to new industrial robots (several manufacturing lines with automated robots) for the production of new products, especially for the ITS segment. While this investment was undertaken in 2018, the sales of the new products first started in 2019. The remaining NOK 45.5 million investments are standard PPE assets (various machinery and equipment) and investments in intangible assets.

The split between investments into PPE and intangibles can be seen in Figure 10.11 below. Investments into PPE is predominantly related to investments into production capabilities (i.e. such investments that will scale up the

Company's production capacity like machinery and equipment), whereas most investments into intangibles is related to the Company's R&D policy. NORBIT's R&D programme is an ongoing activity. Management expects that the R&D investments in the near future will be at the approximate same level (i.e with about the same NOK amounts invested) as for 2018. (However, this is not taking into account the acquisition of Ablepay AS in Q1 2019 and any R&D recognised from this acquisition, as this acquisition was a one-off investment). Please see Section 8.6 "Research and development" for a description of NORBIT's R&D policy and for an overview of investments in R&D for 2018, 2017 and 2016.

NORBIT does not have any committed investments going forward. The Group is currently considering an expansion of its production facilities at Røros. While plans are being made for expansion of the facilities and new manufacturing equipment, no firm decisions have been made at the date of this Prospectus.

Figure 10.11(a) – Historical investments for the period covered by the historical financial information

Figures in NOK million	**Q1 2019 IFRS (unaudited)**	**2018 IFRS (audited)**	**2017 IFRS (audited)**	**2016 NGAAP (audited)**
Investments in PPE	4,2	37,3	8,9	7,4
Investments in intangible assets	20,8	38,2	32,2	14,5
Total investments	**25,0**	**75,5**	**41,1**	**21,9**

For the period after Q1-19 up to the date of the Prospectus, the approximate amount of PPE investments will be in line with such PPE investments recognized for Q1-19. With regards to R&D investments after Q1, such investments will be approximately NOK 10 million for the period after Q1-19 up to the date of the Prospectus.

b) Acquisitions (business combinations)

The Group may occasionally make strategic acquisitions to support growth and profitability. Any acquisitions of ongoing businesses (business combinations) will be accounted for in line with IFRS 3 "Business combinations". Below is an overview of acquisitions for the period covered by the historical financial information.

Acquisitions in Q1 2019
In first quarter of 2019 the Group acquired 100% of the shares in Ablepay AS (later renamed Norbit AblePay AS) for NOK 100,000 in cash and an earn-out estimated to NOK 600,000, for net assets of NOK 11.6 million. This resulted in a one-time gain (bargain gain) of NOK 10.9 million recorded as other gains and losses for Q1-19.

Also in first quarter of 2019 NORBIT acquired the remaining 6% minority post in NORBIT ITS AS for NOK 15 million, through which NORBIT became the sole owner of NORBIT ITS AS.

In the same quarter NORBIT increased the ownership in NORBIT EMS AS to 98.9% for NOK 7.8 milllion.

Acquisitions in 2018
The Group made no acquisitions (business combinations) in 2018.

Acquisitions in 2017
In 2017 the Group acquired 100% of the share capital in Aptomar AS and Kabelpartner. Aptomar AS is a company with long experience in solving surveillance challenges for the oil and gas industry in Norway and abroad.

NORBIT acquired Aptomar AS (later renamed NORBIT Aptomar AS) to utilze synergies in its Service and Support organisation; and also to explore the possibilities in combining technology in the full Ocean space domain.

Table 10.11(c) provides details of the purchase consideration, the net assets acquired and goodwill are as follows (which was accounted for in line with IFRS 3).

Table 10.11(c) – Details of Aptomar AS purchase consideration, net assets acquired and associated goodwill

Purchase consideration Aptomar AS	2017 (NOK '000)
Cash paid	7 418
Net assets acquired	7 418
Goodwill	-

Kabelpartner, a department of Norservice AS (later renamed NORBIT Kabelpartner AS) was acquired to strengthen the Group`s position in the EMS market. For NORBIT the factory acquired through Kabelpartner was an important supplier in the Ocean segment and represented an attractive opportunity for vertically integration.

Table 10.11(d) provides details of the purchase consideration, the net assets acquired and goodwill are as follows (which was accounted for in line with IFRS 3).

Table 10.11(d) – Details of Kabelpartner purchase consideration, net assets acquired and addociated goodwill

Purchase consideration Kabelpartner (department of Norservice AS)	2017 (NOK '000)
Cash paid	532
Net assets acquired	2 583
Goodwill	(2 051)

The above aquisitions have contributed to higher profits for the Group, both for 2017 and 2018.

Acquisitions in 2016

The Group made no material acquisitions (business combinations) in 2016.

10.12 Recent developments and trends

In all three business segments the products are sold on long-term contracts or on order basis where prices are defined either in the contract or based on price lists. Customers of the Group are mainly business to business and long-term.

The ITS segment has seen a significant step-up in revenues in Q1-19, the primary reason being that the ITS segment over the last three years has developed new products which have been launched to the market during the first quarter of 2019. The new products have been well received and are being sold based on long-term contracts with large industrial clients with defined price-levels.

The nature of the business in the Oceans segment is more order based and short-term/spot sale. The prices are defined in price lists and the majority of the sale in this segment is through distributors globally.

Over the past year there has been a general shortage in the global market for electronic components. As a precaution, the Group has stocked up on its inventory of such items in order to serve its commitments for the new long-term contracts that were entered into for ITS' sale of new products, as discussed above. The Group continued to stock up on key electronic components in Q1-19.

The information and expectations presented above have been prepared based on the Group's interim financial report for the three months ended 31 March 2019, and represent as of the date of the Prospectus certain of the Group's preliminary expectations with respect to the financial year 2019. While the Group believes these expectations to be reasonable, the Group's actual results could vary materially from these expectations. All such information and expectations are subject to inherent risks and uncertainties and may be subject to change. As such, you should not place undue reliance on the information and expectations presented herein or on any other information included in this section. See Section 4.3 "Cautionary note regarding forward-looking statements" and Section 10.15 "Key factors affecting the Group's results of *operatings and financial performance" for a more complete discussion of certain of the factors that could affect the Group's performance and results of operation.*

10.13 Independent auditor

The Company's independent auditor is PricewaterhouseCoopers AS (PwC), with business registration number 987 009 713, and registered address at Dronning Eufemias gate 8, 0191 Oslo. PwC is a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants). PwC has been the Company's auditor since the financial year 2009.

The financial statements of NORBIT Group AS as at 31 December 2018, 2017 and 2016 and for each of the years then ended, included in Appendix C of this prospectus, have been audited by PwC, independent auditors, as stated in their reports included with the audited Financial Statements.

10.14 Alternative Performance Measures

In order to enhance investors' understanding of the Company's performance, the Company presents in this Prospectus certain alternative performance measures (APMs) as defined by the European Securities and Markets Authority (ESMA), including gross profit, gross profit margin, EBITDA, EBITDA margin, EBIT and EBIT margin. An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS).

Gross profit, gross margin, EBITDA, EBITDA margin, EBIT and EBIT margin and related APMs are defined by the Company as follows:

- "**Gross profit**" equals total operating income less cost of goods sold.
- "**Gross margin**" equals gross profit divided by total operating income
- "**EBIT**" equals operating profit/(loss), i.e. profit/(loss) before interest and taxesoperating profit
- "**EBIT margin**" equals EBIT divided by total operating income
- "**EBITDA**" equals operating profit/(loss) before depreciation and amortisation, i.e.
- **"EBITDA margin"** equals EBITDA divided by total operating income
- "**NWC**" represents net working capital, which is the difference between the Group's current assets, such as accounts receivable and inventories of raw materials and finished goods but excluding cash, and its current liabilities, such as accounts payable
- "**NIBD**" equals net interes bearing debt defined as interst bearing debt less cash and cash equivalents
- "**EPS**" equals earnings per share computed as net income for the year divided by the number of shares outstanding
- "**Equity ratio**" equals the ratio between the Company's book value of equity and its total assets

The above APMs are not recognized measurements of financial performance or liquidity under the IFRS, but are used by the Company to monitor and analyse the underlying performance of its business and operations. In particular, non-IFRS financial measures should not be viewed as substitutes for profit/loss for the period, profit/loss before tax from continuing operations, operating income, cash and cash equivalents at a period end or other income statement or cash flow items computed in accordance with IFRS. The non-IFRS financial measures do not necessarily indicate whether cash flow is sufficient or available to meet the Company's cash requirements and may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results.

The Company has presented these non-IFRS financial measures in this Prospectus because it considers them to be important supplemental measures of the Group's performance and believes that they are widely used by investors in comparing performance between companies. Accordingly, the Company discloses the non-IFRS financial measures presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies and across periods. It should be noted that because other companies may calculate and define non-IFRS financial measures differently, the non-IFRS financial measures presented by the Company may not be comparable to similarly defined terms or measures used by other companies. Furthermore, APMs calculated based on N-GAAP may not be comparable with APMs (with similar name) based on IFRS, due to the different basis (NGAAP or IFRS) the APM is based on.

See table below for an overview over Alternative Performance Measures (also referred to as Key Performance Indicators – KPIs) applied by the Company in its discussion of historical financial information.

Figures in NOK million	Q1 2019 IFRS (unaudited)	Q1 2018 IFRS (unaudited)	2018 IFRS (audited)	2017 IFRS (audited)	2017 NGAAP (audited)	2016 NGAAP (audited)
Revenue (incl. other gain and losses)	168,6	90,1	438,4	352,2	350,1	310,2
Gross profit	97,9	44,0	228,8	164,2	162,2	140,8
EBITDA	50,1	6,0	74,7	40,6	36,4	18,6
EBIT	40,6	-3,8	38,0	7,9	9,2	-4,3
Result after tax	34,0	-3,3	48,0	28,5	29,8	-4,6
Key KPIs						
Revenue growth	87 %		24 %	14 %	13 %	
Gross margin	58 %	49 %	52 %	47 %	46 %	45 %
EBITDA margin	30 %	7 %	17 %	12 %	10 %	6 %
EBIT margin	24 %	-4 %	9 %	2 %	3 %	-1 %
Result margin	20 %	-4 %	11 %	8 %	9 %	-1 %

10.15 Key factors affecting the Group’s results of operations and financial performance

NORBIT’s results of operations have been, and will continue to be, affected by a range of factors, many of which are beyond the Group's control. The factors that Management believes have had a material impact on the Group's operating result, as well as those considered likely to have such impact in the future are described below.

Development in overall demand for its services and products
The Group's revenues and results are driven by overall demand for its services and products. Customers are mainly business to business and long-term in ITS and PIR and products and solutions in Oceans are sold through an indirect distribution network. NORBIT operates in a competitive environment, where customers have several competing options to choose from. Most the Group's competitors are international companies.

Reliance on continued supply of raw material and components
NORBIT relies on a significant supply of raw material and components to manufacture and deliver its product solutions and services. Certain parts and equipment that the Company uses in its operations may be available from only a small number of suppliers, manufacturers, sub-contractors or service providers, or in some cases must be sourced through a single supplier, distributor, manufacturer, sub-contractor or service provider.

Over the past year there has been a general shortage in the global market for electronic components. As a precaution, the Group has stocked up on its inventory of such items in order to reduce the risk of component shortage.

Key personnel and project management
The Company's value creation primarily comprise delivery of systems and solutions of high technological complexity. Loss of key personnel or the failure to obtain or retain highly skilled personnel could materially adversely affect the Company's operations. Effective project management is also a key success factor in reducing operating risk, particularly in development contracts where the risk of the project not being completed is high.

Investments into research and development has been an important part of NORBIT’s strategy to develop new and innovative technological solutions and is expected to remain an important part of the Company’s strategy going forward. The Company is depending on key personnel in order to continue its R&D activities.

Intellectual Property rights (IPR)
NORBIT has through many years accumulated substantial IPR of various nature through either its own R&D activities, or through acquisitions. NORBIT has historically relied primarily on a combination of copyright laws, trademark laws, trade secrets, and general secrecy based on strict confidentiality procedures and comprehensive contractual provisions to protect its intellectual property rights (IPR).

To a large extent, copyright laws and strict secrecy has been preferred over patenting for protection of IPR due to the unique complexity and nature of its IPR, and the technological advantages created by NORBIT’s extensive experience, knowledge and R&D activities. Strict secrecy, combined with custom made and/or exclusive components, has effectively made reversed engineering and copying very difficult and time-consuming for any entity attempting to copy NORBIT’s technology, thus providing effective protection of NORBIT’s IPR. As patenting effectively would provide current and future competitors with otherwise unobtainable knowledge, and patent protection to some extent may be circumvented by avoiding or amending one or more patent claims, patenting has only been used by NORBIT to a lesser extent. However, NORBIT has acquired several patents through take-overs, and also have several new patents pending.

Geographical expansion

NORBIT is a global provider of tailored technology solutions to selected niches in a number of regions world-wide, including in Europe, North America and Asia. As a result, its operations are subject to a variety of country, regulatory and political risks, particularly in connection with its operations in emerging markets.

The Group has established sales offices in several countries which have contributed to the growth in revenues and specifically in the Ocean segment. The offices contribute in local and regional sales support to a number of independent regional distributors.

The intention of the establishment of sales offices and geographical expansion is to further provide revenue growth.

Human capital/competence

The Group's ability to execute on its growth strategy, to develop new and maintain existing products and solutions depends largely on the Group's ability to attract, retain and motivate key personnel, including senior managers and highly skilled employees.

There is significant competition for employees with the skills needed to perform the services needed by the Group to perform successfully in its markets.

Acquisitions

NORBIT's growth strategy is based on a combination of organic growth and strategic growth, as evidenced by the acquisitions of ASTI AS, Norbitech AS, Ablepay Technologies AS and Aptomar AS.

Going forward, the Group may do additional strategic acquisitions both to increase its customer base and to add new products and services.

Product development and delivery

NORBIT has over the years developed and acquired a competitive and comprehensive product portfolio. The success of the Group will depend on its ability to broaden its product offerings or enter/enable new markets.

Disputes and litigation

Due to the nature of the Group's business, the Group may be involved in disputes and litigation matters from time to time. These matters may include, among other things, project errors, employment matters, intellectual property related matters, as well as other disputes that arise in the ordinary course of business. The Group cannot predict with certainty the outcome of any claim or other litigation matter. The ultimate outcome of any litigation matter and the potential costs associated with prosecuting or defending such lawsuits, including the diversion of Management's attention to these matters, could have a material adverse effect on the Group's business, revenue, profit and financial condition.

Environmental regulations

The Group provides products and services to customers in different markets which may be subject to different regulations. The activities of a number of the Company's customers and NORBIT itself are subject to environmental regulations pursuant to a variety of international conventions and state and municipal laws and regulations. Litigation or criminal investigations relating to breach of environmental regulations may involve companies in the Group. The Company may incur significant costs, fines and liabilities due to any such litigation or investigation in addition to loss of reputation. This could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects.

Additionally, the Company owns real property with a long history of industrial operations and under Norwegian law, the Company could be required to remediate or be held responsible for all of the costs relating to any contamination discovered at the Company's past or present real property.

In general, environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increase capital expenditures and operating cost. Environmental laws and regulations may result in a material increase in the cost of operating the Company's units or otherwise materially adversely affect its business, profitability, cash flows and financial condition.

Political framework and decisions

Political decisions can both provide business opportunities for NORBIT, but can also impact NORBIT's business negatively. In particular the ITS segment operates in regulatory driven markets. An example is the EU regulations related to smart tachographs, regulations that will be implemented in EU from 15 June 2019. From this date and onwards all new trucks being registered in the EU must have a smart tachograph installed in the vehicle, which will provide NORBIT with business opportunities.

Tax regulation and Transfer pricing policies

The Group has activities in a number of countries and its activities are subject to different tax jurisdictions. Changes in rules related to transfer pricing documentation and policies in any of the jurisdictions in which the Group operates, or adverse outcomes from tax audits that the Group may be subject to in any of the jurisdictions in which it operates could have an adverse effect on the Group's operations. As such, there is also a risk that tax authorities may challenge the Group's transfer pricing documentation and policies regarding intercompany transactions between companies in the Group.

Critical accounting judgements and estimates

The preparation of financial statements in accordance with IFRS requires that the Management makes assessments, estimates and assumptions that impact reported amounts for revenues, expenses, assets and liabilities and presentation of contingent liabilities at the end of the reporting period. Assessments made by the Management as part of the application of the entity's accounting policies and that have the most significant impact on the amounts recognised in the financial statements are as follows:

- Estimated fair value of synthetical options under IFRS 2 (see note 19 to the Financial Statement for 2018)
- Assessment of economic life and amortization and depreciation plans (see notes 7 and 8a to the Financial Statement for 2018)
- Recognition of deferred tax asset for carried forward tax losses (see note 8b to the Financial Statement for 2018)
- Impairment of intangible assets (see note 8a to the Financial Statement for 2018)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

11 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

11.1 Introduction

The General Meeting is the highest authority of the Company. All shareholders in the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is vested in the Board of Directors and the Company's Senior Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business, ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board of Directors has two sub-committees: an audit committee and a remuneration committee (see Sections 11.11 "Audit committee" and 11.9 "Remuneration committee"). In addition, the Articles of Association provide for a nomination committee (see Section 11.10 "Nomination committee").

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's chief executive officer, or CEO, is responsible for keeping the Company's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must according to Norwegian law brief the Board of Directors about the Company's activities, financial position and operating results at a minimum of one time per month.

11.2 The Board of Directors

11.2.1 Overview of the Board of Directors

The Articles of Association provide that the Board of Directors shall consist of a minimum of three and a maximum of seven Board Members elected by the Company's shareholders. The names, positions and current term of office of the Board Members as at the date of this Prospectus are set out in the table below.

Name	Position	Served since	Term expires
Finn Haugan	Chairperson	3 May 2019	3 May 2021
Bente Avnung Landsnes	Deputy Chairperson	3 May 2019	3 May 2021
Tom Solberg	Board member	21 May 2009	3 May 2021
Trond Tuvstein	Board member	3 May 2019	3 May 2021
Marit Collin	Board member	3 May 2019	3 May 2021

The composition of the Board of Directors is in compliance with the independence requirements of the Corporate Governance Code (as defined below), meaning that (i) the majority of the shareholder elected members of the Board of Directors are independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder elected Board Members are independent of the Company's main shareholders (shareholders holding more than 10% of the Shares in the Company), and (iii) no member of the Company's Management serves on the Board of Directors.

The Company's registered business address, Stiklestadveien 1, 7041 Trondheim, Norway, serves as c/o address for the Board Members in relation to their directorship of the Company.

As at the date of this Prospectus, none of the Board Members holds any Shares, options or other rights to acquire Shares.

11.2.2 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members who will constitute the Board of Directors subject to, and with effect from Listing, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Member is or has been a member of the administrative management or supervisory bodies or partner in the previous five years.

Finn Haugan, Chairperson

Finn Haugan is the current Chairperson of the Company, which position he has held since 3 May 2019. Mr. Haugan has experience as CEO of Sparebank 1 SMN from 1991 to 2019, in addition to partnership interests in Elekt AS, MiFi AS and

Borgermestersvingen AS. Mr. Haugan holds a Master of Business administration.

Current directorships and senior management positions....	Vipps AS, Board member Fremtind Forsikring AS, Chairperson BN Bank ASA, Chairperson Okea ASA, Board member Norwegian association for savings banks, board member Elekt AS, Chairperson Sinkaberg-Hansen AS, Chairperson Bogermestervingen AS, Chairperson MiFi AS, Board member Kavli institute for neuroscience, Board member
Previous directorships and senior management positions last five years...	Sparebank 1 SMN, CEO Sparebank 1 Markets, Chairperson Eiendomsmegler 1 MidtNorge, Chairperson BakAxept AS, Chairperson Sparebank 1 Gruppen AS, Chairperson Sparebank 1 Banksamarbeidet DA, Chairperson Aker BP ASA, Member of nomination committee Finans Norge, Chairperson Sparebankforeningen i Norge, Chairperson

Bente Avnung Landsnes, Deputy Chairperson

Bente Avnung Landsnes is the current Deputy Chairperson of the Company, which position she has held since 3 May 2019. Miss Landsnes has experience as CEO and President of Oslo Børs ASA and Oslo Børs VPS ASA and DNBNOR – IT and operations from 2003 to 2006. In addition, she has experience as Group Executive Vice President in Gjensidige NOR Sparebank from 2000 to 2003.

Current directorships and senior management positions....	Danske Bank, Board member
Previous directorships and senior management positions last five years...	BITS AS, Board member (2016-2019) FishPool ASA, Chairperson VPS ASA, Board member Oslo Børs ASA, CEO and president Oslo Børs VPS ASA, CEO and president FESE (Federation of European Exchanges), Board member

Tom Solberg, Board Member

Tom Solberg holds a Master's degree in law and is Chairperson, partner and lawyer in Pretor Advokat AS.

Current directorships and senior management positions....	Pretor Advokat AS, Chairperson Mariteam AS, Chairperson Soot Prosjekt AS, Chairperson EYK AS, Chairperson NORBIT Subsea AS, Board member NORBIT ODM AS, Board member NORBIT ITS AS, Board member NORBIT Aptomar AS, Board member S Moe AS, Chairperson Grand Hotel Arendal Drift AS, Board member Grand Hotel Arendal Eiendom AS, Board member Sennerudtoppen Bolig AS, Board member Stretchceiling Scandinavia AS, Chairperson Nordbotn Eiendom AS, Chairperson Norulf AS, Chairperson
Previous directorships and senior management positions last five years...	Osisoft Norway AS, Board member Monsoon Accessorixe Norway AS, CEO and Board member Jessheim Panorama AS, Board member Øvrehagen Eiendom AS, Board member Stiftelsen TISIP, Deputy Chairperson

	Friergangen 4 Hotell Eiendom AS, CEO Norsk Innfordring AS, Chairperson

Trond Tuvstein, Board member

Trond Tuvstein holds a Master of Science in Auditing and Accounting. Mr. Tuvstein has experience as CFO of SalMar ASA from 2013 to June 2019.

Current directorships and senior management positions....	TTU Invest AS, Board member
Previous directorships and senior management positions last five years...	Arnarlax AS, Board member SalMar Genetics AS, Board member Romsdal Processing AS, Board member Kirkenes Processing AS, Board member Trym Eiendom AS, member of executive management SalMar ASA, CFO

Marit Collin, Board member

Marit Collin holds a Master of Management from NTNU in addition to economics studies from Trondheim Økonomiske Høgskole. Miss Collin has experience as CEO of Kantega AS since 2011.

Current directorships and senior management positions....	Secure Identity Holding AS, Chairperson BN Bank ASA, Board member SpareBank 1 Regnskapshuset SMN AS, Board member Rosenborg Ballklubb, Board member
Previous directorships and senior management positions last five years...	Signicat AS, Board member Lindbak ASA, Board member Regionalt forskningsfond Midt-Norge, Board member Secure Identity Holding AS, member of executive management Kantega AS, CEO

11.3 Management

11.3.1 Overview

The Company's Management team consists of 6 individuals. As of the date of this Prospectus, no member of Management holds any share options or other rights to acquire Shares (excluding for the avoidance of doubt the guaranteed allocation in the Employee Offering).

See Section 11.5 "Syntethic option scheme and share incentive scheme" for a description of the Company's bonus programmes adopted by the Board of Directors. See Section 13.5.2 "Management and Board Members shareholdings" for an overview of the Management and Board Members shareholdings in the Company. All members of Management are eligible to and may participate in the Retail Offering.

The names of the members of Management as of the date of this Prospectus, and their respective positions, are presented in the table below:

Name	**Current position within the Company**	**Employed with the Company since**
Per Jørgen Weisethaunet	Group CEO	2001
Stein Martin Beyer	Group COO, Business Unit Director EMS	2012
Stian Lønvik	Group CFO	2013
Arild Søraunet	Group CTO, Business Unit Director ODM	2002
Peter Tschulik	Business Unit Director ITS	2015
Peter Koldgaard Eriksen	Business Unit Director Oceans	2012

The Company's registered business address, Stiklestadveien 1, 7040 Trondheim, Norway, serves as c/o address for the members of the Management in relation to their employment with the Company.

11.3.2 Brief biographies of the members of the Management

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years.

Per Jørgen Weisethaunet, CEO

Per Jørgen Weisethaunet is the current CEO of the Group, which position he has held since 2001. Mr. Weisethaunet has been the co-owner of NORBIT since 2008. Further, Mr. Weisethaunet has 3 years experience as Project Engineer R&D, misc electronics design, and 2 years experience as Operations Manager in Cargoscan Metler Toledo. In addition, Mr. Weisethaunet has been serving as chairperson of the board of several companies, inter alia, of NORBIT Group since 2016 and both chairperson of the board and board member of various NORBIT Subsidiaries.

Mr. Weisethaunet holds a Master of Science in RF & Microwave electronics from the Norwegian University of Technology (currently known as NTNU Business School), a Bachelor of Science in electronics from Trondheim University of Engineering (TIH), Business Economics from Trondheim Economic University center of competence (TØHK) and Supply Chain Management from BI Norwegian Business School.

Current directorships and senior management positions....	NORBIT Ablepay AS, chairperson of the board NORBIT Aptomar AS, chairperson of the board NORBIT Kabelpartner AS, chairperson of the board NORBIT EMS AS, chairperson of the board NORBIT ODM AS, chairperson of the board NORBIT ITS AS, chairperson of the board NORBIT SubSea AS, chairperson of the board NORBIT NV AS, chairperson of the board NORBIT Sourcing AS, board member NORBIT US ltd, chairperson of the board NORBIT Italy Srl, chairperson of the board NORBIT Hungary Kft, chairperson of the board NORBIT Gmbh, chairperson of the board NORBIT Poland Sp. Z.o.o., chairperson of the board Kvikna Consulting Ehf, board member Kvikna Ehf, board member Petors AS, CEO and chairperson of the board Nea Radio AS, board member Trondheim Chamber of Commerce and Industry, Board member Ew Glass & Plast AS, chairperson of the board Øverhagaen Eiendom AS, chairperson of the board
Previous directorships and senior management positions last five years...	*Selbu Vekst AS,* chairperson *of the board* *NORBIT Subsea AS, CEO* *NORBIT ITS AS, CEO* *NORBIT ODM AS, CEO* *NORBIT Sourcing AS,* chairperson *of the board* *Draupnir Invest AS, board member*

Stein Martin Beyer, COO

Stein Martin Beyer is the current COO of the Group, the current CEO of NORBIT EMS AS and the current CEO of NORBIT Kabelpartner AS, which positions he has held since 2012. Mr. Beyer has 28 years experience with industrial management and leadership, including 7 years experience in NORBIT and 10 years as CEO in Servi Cylinderservice AS.

Mr. Beyer holds a Master of Science in Material Technology from the Norwegian University of Technology (currently known as NTNU Business School) and a Business Economics Degree from BI Norwegian Business School.

Current directorships and senior management positions....	Øverhagaen Eiendom AS, CEO and board member NORBIT Kabelpartner AS, board member
Previous directorships and senior management positions	

last five years..

Stian Lønvik, CFO

Stian Lønvik is the current CFO of the Group, which position he has held since 2013. Mr. Lønvik has 1 year experience as Finance Manager in FESIL and 7 years as Auditor in Ernst & Young AS.

Mr. Lønvik holds a Master's Degree in Accounting and Auditing from BI Business School and a 4 year program in economics and business administration from the Norwegian School of Economics (NHH).

Current directorships and senior management positions....	NORBIT Aptomar AS, board member NORBIT Ablepay AS, board member NORBIT ODM AS, board member NORBIT Subsea AS, board member NORBIT ITS AS, board member NORBIT Kabelpartner AS, board member Øverhagaen Eiendom AS, board member Loen Holding AS, chairperson NEO Hytter AS, chairperson
Previous directorships and senior management positions last five years..	

Arild Søraunet, CTO and Business Unit Director ODM

Arild Søraunet is the current CTO of the Group, which position he has held since 2002. In addition, Mr. Søraunet is the current Business Unit Director of NORBIT ODM AS, positioned since 2016, and the CEO of Usegi AS since 2010. Mr. Søraunet has experience as CEO of NORBIT Subsea AS from 2011 to 2016, Project Manager of NORBIT ODM from 2002 to 2011, Development Engineer in Cavotec Micro-Control AS from 2000 to 2002 and Development Engineer in Kongsberg Defence & Aerospace AS from 1997 to 2000.

Mr. Søraunet holds a Master of Science in Applied Physics from the University of Tromsø and a Bachelor of Science in Electronics from Levanger College of Engineering.

Current directorships and senior management positions....	NORBIT ODM AS, CEO NORBIT Ablepay AS, CEO and board member Usegi AS, CEO and chairperson of the board
Previous directorships and senior management positions last five years..	NORBIT Subsea AS, CEO

Peter Tschulik, Business Unit Director ITS

Peter Tschulik is the current Business Unit Director of NORBIT ITS AS, which position he has held since 2016. Mr. Tschulik has 5 years experience in ITS, including in Global Product Management and Marketing and Center of Competence for Electronic Tolling in Siemens Austria. He has 6 years experience in the energy sector, as Head of Communications and Head of Account Manager in Siemens Austra, as well as 16 years experience in IKT as Head of Technical Sales Suppert & Development in Fixed Network.

Mr. Tschulik has a PhD from the University of Vienna along with Studies of Electronics from Technical University of Vienna.

Current directorships and senior management positions....	
Previous directorships and senior management positions last five years..	

Peter Koldgaard Eriksen, Business Unit Director Oceans

Peter Koldgaard Eriksen is the current Business Unit Director of NORBIT Subsea AS and NORBIT Aptomar AS, which positions he has held since 2016. Mr. Eriksen has 7 years experience in NORBIT Subsea AS, 7 years experience in RESON

Inc and Goleto California as CEO, EVP, Group CTO and in Business Development. In addition, Mr. Eriksen has 11 years experience in RESON AS Slangerup Denmark as R&D Engineer, R&D Manager, CTO, Production Manager and in the Global mgmt team.

Mr. Eriksen holds a Master of Science in Active Vibration control from Aalborg University Center, as well as various educations from MBA Kellogg Chicago US, HKUST Hong Kong and Vallendar Germany.

Current directorships and senior management positions....	Kilmore Marine Ltd, board member
Previous directorships and senior management positions last five years..	

11.4 Remuneration and benefits

11.4.1 Remuneration of the Board of Directors

The total payments to the board members in 2018 were NOK 435,000. The table below sets out the remuneration paid to the board members in 2018.

Name and position	Remuneration paid in 2018 (NOK)
Per Jørgen Weisethaunet (Chairperson)	75,000
Steffen Kirknes (vice-chairperson)	60,000
Per Arne Eide (board member)	60,000
Tom Solberg (board member)	60,000
Frode Iglebæk (board member)	60,000
Odd Gulbrandsen (board member)	60,000
Carl Fredrik Eide (board member)	60,000

In the Extraordinary General Meeting held on 3 May 2019, it was resolved that the remuneration to the board members will amount to NOK 500,000 to the chairperson, NOK 300,000 to the vice-chairperson and NOK 150,000 to each board member, rates in which are applicable until the general meeting in 2020.

11.4.2 Remuneration of the Management

The Group offers competitive remuneration to the Management based on current market standards, company and individual performance. In addition to the basic salary, the Management also participates in the bonus program as set forth below.

The table below sets out the remuneration to the CEO of the Company in 2018 (in NOK):

Name	Position	Salary[1]	Other remuneration	Pensions costs	Total remuneration
Per Jørgen Weisethaunet	CEO	2,111,073	25,165	81,272	2,292,510

1 Including holiday pay.

11.5 Synthetic option scheme and share incentive scheme

11.5.1 Synthetic option scheme

NORBIT has a synthetic option scheme for its Management and key employees. In 2014 the Board of Directors established a long-term incentive scheme structured as synthetic options. The synthetic option scheme is applicable for issuance of synthetic options in NORBIT, NORBIT Subsea, NORBIT ITS and NORBIT ODM. However, it has only been issued synthetic options in NORBIT and NORBIT Subsea.

The synthetic options may be issued to leading employees and other key employees who over a period of time contributed to a significant development and added value to the Company, and to key employees with special expertise that with time are expected to contribute to a significant development and added value to the Company.

The Company issued synthetic options to the following members of Management and key employees in 2014 and 2015.

(i) Per Jørgen Weisethaunet – 362,856 synthetic options in NORBIT ASA.

(ii) Stein Martin Beyer – 90,714 synthetic options in NORBIT ASA.

(iii) Stian lønvik – 163,285 synthetic options in NORBIT ASA.

(iv) Arild Søraunet – 181,428 synthetic options in NORBIT ASA and 3,175 options in NORBIT Subsea AS.

(v) Peter K. Eriksen – 1,270 synthetic options in NORBIT Subsea AS.

(vi) Other key employees – 326,570 synthetic options in NORBIT ASA and 1,905 synthetic options in NORBIT Subsea AS.

At the date of this Prospectus there are a total of 43,429,500 shares outstanding in NORBIT ASA and 127,000 shares outstanding in NORBIT Subsea AS. NORBIT Subsea AS had revenues and EBITDA of NOK 160m and NOK 43m respectively in 2018. Further, NORBIT Subsea AS had total asset of NOK 116m and book value of equity of NOK 28m at the end of 2018.

The holders of the synthetic options in NORBIT is entitled to redeem the options in cases of inter alia (i) acquisition of whole or parts of the controlling part of the Company, (ii) acquisition of whole or independent, defined parts of the Company's business, (iii) acquisition of subsidiary in which in reality implies acquisition of whole or independents, defined parts of the Company's business, and (iv) completion of a general issue of new shares in the company. As NORBIT is going to complete the Listing on Oslo Børs, the synthetic options issued in NORBIT are subject to redemption. In addition, the Board of Directors will in connection with the Listing propose to settle and terminate the scheme in NORBIT ASA.

The holders of the syntethic options in NORBIT Subsea AS is entitled to redeem the options in cases of inter alia (i) acquisition of whole or parts of the controlling part of the Company, (ii) acquisition of whole or independent, defined parts of the Company's business, (iii) acquisition of subsidiary in which in reality implies acquisition of whole or independents, defined parts of the Company's business, (iv) completion of a general issue of new shares in the company, and (v) if the board of directors resolves that any of the events described in (i)-(iv) above shall be considered as a triggering event even though it is not considered as such pursuant to (i)-(iv) above.

The synthetic option scheme will continue in NORBIT Subsea AS post completion of the Listing, as the Listing is not a triggering factor for redemption of the synthetic options in NORBIT Subsea AS.

The termination of the syntethic option scheme in NORBIT will cause a one-off cost for NORBIT in Q2 which is dependent upon the pre-money market value of NORBIT in the IPO. Based on the indicative Offer price of NOK 23 to NOK 30 per share in NORBIT, the one-off cost related to the termination of the syntehic option scheme is expected to be in the range NOK 27.5m – 36.3m.

11.5.2 Share incentive scheme

As at the date of this Prospectus, no share options have been granted to any members of Management.

11.6 Benefits upon termination

No members of the Management, Board Members or the members of the nomination committee have service contracts with the issuer or any of its subsidiaries and none will be entitled to any benefits upon termination of office.

11.7 Pension and retirement benefits

For the year ended 31 December 2018, the costs of pensions for members of the Management who are employed by the Group were NOK 290,825. In total for the Group the costs of pensions for employees were NOK 4,235,756. The Company has no pension or retirement benefits for its Board Members.

NORBIT has a defined contribution pension arrangement for its employees of 5% of basic annual salary when salary is from 1 G to 7.1 G and 13% when salary is from 7.1 G to 12 G.

Employees in NORBIT EMS AS and NORBIT Kabelpartner AS is part of a private contractual pension scheme (AFP), which is a tariff based pension scheme for employees in private sector. As of the date of this Prospectus there are in total 107 employees in NORBIT EMS AS and 21 employees in NORBIT Kabelpartner AS.

For more information regarding pension and retirement benefits, see note 8(d) to the Financial Statements, included as C to this Prospectus.

11.8 Employees

As of the date of this Prospectus, the Group has 249 employees (in FTE).

The table below shows the development in the numbers of full-time employees and part-time employees as at 31 December 2018, 2017 and 2016.

	As at 31 December		
	2018	**2017**	**2016**
Full-time employees	207	158	131
Part-time employees	42	42	41
Total employees	**249**	**200**	**172**

11.9 Remuneration committee

The Board of Directors has established a remuneration committee composed of Board Members. The remuneration committee will subject to, and with effect from, Listing consist of Finn Haugan (chairperson), Marit Collin and Tom Solberg. The primary purpose of the remuneration committee is to assist and facilitate the decision making of the Board of Directors in matters relating to the remuneration of the executive management of the Company, reviewing recruitment policies, career planning and management development plans, and prepare matters relating to other material employment issues in respect of the executive management.

The remuneration committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

11.10 Nomination committee

The Articles of Association provide for a nomination committee. The nomination committee will be elected at the first general meeting of the Company after the Listing. The nomination committee shall give recommendations for the shareholder-elected Board Members and the members of the nomination committee and make recommendations for remuneration to the Board Members and the members of the nomination committee.

11.11 Audit committee

The Board of Directors has established an audit committee composed of three Board Members. The audit committee will subject to, and with effect from, Listing consist of Trond Tuvstein (chairperson) and Bente Landsnes. Finn Haugan is entitled to attend at the remuneration committee's meetings. The primary purposes of the audit committee are to:

- assist the Board of Directors in discharging its duties relating to the safeguarding of assets, the operation of adequate system and internal controls, the control processes and the preparation of accurate financial reporting and statements in compliance with applicable legal requirements, corporate governance and accounting standards; and

- provide support to the Board of Directors on the risk profile and risk management of the Company.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

11.12 Corporate governance

The Company has, with effect from the Listing, adopted and implemented a corporate governance regime which complies with the Norwegian Code of Practice for Corporate Governance, dated 17 October 2018 (the "**Corporate Governance Code**").

11.13 Conflict of interests etc.

During the last five years preceding the date of this Prospectus, none of the Board Members or the members of the Management has, or had, as applicable:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences

- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company, or

- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or senior manager of a company.

To the Company's knowledge, there are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management or the Board of Directors, including any family relationships between such persons.

12 RELATED PARTY TRANSACTIONS

12.1 Introduction

Below is a summary of the Group's related party transactions for the periods covered by the Financial Statements and up to the date of this Prospectus. For further information on related party transactions of the Group, please refer to note 20 in the Financial Statement for 2018 (IFRS) and notes 9, 13 and 16 in the Financial Statement for 2016 (N-GAAP). All related party transactions have been concluded at arm's length principles.

12.2 For the period from yearend 2018 and up to the date of this Prospectus

Transactions with associated companies were on par with similar transactions for 2018 (see below). Furthermore, there were no related party transactions between the Company and management or board members in 2019 as of the date of this Prospectus, except for ordinary remuneration to key management and board members in line with similar remuneration as for 2018 (see section 12.3 below). The Company has not entered into any new related party agreements in 2019.

12.3 For the years ended 2018 and 2017

All transactions and outstanding balances among subsidiaries have been eliminated in the financial statements of the Group.

Transactions with associated companies were as follows:

	2018	2017	01.01.2017
	TNOK	*TNOK*	*TNOK*
Accounts payable to associates	1 345	1 388	1 535
	1 345	1 388	1 535

There were no related party transactions between the Company and management or board members in 2018 or 2017, except for ordinary remuneration to key management and board members. Please refer to note 20 to the Financial Statement for 2018 for an overview of compensation to key management and board members.

Except for the above, there were no material transactions with related parties for 2018 and 2017.

12.4 For the year ended 2016

All transactions and outstanding balances among subsidiaries have been eliminated in the financial statements of the Group.

Transactions with associated companies were as follows:

	2016
	TNOK
Accounts payable to associates	1 535
	1 535

Key management and board members were compensated with ordinary remuneration in 2016. For further details, see notes 9, 13 and 16 in the Financial Statement for 2016 (N-GAAP).

Except for the above, there were no material transactions with related parties 2016.

13 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Articles of Association and applicable Norwegian law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Articles of Association, included in Appendix A to this Prospectus, and applicable law.

13.1 Company corporate information

The Company's registered name is NORBIT ASA. The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company's registered office is in the municipality of Oslo, Norway. The Company was incorporated in Norway on 28 May 2008 as a private limited liability company and was converted into a public limited liability company on 21 May 2019 and at the same time changed its name from NORBIT Group AS to NORBIT ASA. The Company's registration number in the Norwegian Register of Business Enterprises is 992 718 196.

The Shares, including the Offer Shares, have been created under the Norwegian Public Limited Companies Act. The Offer Shares are registered in book-entry form with the VPS under ISIN NO 001 0856511. The Company's register of shareholders in the VPS is administrated by DNB Bank ASA (the VPS Registrar).

The Company's registered office is located at Stiklestadveien 1, 7041 Trondheim, Norway and the Company's main telephone number at that address is +47 73 98 25 50. The Company's website can be found at www.norbit.com. The content of www.norbit.com is not incorporated by reference into or otherwise forms part of this Prospectus.

13.2 Legal structure

The Company is the ultimate parent company in the Group. The Company is a holding company of the Group. The following table sets out information about the Company's significant subsidiaries:

Company	Registration number	Country of incorporation	Activity	% holding
NORBIT ASA	992 718 196	Norway	Coroporate head	
NORBIT Subsea AS	994 353 098	Norway	Sonar Technology	100 %
NORBIT Aptomar AS	988 567 256	Norway	Environmental monitoring	100 %
NORBIT Kabelpartner AS	917 004 390	Norway	Oceans manufactoring	100 %
NORBIT ITS AS	994 469 312	Norway	Independant DSRC supplier	100 %
NORBIT ODM AS	994 486 144	Norway	R&D department	100 %
NORBIT AblePay AS	994 302 000	Norway	R&D and product sales	100 %
NORBIT EMS AS	944 679 286	Norway	Manufactoring department	99,95 %
Øverhagaen Eiendom AS	994 915 339	Norway	Factory propery (Subidary of Norbit EMS)	99,95 % (via NORBIT EMS AS)
NORBIT Sourcing AS	991 287 817	Norway	Nearly sleeping company	100 %
Fenrits AS	981253671	Norway	Sleeping company	100 %
NORBIT NV AS	961955866	Norway	Sleeping company	100 %
NORBIT US Ltd.	5109658	Delaware	Sales & Mangement	100 %
NORBIT Poland SP Z.o.o.	0000501792	Poland	Sales and technical support	100 %
NORBIT Hungary Kft.	01-09-271929	Hungary	SW development Consultancy	100 %
NORBIT GmbH	442055 G	Austria	Sales and management ITS	100 %
NORBIT Italy Srl.	00884060526	Itally	Sales and technical support	100 %
NORBIT Singapore Pte.	201706943C	Singapore	Sales rep	100 %
NORBIT UK (Kilmore Marine Ltd)	SC549670	UK	Sales rep UK	35 %

NORBIT Sweden AB	559098-7722	Sweden	Sleeping company	100 %
NORBIT GmbH	HRB 139979	Germany	Sleeping company	50 %
Kvikna Consulting Ehf	5907180410	Iceland	SW consultancy	33 %

13.3 Share capital and share capital history

As of the date of this Prospectus, the Company's share capital is NOK 4,342,950 divided into 43,429,500 Shares with each Share having a nominal value of NOK 0.10. All the Shares have been created under the Norwegian Public Limited Companies Act, and are validly issued and fully paid.

The Company has one class of shares. As of the date of this Prospectus, there are no share options or other rights to subscribe or acquire Shares issued by the Company.

Neither the Company nor any of its subsidiaries directly or indirectly owns shares in the Company.

The table below shows the development in the Company's share capital for the period covered by the historical financial information, i.e. from the financial year ended 31 December 2015 to the date of this Prospectus:

Date of resolution	Type of change	Change in share capital (NOK)	Subscription price (NOK)	Nominal value (NOK)	New number of Shares	New share capital (NOK)
23 August 2017	Share issue	-	-	1.00	-	410,482.00
26 Juni 2018	Share issue	23,813.00	440,9449	1.00	434,295	434,295.00
3 May 2019	Bonus issue	3,908,655.00	-	10.00	434,295	4,342,950.00
3 May 2019	Share split	-	-	0.10	43,429,500	4,342,950.00

Other than as set out above, there have been no changes to the Company's share capital or the number of Shares in the Company during the period covered by the historical financial information and up to the date of this Prospectus.

13.4 Admission to trading

The Company expects to apply for admission to trading of its Shares on the Oslo Børs on 5 June 2019. It is expected that the board of directors of the Oslo Børs will approve the listing application of the Company on or about 11 June 2019, subject to certain conditions being met. See Section 16.16 "Conditions for completion of the Offering – Listing and trading of the Offer Shares".

The Company currently expects commencement of trading in the Shares on the Oslo Børs on or around 18 June 2019. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

13.5 Ownership structure

13.5.1 Significant shareholders

As of the date of this Prospectus, the Company has 11 shareholders. An overview of shareholders holding 5% or more of the Shares in the Company as of the date of this Prospectus is set out below:

#	Shareholder	No. of Shares	% Shareholding
1	Vhf Invest	10,556,600	24.31
2	Draupnir Invest	9,570,400	22.04
3	Petors AS	8,515,800	19.61
4	Eidco AS	6,430,100	14.81
5	Esmar AS	5,109,900	11.77

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 14.7 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act.

Following the completion of the Offering, the Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

No particular measures are initiated to ensure that control is not abused by large shareholders. Minority shareholders are protected against abuse by relevant regulations in inter alia the Norwegian Public Limited Companies Act and the Norwegian Securities Act. See Section 13.9.2 "Certain aspects of Norwegian corporate law" and 14.10 "Compulsory acquisition" for further information.

13.5.2 Management's shareholdings

Below is an overview of the Managements share holdings in the Company as of the date of this Prospectus:

#	Shareholder	Position	No. of Shares	% Shareholding
1	Per Jørgen Weisethaunet	CEO	8,518,500 (via Pretors AS)	19.61
2	Stian Lønvik	CFO	108,600 (via Loen Holding AS)	0.25
3	Stein Martin Beyer	COO, Business Unit Director EMS	278,700	0.64
4	Peter Koldgaard Eriksen	Business Unit Director Oceans	712,900	1.64
5	Peter Tschulik	Business Unit Director ITS	170,100	0.39
6	Arild Søraunet	CTO, Business Unit Director ODM	665,200 (via Usegi)	1.51

13.6 Authorisations to increase the share capital and to issue Shares

In the Extraordinary General Meeting held on 3 May 2019, the Board of Directors was granted two authorisations to increase the share capital of the Company by issuing New Shares:

- The Board of Directors has been granted an authorisation to increase the share capital by up to NOK 1,500,000 to be used in connection with the Offering. The authorisation is valid until 31 December 2019.

- In addition, the Board of Directors has been granted an authorisation, valid until 30 June 2020, to increase the share capital by up to NOK 150,000 to be used in connection with incentive programmes. The authorisation does not cover capital increases against contribution in kind or capital increases in connection with mergers.

- Furhtermore, the Board of Directors has been granted a general authorisation, valid until 30 June 2020, to increase the share capital by up to NOK 600,000 in one or more share capital increases through issuance of new shares. The Authorisation covers capital increases against contribution in cash, as well as share capital increases against contribution in kind.

13.7 Other financial instruments

Neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries. Furthermore, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in its subsidiaries which will be held, directly or indirectly, by the Company or, in the case of joint venture companies, by it and its partners.

13.8 Shareholder rights

The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company. Each of the Company's Shares carries one vote. The rights attaching to the Shares are described in Section 13.913.9 "The articles of association and certain aspects of Norwegian law".

13.9 The articles of association and certain aspects of Norwegian law

13.9.1 The Articles of Association

The Articles of Association are set out in Appendix A to this Prospectus. Below is a summary of certain of the provisions of the Articles of Association.

Objective of the Company

Pursuant to section 3 of the Articles of Association, the objective of the Company is to be the parent company of an internationally focused technology group which provides custom-made high-technology products in selected niche markets. This is done through acquisition, management and trading in shares, partnership interests and other securities..

Registered office

The Company’s registered office is in the municipality of Trondheim, Norway.

Share capital and nominal value

The Company’s share capital is NOK 4,342,950 divided amongst 43,429,500 Shares, each Share with a nominal value of NOK 0.10. The Shares are registered with the Norwegian Central Securities Depository (VPS).

Board of Directors

The Board of Directors shall consist of a minimum of three and a maximum of seven members.

Restrictions on transfer of Shares

The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors.

General meetings

Documents relating to matters to be dealt with by the Company’s general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the Company’s website. A shareholder may nevertheless request that documents which relate to matters to be dealt with at the general meeting are sent to him/her.

Nomination committee

The Company shall have a nomination committee. See Section 11.10 “Nomination committee”.

13.9.2 Certain aspects of Norwegian corporate law

General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held on or prior to 30 June of each year. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited liability company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. Although Norwegian law does not require the Company to send proxy forms to its shareholders for general meetings, the Company plans to include a proxy form with notices of general meetings. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at general meetings.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited liability company may with a majority of at least two-thirds of the aggregate number of votes cast, as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a 14 days' notice period until the next annual general meeting provided that the Company has procedures in place allowing shareholders to vote electronically.

Voting rights – amendments to the Articles of Association

Each of the Company's shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorize an increase or reduction in the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account (NOM-account). A shareholder must, in order to be eligible to register, meet and vote for such Shares at the general meeting, transfer the Shares from such NOM-account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest at the date of the general meeting.

There are no quorum requirements that apply to the general meetings.

Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorize the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorization to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting of the Company cannot be granted for a period exceeding 24 months.

Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting of the shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

Liability of board members

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

Indemnification of board members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for its Board Members against certain liabilities that they may incur in their capacity as such.

Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

13.10 Shareholder agreements

There are no shareholders' agreements related to the Shares.

14 SECURITIES TRADING IN NORWAY

14.1 Introduction

The Oslo Børs was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. As at 31 December 2018, the total capitalisation of companies listed on the Oslo Børs amounted to approximately NOK 40,984,000 million. Shareholdings of non-Norwegian investors as a percentage of total market capitalisation as at 31 December 2018 amounted to approximately 21%.

The Oslo Børs has entered into a strategic cooperation with the London Stock Exchange group with regards to, *inter alia*, trading systems for equities, fixed income and derivatives.

14.2 Trading and settlement

Trading of equities on the Oslo Børs is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange, including the Borsa Italiana, as well as by the Johannesburg Stock Exchange.

Official trading on the Oslo Børs takes place between 09:00 hours (CET) and 16:20 hours (CET) each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), closing auction from 16:20 hours (CET) to 16:25 hours (CET) and a post-trade period from 16:25 hours (CET) to 17:30 hours (CET). Reporting of after exchange trades can be done until 17:30 hours (CET).

The settlement period for trading on the Oslo Børs is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Oslo Clearing ASA, a wholly-owned subsidiary of SIX x-clear AG, a company in the SIX group, has a license from the Norwegian FSA to act as a central clearing service, and has from 18 June 2010 offered clearing and counterparty services for equity trading on the Oslo Børs.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Børs except for the general obligation of investment firms that are members of the Oslo Børs to report all trades in stock exchange listed securities.

14.3 Information, control and surveillance

Under Norwegian law, the Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Børs may levy fines on companies violating these requirements.

14.4 The VPS and transfer of shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Børs are both wholly-owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being the Central Bank of Norway'), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

14.5 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners.

14.6 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Børs through any broker that is a member of the Oslo Børs, whether Norwegian or foreign.

14.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

14.8 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

14.9 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Børs decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (or provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Børs before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. The settlement must be guaranteed by a financial institution authorised to provide such guarantees in Norway.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

14.10 Compulsory acquisition

Pursuant to the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

14.11 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

15 TAXATION

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on the laws in force in Norway as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes. The statements in the summary only apply to shareholders who are beneficial owners of the Shares.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

15.1 Norwegian taxation

15.1.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals residing in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders currently at an effective tax rate of 31.68% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.44 which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 31.68%.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk free interest rate based on the effective rate of interest on treasury bills (*Nw.: statskasseveksler*) with three months maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization, of the same share (but may not be set off against taxable dividends or capital gains on other Shares). Furthermore, excess allowance can be added to the cost price of the share and included in basis for calculating the allowance on the same share the following year.

Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain similar entities) domiciled in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at a rate of currently 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 22%).

Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals not residing in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders residing within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see "Taxation of dividends – Norwegian Personal Shareholders" above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation of the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Non-Norwegian Personal Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) domiciled outside of Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders domiciled within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

New rules commenced on 1 January 2019 with respect to the documentation of the applicability of reduced withholding tax rates. Inter alia, all Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) presenting an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. Such documentation must be provided to either the nominee or the account operator (VPS).

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Corporate Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

15.1.2 Taxation of capital gains on realisation of shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realized by Norwegian Personal Shareholders is 31.68%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.44 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 22%, increasing the effective tax rate on gains/losses realized by Norwegian Personal Shareholders to 31.68%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 15.1.1 "Taxation of dividends" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled. Unused allowance may not be set off against gains form realisation of other shares.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Special rules apply for Norwegian Personal Shareholders that cease to be tax-resident in Norway.

Norwegian Personal Shareholders may hold the Shares through a Norwegian share saving account (*Nw.: aksjesparekonto*). Gains derived upon the realization of Shares held through a share saving account will be exempt from Norwegian taxation and losses will not be tax deductible. Withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 31.68%. Norwegian Personal Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income (please see "Taxation of dividends – Norwegian Personal Shareholders" above). The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account.

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares qualifying for participation exemption, including shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purpose.

Special rules apply for Norwegian Corporate Shareholders that cease to be tax-resident in Norway.

Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway.

Non-Norwegian Corporate Shareholders

Capital gains derived by the sale or other realization of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway.

15.1.3 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is equal to 75% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly.

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

15.1.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

15.1.5 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

15.2 Taxation of reduced offer price in the Employee Offering

The reduced offer price of 20% up to a maximum discount of NOK 3,000 for applications between NOK 10,500 and NOK 15,000 in the Employee Offering is offered as a general scheme to all Eligible Employees and Board Members. The discount will be tax-exempt for the Eligible Employees.

The difference between the reduced offer price in the Employee Offering for Offer Shares allocated to Eligible Employees or Board Members for an application amount per Eligible Employee or Board Member between (i) NOK 15,000 and NOK 1,000,000 is caused by the fact that the Offer Shares allocated for such amounts (rounded down to the nearest whole Offer Share) will be subject to a lock-up whereby these Offer Shares may not be traded, sold, pledged or otherwise disposed of for a period of two years from the first date of Listing. Following valuation calculations, the Company is of the view that these restrictions imply a 20% reduction in the market value of the Offer Shares compared to Offer Shares being sold without such restrictions. The price paid by an Eligible Employee or Board Member in the Employee Offering for Offer Shares allocated for such amounts (as applicable) should therefore be equal to the fair market value of these Shares and the difference between the price paid in the Employee Offering and the Offer Price should not be considered a discount and therefore not have any tax consequences for the Eligible Employees or Board Members. However, all fair market value assessments are completed with an unavoidable element of uncertainty. Therefore, there is no guarantee that the fair market value assessment, at a later stage, cannot be challenged by the tax authorites. All tax reporting obligations and any levied taxes in connection with the Employee Offering (at subscription or later) are the sole responsibility of the participants in the Employee Offering.

16 THE TERMS OF THE OFFERING

16.1 Overview of the Offering

The Offering consists of (i) an offer of New Shares to raise gross proceeds of approximately NOK 250 million by the issuance of New Shares in the Company and (ii) an offer of up to 15,213,068 Sale Shares, all of which are existing, validly issued and fully paid-up registered Shares with a nominal value of NOK 0.10, offered by the Selling Shareholders, as further specified in Section 16.22 "The Selling Shareholders". The Shares are issued in NOK.

In addition, the Managers may elect to over-allot a number of Additional Shares, equalling up to approximately 15% of the final number of New Shares and Sale Shares issued and sold in the Offering. In this respect, the Lending Shareholders are expected to grant to the Stabilisation Manager (Arctic Securities), on behalf of the Managers, a lending option to borrow up to a number of Shares equal to the number of Additional Shares (the "**Lending Option**") in order to facilitate such over-allotment. Further, the Lending Shareholders are expected to grant to the Stabilisation Manager, on behalf of the Managers, an Over-Allotment Option to purchase a number of Shares up to the number of Additional Shares at a price per Share equal to the Offer Price, to cover any such over-allotments.

The Offering consists of:

- An Institutional Offering, in which Offer Shares are being offered (a) to institutional and professional investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from prospectus and registration requirements, and (c) in the United States to QIBs, as defined in, and in reliance on Rule 144A of the U.S. Securities Act or another available exemption from registration under the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000.

- A Retail Offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit.

- An Employee Offering, in which Offer Shares are being offered to the Eligible Employees and the Board Members and sold at the same price as in the Institutional Offering and the Retail Offering, provided, however, that the Offer Price will be reduced by 20% for an application amount per Eligible Employee or Board Member between NOK 10,500 and NOK 1,000,000. Offer Shares allocated for amounts between NOK 15,000 and NOK 1,000,000 (rounded down to the nearest whole Offer Share) will be subject to a lock-up obligation whereby these Offer Shares may not be traded, sold, hypothecated, pledged or otherwise disposed of for a period of two years from the first day of Listing. The lock-up shall not prevent the pledging of any Shares to a financial institution. The Employee Offering is subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each Eligible Employee or Board Member. Eligible Employees or Board Members participating in the Employee Offering will receive full allocation for any application up to and including NOK 1,000,000. Multiple applications by one applicant in the Employee Offering will be treated as one application with respect to the maximum application limit, the guaranteed allocation, the reduced offer price and the discount.

Assuming that (i) the Offer Price is set at the mid-point of the Indicative Price Range, (ii) the maximum number of New Shares and Sale Shares (excluding the effects of the reduced offer price in the Employee Offering) are sold and (iii) the maximum number of Additional Shares are sold, the Offering will amount to 28,344,085 Offer Shares, representing 54.0% of the Shares in issue following the Offering.

All offers and sales outside the United States will be made in compliance with Regulation S of the U.S. Securities Act.

This Prospectus does not constitute an offer of, or an invitation to purchase, Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important Information" and Section 17 "Selling and Transfer Restrictions".

The Bookbuilding Period in the Institutional Offering will take place from 5 June 2019 at 09:00 hours (CET) to 14 June 2019 at 14:00 hours (CET). The Application Period in the Retail Offering and the Employee Offering will take place from 5 June 2019 at 09:00 hours (CET) to 14 June 2019 at 12:00 hours (CET). The Company, in consultation with the Managers, reserves the right to shorten or extend the Bookbuilding Period and Application Period at any time and at their sole discretion. Any shortening of the Bookbuilding Period and/or the Application Period will be announced through the Oslo Børs' information system on or before 09:00 hours (CET) on the prevailing expiration date of the Bookbuilding Period, provided, however, that in no event will the Bookbuilding Period and/or Application Period expire prior to 16:30 hours (CET) on 13 June 2019. Any extension of the Bookbuilding Period and/or the Application Period will be announced through the Oslo Børs' information system on or before 09:00 hours (CET) on the first business day following the then prevailing expiration date of the Bookbuilding Period. An extension of the Bookbuilding Period and/or the Application Period can be made one or several times provided, however, that in no event will the Bookbuilding Period and/or Application Period be extended beyond 16:30 hours (CET) on 21 June 2019. In the event of a shortening or an extension of the Bookbuilding Period and/or the Application Period, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Børs may not necessarily be changed.

The Company and the Selling Shareholders have, together with the Managers, set an Indicative Price Range in the Offering from NOK 23 to NOK 30 per Offer Share. Assuming that (i) the Offer Price is set at the mid-point of the Indicative Price Range, (ii) the maximum number of New Shares and Sale Shares (excluding the effects of the reduced offer price in the Employee Offering) are sold and (iii) the maximum number of Additional Shares are sold, the Offering will amount to 28,344,085 Offer Shares, representing 54.0% of the Shares in issue following the Offering. The Company, in consultation with the Managers, will determine the number of Offer Shares and the Offer Price on the basis of the bookbuilding process in the Institutional Offering and the number of applications received in the Retail Offering and the Employee Offering. The bookbuilding process, which will form the basis for the final determination of the number of Offer Shares and the Offer Price, will be conducted only in connection with the Institutional Offering. The Indicative Price Range may be amended during the Bookbuilding Period. Any such amendments to the Indicative Price Range will be announced through the Oslo Børs' information system.

In connection with the Offering, the Managers may elect to over-allot a number of Additional Shares, equalling up to 15% of the total number of New Shares and Sale Shares allocated in the Offering, and, in order to permit the delivery in respect of over-allotments made, the Stabilisation Manager may require the Lending Shareholders to lend to the Stabilisation Manager, on behalf of the Managers, up to a number of Shares equal to the number of Additional Shares (the "**Lending Option**"). Further, pursuant to the Over-Allotment Option, the Lending Shareholders are expected to grant to the Managers, an option to purchase a number of Shares equal to the number of Additional Shares, which may be exercised on behalf of the Managers by the Stabilisation Manager not later than the 30th day following the time at which trading in the Shares commences on the Oslo Børs at a price equal to the final Offer Price in the Offering. To the extent that the Managers have over-allotted Shares in the Offering, the Managers have created a short position in the Shares. The Stabilisation Manager may close out this short position by buying Shares in the open market through stabilisation activities and/or by exercising the Over-Allotment Option. See Section 16.12 "Over-allotment and stabilisation activities" for further details.

Delivery of the Offer Shares to investors being allocated Offer Shares in the Offering is expected to take place on or about 19 June 2019 in the Retail Offering and the Employee Offering subject to due payment for allocated Offer Shares having been received from investors, and on or about 19 June 2019 in the Institutional Offering (on a delivery versus payment basis).

Completion of the Offering is conditional upon, among other conditions, the Company satisfying the listing conditions and being listed on the Oslo Børs, see Section 16.16 "Conditions for completion of the Offering – Listing and trading of the Offer Shares".

See Section 16.18 "Expenses of the Offering and the Listing" for information regarding fees expected to be paid to the Managers and costs expected to be paid by the Company in connection with the Offering. The Company has undertaken to indemnify the Managers against certain losses and liabilities arising out of or in connection with the Offering.

16.2 Timetable

The timetable set out below provides certain indicative key dates for the Offering (subject to shortening or extensions):

Bookbuilding Period commences	5 June 2019 at 09:00 hours (CET)
Bookbuilding Period expires	14 June 2019 at 14:00 hours (CET)
Application Period commences	5 June 2019 at 09:00 hours (CET)
Application Period ends	14 June 2019 at 12:00 hours (CET)
Allocation of the Offer Shares	On or about 16 June 2019
Pricing of the Offer Shares	On or about 16 June 2019
Publication of the results of the Offering	On or about 16 June 2019
Distribution of allocation notes/contract notes	On or about 17 June 2019

Registration of the Company's new share capital in the Norwegian Register of Business Enterprises	On or about 17 June 2019
Accounts from which payment will be debited in the Retail Offering and the Employee Offering to be sufficiently funded	On 17 June 2019
First day of Listing of the Shares	On or about 18 June 2019
Payment date in the Retail Offering and the Employee Offering	On 18 June 2019
Delivery of the Offer Shares in the Retail Offering and the Employee Offering	On or about 19 June 2019
Payment date and delivery of Offer Shares in the Institutional Offering	On or about 19 June 2019

Note that the Company, in consultation with the Managers, reserves the right to shorten or extend the Bookbuilding Period and the Application Period at their sole discretion. In the event of a shortening or an extension of the Bookbuilding Period and/or the Application Period, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Børs may not necessarily be changed.

16.3 Resolution relating to the Offering and the issue of New Shares

In the Extraordinary General Meeting held on 3 May 2019, the Board of Directors was granted the following authorisation to increase the share capital of the Company by up to NOK 1,500,000 in connection with the Listing (unofficial translation from Norwegian):

i. The Board of Directors is granted the authorisation to increase the share capital by a maximum amount of NOK 1,500,000 through one or more share capital increases by issuance of new shares.

ii. The subscription price per share is determined by the Board of Directors in connection with each issuance.

iii. The authorisation is valid until 31 December 2019.

iv. The existing shareholders' preferential rights to subscribe for and be allocated shares may be waived, cf. the Norwegian Public Limited Liability Companies Act §§ 10-4 and 10-5.

v. The authorisation may be used in connetion with capital raises in connection with or in advance of a potential listing of the shares in the Company on a stock exchange or regulated market place, including in connection with fulfilments of obligations pursuant to over-allotment options in connection therewith. Such capital raises may also include issuances of shares at a discounted price compared to other subscribers, including to employees, board members or similar.

vi. The authorisation applies both to share capital increases against contribution in cash and share capital increases against contribution in kind.

vii. The Board of Directors resolves the necessary changes to the Articles of Association in accordance with any share capital increase pursuant to the authorisation.

Following the expiry of the Bookbuilding Period and the Application Period, the Company will consider on or about 16 June 2019 and, if thought fit, approve completion of the Offering and, in consultation with the Managers, determine the final Offer Price and the number of and allocation of the Offer Shares. If the Company determines that the Offering shall be completed, then the Board of Directors will proceed to increase the share capital of the Company by issuance of the New Shares. The New Shares are expected to be issued on or about 17 June 2019.

16.4 The Institutional Offering

16.4.1 Determination of the number of Offer Shares and the Offer Price

The Company and the Selling Shareholders have, together with the Managers, set an Indicative Price Range for the Offering from NOK 23 to NOK 30 per Offer Share. The Company, in consultation with the Managers, will determine the number of Offer Shares and the Offer Price on the basis of the applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the number of applications received in the Retail Offering and the Employee Offering. The Offer Price will be determined on or about 16 June 2019. The Offer Price may be set within, below or above the Indicative Price Range. Investors' applications for Offer Shares in the Institutional Offering will, after the end of the Bookbuilding Period, be irrevocable and binding regardless of whether the Offer Price is set within, above or below the Indicative Price Range. The final Offer Price is expected to be announced by the Company through the Oslo Børs's information system on or about 16 June 2019 under the ticker code "NORBIT".

16.4.2 Bookbuilding Period

The Bookbuilding Period in the Institutional Offering will be from 5 June 2019 at 09:00 hours (CET) to 14 June 2019 at 14:00 hours (CET), unless shortened or extended.

The Company, in consultation with the Managers, may shorten or extend the Bookbuilding Period at any time and for any reason, and extension may be made on one or several occasions. The Bookbuilding Period may in no event expire prior to 16:30 hours (CET) on 13 June 2019 or be extended beyond 16:30 hours (CET) on 21 June 2019. In the event of a shortening or an extension of the Bookbuilding Period, the allocation date, the payment due date and the date of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Børs may not necessarily be changed.

16.4.3 Minimum application

The Institutional Offering is subject to a minimum application of NOK 2,000,000 per application. Investors in Norway who intend to place an application for less than NOK 2,000,000 must do so in the Retail Offering or the Employee Offering.

16.4.4 Application procedure

Applications for Offer Shares in the Institutional Offering must be made during the Bookbuilding Period by informing one of the Managers shown below of the number of Offer Shares that the investor wishes to order, and the price that the investor is offering to pay per Offer Share.

Arctic Securities AS	**Pareto Secruities AS**	**Sparebank 1 Markets AS**
Haakon VIIs gate 5	Dronning Mauds gt. 3	Olav V's gate 5
P.O. Box 1833 Vika	P.O. Box 1411 Vika	P.O. Box 1398 Vika
N-0123 Oslo, Norway	NO-0115 Oslo, Norway	NO-0114 Oslo, Norway
Phone: +47 21 01 30 40	Phone: +47 22 87 87 00	Phone: +47 24 14 74 00
Email: subscription@arctic.com	Email: subscription@paretosec.com	Email: subscription@sb1markets.no

All applications in the Institutional Offering will be treated in the same manner regardless of which Manager the applicant chooses to place the application with. Any orally placed application in the Institutional Offering will be binding upon the investor and subject to the same terms and conditions as a written application. The Managers may, at any time and in their sole discretion, require the investor to confirm any orally placed application in writing. Applications made may be withdrawn or amended by the investor at any time up to the expiry of the Bookbuilding Period. At the close of the Bookbuilding Period, all applications in the Institutional Offering that have not been withdrawn or amended are irrevocable and binding upon the investor.

16.4.5 Allocation, payment for and delivery of Offer Shares

The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 17 June 2019, by issuing contract notes to the applicants by mail or otherwise.

Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment for Offer Shares is expected to take place on or about 19 June 2019 (the "**Institutional Closing Date**") through the facilities of the VPS.

For late payment, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Overdue Payment of 17 December 1976 no. 100 (the "**Norwegian Act on Overdue Payment**"), which, at the date of this Prospectus, is 8.75% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicants, and the Managers reserve the right, at the risk and cost of the applicant, to cancel the application and to re-allot or, from the third day after the Institutional Closing Date, otherwise dispose of of assume ownership to the allocated Offer Shares on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit there from). The original applicant remains liable for payment for the Offer Shares allocated to the applicant, together with any interest, cost, charges and expenses accrued, and the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the share capital increase in the Company relating to the issuance of the New Shares with the Norwegian Register of Business Enterprises, the Managers are expected to, on behalf of the applicants, subscribe for and pre-fund payment for the New Shares allocated in the Offering at a total subscription amount equal to the Offer Price multiplied by the number of New Shares (adjusted for the reduced offer price in the Employee Offering and the discount offered to Eligible Employees and Board Members); and by placing an application, the applicant irrevocably authorises and intstructs the Managers, or someone appointed by any of the Managers, to do so on its behalf. Irrespective of any such subscription and payment for New Shares, the original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding. The subscription and pre-funding by the Managers of the New Shares as described above constitute an integrated sales process where the investors subscribe for New Shares from the Company based on this Prospectus, which has been prepared by the Company. The investors will not have any rights or claims against any of the Managers.

16.5 The Retail Offering

16.5.1 Offer Price

The price for the Offer Shares offered in the Retail Offering will be the same as in the Institutional Offering, see Section 16.4.1 "Determination of the number of Offer Shares and the Offer Price".

Each applicant in the Retail Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on the application form to be used to apply for Offer Shares in the Retail Offering, attached to this Prospectus as Appendix E (the "**Retail Application Form**"), that the applicant does not wish to be allocated Offer Shares should the Offer Price be set above the highest price in the Indicative Price Range (i.e. NOK 30 per Offer Share). If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set above the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on the Retail Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range, as long as the Offer Price has been determined on the basis of orders placed during the bookbuilding process described above.

16.5.2 Application Period

The Application Period during which applications for Offer Shares in the Retail Offering will be accepted will last from 5 June 2019 at 09:00 hours (CET) to 14 June 2019 at 12:00 hours (CET), unless shortened or extended. The Company, in consultation with the Managers, may shorten or extend the Application Period at any time and for any reason, and extension may be made on one or several occasions. The Application Period may in no event expire prior to 16:30 hours (CET) on 13 June 2019 or be extended beyond 16:30 hours (CET) on 21 June 2019. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due date and the date of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Børs may not necessarily be changed.

16.5.3 Minimum and maximum application

The Retail Offering is subject to a minimum application amount of NOK 10,500 and a maximum application amount of NOK 1,999,999 for each applicant.

Multiple applications are allowed. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. If two or more identical application forms are received from the same investor, the application form will only be counted once unless otherwise explicitly stated on one of the application forms. In the case of multiple applications through the online application system or applications made both on a physical application form and through the online application system, all applications will be counted. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering.

16.5.4 Application procedures and application offices

Norwegian applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number are recommended to apply for Offer Shares through the VPS online application system by following the link to such online application system on the following websites: www.arctic.com, www.paretosec.com and www.sb1markets.no. Applicants in the Retail Offering not having access to the VPS online application system must apply for Offer Shares using the Retail Application Form attached to this Prospectus as Appendix E "Application Form for the Retail Offering". Retail Application Forms, together with this Prospectus, may be obtained from the Company, the Company's website www.norbit.com, the Managers' websites or the application offices listed below. Applications made through the VPS online application system must be duly registered during the Application Period.

The application offices for physical applications in the Retail Offering are:

Arctic Securities AS	Pareto Secruities AS	Sparebank 1 Markets AS
Haakon VIIs gate 5	Dronning Mauds gt. 3	Olav V's gate 5
P.O. Box 1833 Vika	P.O. Box 1411 Vika	P.O. Box 1398 Vika
N-0123 Oslo, Norway	NO-0115 Oslo, Norway	NO-0114 Oslo, Norway
Phone: +47 21 01 30 40	Phone: +47 22 87 87 00	Phone: +47 24 14 74 00
Email: subscription@arctic.com	Email: subscription@paretosec.com	Email: subscription@sb1markets.no

All applications in the Retail Offering will be treated in the same manner regardless of which of the above Managers the applications are placed with. Further, all applications in the Retail Offering will be treated in the same manner regardless of whether they are submitted by delivery of a Retail Application Form or through the VPS online application system.

Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period, may be disregarded without further notice to the applicant. Properly completed Retail Application Forms must be received by one of the application offices listed above or registered electronically through the VPS application system by 12:00 hours (CET) on 14 June 2019, unless the Application Period is being shortened or extended. None of the Company or any of the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any application office.

Subject to Section 16.5.1 "Offer Price" above, all applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

16.5.5 Allocation, payment and delivery of Offer Shares

Arctic Securities, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 17 June 2019, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it, may contact one of the application offices listed above on or about 17 June 2019 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the VPS for the registration of holdings of securities ("**VPS account**") should be able to see how many Offer Shares they have been allocated from on or about 17 June 2019.

In registering an application through the VPS online application system or completing a Retail Application Form, each applicant in the Retail Offering will authorise Arctic Securities (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Retail Application Form. Accounts will be debited on or about 18 June 2019 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 17 June 2019. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date (expected to be 18 June 2019).

Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 17 June 2019, or can be obtained by contacting Arctic Securities at +47 21 01 30 40.

Should any applicant have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments, which at the date of this Prospectus is 8.75% per annum. Arctic Securities (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 26 June 2019 if there are insufficient funds on the account on the Payment Date. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or from the third day after the Payment Date otherwise dispose of or assume ownership to the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and that the applicant will not be entitled to any profit there from). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the share capital increase in the Company relating to the issuance of the New Shares with the Norwegian Register of Business Enterprises, the Managers are expected to, on behalf of the applicants, subscribe for and pre-fund payment for the New Shares allocated in the Offering at a total subscription amount equal to the Offer Price multiplied by the number of New Shares (adjusted for the reduced offer price in the Employee Offering and the discount offered to Eligible Employees and Board Members); and by placing an application, the applicant irrevocably authorises and instructs the Managers, or someone appointed by any of the Managers, to do so on its behalf. Irrespective of any such subscription and payment for New Shares, the original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding. The subscription and pre-funding by the Managers of the New Shares as described above constitute an integrated sales process where the investors subscribe for New Shares from the Company based on this Prospectus, which has been prepared by the Company. The investors will not have any rights or claims against any of the Managers.

Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 19 June 2019 through the facilities of the VPS.

16.6 The Employee Offering

16.6.1 Eligible Employees, Board Members and offer price

Subject to applicable laws, all of the employees of the Group as of the last day of the Application Period (collectively the "**Eligible Employees**") and all of the members of the Board of Directors of the Company (collectively the "**Board Members**") are eligible for participation in the Employee Offering.

The price for the Offer Shares offered in the Employee Offering will be the same as in the Institutional Offering, see Section 16.4.1 "Determination of the number of Offer Shares and the Offer Price", provided, however, that the Offer Price will be reduced by 20% for an application amount per Eligible Employee or Board Member between NOK 10,500 and NOK 1,000,000. Offer Shares allocated for amounts between NOK 15,000 and NOK 1,000,000 (rounded down to the nearest whole Offer Share) will be subject to a lock-up obligation whereby these Offer Shares may not be traded, sold, hypothecated, pledged or otherwise disposed of for a period of two years from the first day of Listing. The lock-up shall not prevent the pledging of any Shares to a financial institution. The Employee Offering is subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each Eligible Employee or Board Member. Eligible Employees or Board Members participating in the Employee Offering will receive full allocation for any application up to and including NOK 1,000,000. Multiple applications by one applicant in the Employee Offering will be treated as one application with respect to the maximum application limit, the guaranteed allocation, the reduced offer price and the discount. For a description of relevant tax legislation in Norway applicable to the reduced offer price and the discount in the Employee Offering, see Section 15.2 "Taxation of reduced offer price and discount in the Employee Offering". The reduced offer price and the discount will be allocated to the New Shares.

Each applicant in the Employee Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on the application form to be used to apply for Offer Shares in the Employee Offering, attached to this Prospectus as Appendix F (the "**Employee Application Form**"), that the applicant does not wish to be allocated Offer Shares should the Offer Price be set above the highest price in the Indicative Price Range (i.e. NOK 30 per Offer Share). If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set above the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on the Employee Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range, as long as the Offer Price has been determined on the basis of orders placed during the bookbuilding process described above.

16.6.2 Application Period

The Application Period during which applications for Offer Shares in the Employee Offering will be accepted will last from 5 June 2019 at 09:00 hours (CET) to 14 June 2019 at 12:00 hours (CET), unless shortened or extended. The Company, in consultation with the Managers, may shorten or extend the Application Period at any time and for any reason, and extension may be made on one or several occasions. The Application Period may in no event expire prior to 16:30 hours (CET) on 13 June 2019 or be extended beyond 16:30 hours (CET) on 21 June 2019. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due date and the date of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Børs may not necessarily be changed.

16.6.3 Minimum and maximum application

The Employee Offering is subject to a minimum application amount of NOK 10,500 and a maximum application amount of NOK 1,999,999 for each applicant.

Multiple applications are allowed. One or multiple applications from the same applicant in the Employee Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. If two or more identical application forms are received from the same investor, the application form will only be counted once unless otherwise explicitly stated on one of the application forms. In the case of multiple applications through the online application system or applications made both on a physical application form and through the online application system, all applications will be counted. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering.

16.6.4 Application procedures and application offices

Eligible Employees or Board Members in the Employee Offering who are residents of Norway with a Norwegian personal identification number are recommended to apply for Offer Shares through the VPS online application system by following the link to such online application system on the following website: www.arctic.com. Eligible Employees or Board Members in the Employee Offering not having access to the VPS online application system must apply for Offer Shares using the Employee Application Form attached to this Prospectus as Appendix F "Application Form for the Employee Offering". Employee Application Forms, together with this Prospectus, may be obtained from the Company, the Company's website www.norbit.com, the Managers' websites or the application office listed below. Applications made through the VPS online application system must be duly registered during the Application Period.

The application offices for physical applications in the Employee Offering are:

Arctic Securities AS
Haakon VIIs gate 5
P.O. Box 1833 Vika
N-0123 Oslo, Norway
Phone: +47 21 01 30 40
Email: subscription@arctic.com

All applications in the Employee Offering will be treated in the same manner regardless of whether they are submitted by delivery of a Employee Application Form or through the VPS online application system.

Employee Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period, may be disregarded without further notice to the applicant. Properly completed Employee Application Forms must be received by the application office listed above or registered electronically through the VPS application system by 12:00 hours (CET) on 14 June 2019, unless the Application Period is being shortened or extended. None of the Company or any of the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by the application office.

Subject to Section 16.5.1 "Offer Price" above, all applications made in the Employee Offering will be irrevocable and binding upon receipt of a duly completed Employee Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

16.6.5 Allocation, payment and delivery of Offer Shares

Eligible Employees and Board Members participating in the Employee Offering will receive full allocation for any application up to and including NOK 1,000,000.

Arctic Securities, acting as settlement agent for the Employee Offering, expects to issue notifications of allocation of Offer Shares in the Employee Offering on or about 17 June 2019, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it, may contact one of the application offices listed above on or about 17 June 2019 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the VPS for the registration of holdings of securities ("**VPS account**") should be able to see how many Offer Shares they have been allocated from on or about 17 June 2019.

In registering an application through the VPS online application system or completing a Employee Application Form, each applicant in the Employee Offering will authorise Arctic Securities (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Employee Application Form. Accounts will be debited on or about 18 June 2019 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 17 June 2019. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date (expected to be 18 June 2019).

Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 17 June 2019, or can be obtained by contacting Arctic Securities at +47 21 01 30 40.

Should any applicant have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments, which at the date of this Prospectus is 8.75% per annum. Arctic Securities (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 26 June 2019 if there are insufficient funds on the account on the Payment Date. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or from the third day after the Payment Date otherwise dispose of or assume ownership to the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and that the applicant will not be entitled to any profit there from). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the share capital increase in the Company relating to the issuance of the New Shares with the Norwegian Register of Business Enterprises, the Managers are expected to, on behalf of the applicants, subscribe for and pre-fund payment for the New Shares allocated in the Offering at a total subscription amount equal to the Offer Price multiplied by the number of New Shares (adjusted for the reduced offer price in the Employee Offering and the discount offered to Eligible Employees an Board Members); and by placing an application, the applicant irrevocably authorises and instructs the Managers, or someone appointed by any of the Managers, to do so on its behalf. Irrespective of any such subscription and payment for New Shares, the original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding. The subscription and pre-funding by the Managers of the New Shares as described above constitute an integrated sales process where the investors subscribe for New Shares from the Company based on this Prospectus, which has been prepared by the Company. The investors will not have any rights or claims against any of the Managers.

Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Employee Offering is expected to take place on or about 19 June 2019 through the facilities of the VPS.

16.7 Mechanism of allocation

It has been provisionally assumed that approximately 90% of the Offering will be allocated in the Institutional Offering and approximately 10% of the Offering will be allocated in the Retail Offering and the Employee Offering. The final determination of the number of Offer Shares allocated to the Institutional Offering and the Retail Offering and the Employee Offering will only be decided, however, by the Company, in consultation with the Managers, following the completion of the bookbuilding process for the Institutional Offering, based on among other things the level of orders or applications received from each of the categories of investors relative to the level of applications or orders received in the Retail Offering. The Company and the Managers reserve the right to deviate from the provisionally assumed allocation between tranches without further notice and at their sole discretion.

No Offer Shares have been reserved for any specific national market.

In the Institutional Offering, the Company, in consultation with the Managers, will determine the allocation of Offer Shares. An important aspect of the allocation principles is the desire to create an appropriate long-term shareholder structure for the Company. The allocation principles will, in accordance with normal practice for institutional placements, include factors such as premarketing and management road-show participation and feedback, timeliness of the order, price level, relative order size, sector knowledge, investment history, perceived investor quality and investment horizon. The Company and the Managers further reserve the right, at their sole discretion, to take into account the creditworthiness of any applicant. The Company and the Managers may also set a maximum allocation, or decide to make no allocation to any applicant.

In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant, however, all allocations will be rounded down to the nearest number of whole Offer Shares and the payable amount will hence be adjusted accordingly. One or multiple orders from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. In the Retail Offering, allocation will be made solely on a pro rata basis using the VPS' automated simulation procedures.

In the Employee Offering, no allocation will be made for a number of Offer Shares of an aggregate value of less than NOK 10,500, provided however, that all allocations will be rounded down to the nearest number of whole Offer Shares. Further, the applicants will receive full allocation for any application up to and including NOK 1,000,000.

The Company and the Managers reserve the right to limit the total number of applicants to whom Offer Shares are allocated if the Company and the Managers deem this to be necessary in order to keep the number of shareholders in the Company at an appropriate level and such limitation does not have the effect that any conditions for the Listing regarding the number of shareholders will not be satisfied. If the Company and the Managers should decide to limit the total number of applicants to whom Offer Shares are allocated, the applicants to whom Offer Shares are allocated will be determined on a random basis by using the VPS' automated simulation procedures and/or other random allocation mechanism.

16.8 VPS account

To participate in the Offering, each applicant must have a VPS account. The VPS account number must be stated when registering an application through the VPS online application system or on the Retail Application Form for the Retail Offering or the Employee Application Form for the Employee Offering. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised investment firms in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee, provided, however, that this does not apply to Eligible Employees or Board Members. The nominee must be authorised by the Norwegian Ministry of Finance. Establishment of VPS accounts requires verification of identification by the relevant VPS registrar in accordance with Norwegian anti-money laundering legislation (see Section 16.11 "Mandatory anti-money laundering procedures").

16.9 Product governance

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (MiFID II); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (the MiFID II Product Governance Requirements), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the Positive Target Market); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the Appropriate Channels for Distribution).

Notwithstanding the Target Market Assessment, Distributors should note that: the price of Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

Investors should, however, note that the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, it is the assessment of the manufacturers that an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the Negative Target Market, and, together with the Positive Target Market, the Target Market Assessment).

16.10 National Client Identifier and Legal Entity Identifier

In order to participate in the Offering, applicants will need a global identification code. Physical persons will need a so called National Client Identifier ("**NCI**") and legal entities will need a so called Legal Entity Identifier ("**LEI**").

16.10.1 NCI code for physical persons

Physical persons will need a NCI code to participate in a financial market transaction, i.e. a global identification code for physical persons. For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID (*Nw.: Fødselsnummer*). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Investors are encouraged to contact their bank for further information.

16.10.2 LEI code for legal entities

Legal entities will need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorised LEI issuer, which can take some time. Investors should obtain a LEI code in time for the application. For more information visit www.gleif.org.

16.11 Mandatory anti-money laundering procedures

The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**").

Applicants who are not registered as existing customers of any of the Managers must verify their identity to the Manager with which the order is placed in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Retail Application Form or the Employee Application Form, or when registering an application through the VPS online application system, are exempted, unless verification of identity is requested by any of the Managers. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period may not be allocated Offer Shares.

16.12 Over-allotment and stabilisation activities

16.12.1 Over-allotment of Additional Shares

In connection with the Offering, the Managers may elect to over-allot a number of Additional Shares, equalling up to 15% of the total number of New Shares and Sale Shares allocated in the Offering, and, in order to permit the delivery in respect of over-allotments made, the Stabilisation Manager may, pursuant to the Lending Option, require the Lending Shareholders to lend to the Stabilisation Manager, on behalf of the Managers, up to a number of Shares equal to the number of Additional Shares. Further, pursuant to the Over-Allotment Option, the Lending Shareholders are expected to grant to the Managers, an option to purchase a number of Shares equal to the number of Additional Shares, which may be exercised on behalf of the Managers by the Stabilisation Manager not later than the 30th day following the time at which trading in the Shares commences on the Oslo Børs at a price equal to the final Offer Price in the Offering. To the extent that the Managers have over-allotted Shares in the Offering, the Managers have created a short position in the Shares. The Stabilisation Manager may close out this short position by buying Shares in the open market through stabilisation activities and/or by exercising the Over-Allotment Option.

A stock exchange notice will be made on the first day of trading (expected to take place on 18 June 2019) announcing whether the Managers have over-allotted Shares in connection with the Offering. Any exercise of the Over-Allotment Option will be promptly announced by the Stabilisation Manager through the Oslo Børs's information system.

16.12.2 Price stabilisation

The Stabilisation Manager, Arctic Securities, may, upon exercise of the Lending Option, from the first day of the Listing, effect transactions with a view to support the market price of the Shares at a level higher than what might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the time at which trading in the Shares commences on the Oslo Børs. It should be noted that stabilisation activities might result in market prices that are higher than what might otherwise prevail.

Any stabilisation activities will be conducted in accordance with Section 3-12 of the Norwegian Securities Trading Act and the EC Commission Regulation 2273/2003 regarding buy-back programmes and stabilisation of financial instruments.

The Lending Shareholders, the Company and the Managers have agreed that any profit resulting from stabilisation activities conducted by the Stabilisation Manager, on behalf of the Managers, will be for the account of the Lending Shareholders.

Within one week after the expiry of the 30 calendar day period of price stabilisation, the Stabilisation Manager will publish information as to whether or not price stabilisation activities were undertaken. If stabilisation activities were undertaken, the statement will also include information about: (i) the total amount of Shares purchased; (ii) the dates on which the stabilisation period began and ended; (iii) the price range between which stabilisation was carried out, as well as the highest, lowest and average price paid during the stabilisation period; and (iv) the date at which stabilisation activities last occurred.

It should be noted that stabilisation activities might result in market prices that are higher than what might otherwise prevail. Stabilisation may be undertaken, but there is no assurance that it will be undertaken and it may be stopped at any time.

16.13 Publication of information in respect of the Offering

In addition to press releases which will be posted on the Company's website, the Company will use the Oslo Børs's information system to publish information relating to the Offering, such as amendments to the Bookbuilding Period and Application Period (if any), the final Offer Price, number of Offer Shares and total amount of the Offering, allotment percentages, and first day of trading at the Oslo Børs.

The final determination of the Offer Price, the number of Offer Shares and the total amount of the Offering is expected to be published on or about 16 June 2019.

16.14 The rights conferred by the Offer Shares

The Sale Shares and the Additional Shares (if any) will in all respects carry full shareholders' rights in the Company on an equal basis as any other Shares in the Company, including the right to any dividends. The New Shares will in all respects carry full shareholders' rights in the Company on an equal basis as any other Shares in the Company, including the right to any dividends, from the date of registration of the share capital increase pertaining to the Offering in the Norwegian Register of Business Enterprises (see Section 16.2 "Timetable").

For a description of rights attached to the Shares in the Company, see Section 13 "Corporate Information and Description of the Share Capital".

16.15 VPS registration

The existing Shares, including the Sale Shares and any Additional Shares, have been, and the New Shares will be, created under the Norwegian Public Limited Companies Act. The existing Shares, including the Sale Shares and any Additional Shares, are, and the New Shares will be, are registered in book-entry form with the VPS and have ISIN NO 001 0856511. The Company's register of shareholders with the VPS is administrated by DNB Bank ASA, Dronning Eufemias gate 30, 0191 Oslo, Norway.

16.16 Conditions for completion of the Offering – Listing and trading of the Offer Shares

The Company expects to apply for Listing of its Shares on the Oslo Børs on or about 5 June 2019. It is expected that the board of directors of the Oslo Børs will approve the Listing application of the Company on or about 11 June 2019, conditional upon the Company obtaining a minimum of 500 shareholders, each holding Shares with a value of more than NOK 10,000 and there being a minimum free float of the Shares of 25%. The Company expects that these conditions will be fulfilled through the Offering.

Completion of the Offering on the terms set forth in this Prospectus is expressly conditioned upon the board of directors of the Oslo Børs approving the application for Listing of the Shares in its meeting to be held on or about 11 June 2019, on conditions acceptable to the Company and that any such conditions are satisfied by the Company. The Offering will be cancelled in the event that the conditions are not satisfied. There can be no assurance that the board of directors of the Oslo Børs will give such approval or that the Company will satisfy these conditions.

Completion of the Offering on the terms set forth in this Prospectus is otherwise only conditional on (i) the Board of Directors having resolved to issue the New Shares in the Offering, (ii) the Company, in consultation with the Managers, having approved the Offer Price and the allocation of the Offer Shares to eligible investors following the bookbuilding process, and (iii) the Managers, not prior to the registration of the share capital increase relating to the issuance of the Offer Shares having terminated their commitments to pre-fund the subscription amount for the Offer Shares. There can be no assurance that these conditions will be satisfied. If the conditions are not satisfied, the Offering may be revoked or suspended.

Assuming that the conditions are satisfied, the first day of trading of the Shares, including the Offer Shares, on the Oslo Børs is expected to be on or about 18 June 2019. The Shares are expected to trade under the ticker code "NORBIT".

Applicants in the Retail Offering and the Employee Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the Payment Date, by ensuring that the stated bank account is sufficiently funded on 17 June 2019. Applicants in the Institutional Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the Institutional Closing Date. Accordingly, an applicant who wishes to sell its Offer Shares, following confirmed allocation of Offer Shares, but before delivery, must ensure that payment is made in order for such Offer Shares to be delivered in time to the applicant.

Prior to the Listing and the Offering, the Shares are not listed on any stock exchange or authorised market place, and no application has been filed for listing on any other stock exchanges or regulated market places other than the Oslo Børs.

16.17 Dilution

Assuming that the Offer Price is set at the low-end of the Indicative Price Range and excluding the effects of the reduced offer price in the Employee Offering, 10,869,565 New Shares may be issued in the Offering, which corresponds to a dilution for the existing shareholders of approximately 20%. Assuming that the Offer Price is set at the high-end of the Indicative Price Range and excluding the effects of the reduced offer price in the Employee Offering, 8,333,333 New Shares may be issued in the Offering, which corresponds to a dilution for the existing shareholders of approximately 16%.

16.18 Expenses of the Offering and the Listing

The net proceeds to the Company will be approximately NOK 230 million, based on estimated total transaction costs of, and incidental to, the Listing and the Offering of approximately NOK 20 million to be paid by the Company.

In consideration of the Managers commitments under a placing agreement expected to be entered into between the Company, the Selling Shareholders and the Managers (the "**Placing Agreement**"), the Company and the Selling Shareholders are expected to pay to the Managers a commission calculated on basis of gross proceeds of the Offering, including, if applicable, any gross proceeds relating to the Additional Shares.

No expenses or taxes will be charged by the Company or the Managers to the applicants in the Offering.

16.19 Lock-up

16.19.1 The Company

The Company will, subject to customary exceptions, be subject to a lock-up whereby the Company undertakes undertakes that it will not, without the prior written consent of the Joint Global Coordinators, during the period from the date of the Placing Agreement and until 12 months from the first day of Listing, (1) issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other equity interest in the capital of the Company or any securities convertible into or exercisable for such Shares or other equity interests, or (2) enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or other equity interests, whether any such transaction described in (1) or (2) above is to be settled by delivery of the Shares or other securities or interests, in cash or otherwise, or (3) publicly announce or indicate an intention to effect any transaction specified in (1) or (2) above.

16.19.2 The Selling Shareholders

The Selling Shareholders will, subject to customary execptions, be subject to a lock-up whereby each Selling Shareholder undertakes that it will not, directly or indirectly, without the prior written consent of the Joint Global Coordinators, during the period from the date of the Placing Agreement and until 12 months from the first day of Listing, (1) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (3) publicly announce an intention to effect any transaction specified in clause (1) or (2). The lock-up shall not prevent the pledging of any Shares to a financial institution.

16.19.3 Board Members and Executive Management

The Company's Board Members and Executive Management will, subject to customary exceptions, be subject to a lock-up whereby he/she shall not and will not, directly or indirectly, without the prior written consent of the Managers (1) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option or right to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (3) publicly announce an intention to effect any transaction specified in clause (1) or (2) above, for a period of 12 months following the first day of Listing. The lock-up shall not prevent the pledging of any Shares to a financial institution.

16.19.4 Eligible Employees and Board Members participating in the Employee Offering

Offer Shares allocated to Eligible Employees or Board Members for amounts between NOK 15,000 and NOK 1,000,000 (rounded down to the nearest whole Offer Share) will be subject to a lock-up obligation whereby these Offer Shares may not be traded, sold, pledged or otherwise disposed of for a period of two years from the first day of Listing.

16.20 Interest of natural and legal persons involved in the Offering

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Managers will receive a management fee in connection with the Offering, which will be based on the amount of gross proceeds received from investors, and, as such, have an interest in the Offering. The Company and the Selling Shareholders shall pay fees to the Joint Bookrunners as follows:

a) The Company shall pay a base fee of 4.05% of the gross proceeds from the New Shares

b) The Selling Shareholders shall pay a base fee of 4.05% of the gross proceeds from the Sale Shares

c) The Selling Shareholders shall pay a base fee equal to 4.05% of the gross proceeds from the Additional Shares

In addition, the Company may, at its sole discretion, decide that the Company and the Selling Shareholders shall pay a discretionary fee to the Joint Global Coordinators as follows:

d) The Company to pay an incentive fee of up to 0.15% of the gross proceeds from the New Shares; and

e) The Selling Shareholders to pay an incentive fee of up to 0.15% of the gross proceeds from the Sale Shares and the Additional Shares.

Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.

16.21 Participation of major existing shareholders and members of the Management, supervisory and administrative bodies in the Offering

None of the members of the Board of Directors and Management have indicated an intention to apply for Offer Shares and are expected to consider any possible applications during the application period.

The Company is not aware of whether any major shareholders of the Company or members of the Management, supervisory or administrative bodies intend to apply for Offer Shares in the Offering, or whether any person intends to apply for more than 5% of the Offer Shares.

16.22 The Selling Shareholders

The table below shows the name and registered address of, the number of Shares held by and the number of Sale Shares offered by each of the Selling Shareholders.

Selling Shareholder	Address	Number of Sale Shares
VHF Invest AS	Hansbakken 16, 7055 Ranheim, Norway	2 903 065
Draupnir Invest AS	Hansbakken 16, 7055 Ranheim, Norway	3 923 864
Petors AS	Hommelvikhøgda, Malvikvegen 1565, 7550 Hommelvik, Norway	2 341 845
Eidco AS	Turistveien 13, 7075 Tiller, Norway	3 022 147
Esmar AS	Moholtlia 32, 7033 Trondheim, Norway	2 401 653
Racce AS	Stiklestadveien 1, 7041 Trondheim, Norway	620 494

16.23 Governing law and jurisdiction

This Prospectus, the Retail Application Form, the Employee Application Form and the terms and conditions of the Offering shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Prospectus, the Retail Application Form or the Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with the Oslo District Court as the legal venue.

17 SELLING AND TRANSFER RESTRICTIONS

17.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

17.2 Selling restrictions

17.2.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act; or (ii) to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than to QIBs in the United States in accordance with Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 17.3.1 "United States".

Any offer or sale in the United States will be made solely by affiliates of the Managers who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

17.2.2 United Kingdom

Each Manager has represented, warranted and agreed that:

a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the issue or sale of any Offer Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

b) it has complied and will comply with all applicable provisions of the FSMA with respect to everything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

17.2.3 European Economic Area

In relation to each Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Member State (the "**Relevant Implementation Date**"), an offer to the public of any Offer Shares which are the subject of the offering contemplated by this Prospectus may not be made in that Member State, other than the offering in Norway as described in this Prospectus, once the Prospectus has been approved by the competent authority in Norway and published in accordance with the EU Prospectus Directive (as implemented in Norway), except that an offer to the public in that Member State of any Offer Shares may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the EU Prospectus Directive, if they have been implemented in that Member State:

a) to legal entities which are qualified investors as defined in the EU Prospectus Directive;

b) to fewer than 100, or, if the Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive), as permitted under the EU Prospectus Directive, subject to obtaining the prior consent of the Managers for any such offer, or

c) in any other circumstances falling within Article 3(2) of the EU Prospectus Directive;

provided that no such offer of Offer Shares shall require the Company or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Directive or supplement a prospectus pursuant to Article 16 of the EU Prospectus Directive. Each person in a Member State who initially acquires any Offer Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Managers that it is a qualified investor within the meaning of the law in that Member State implementing Article 2(1)(e) of the EU Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Member State), and includes any relevant implementing measure in each Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

17.2.4 Additional jurisdictions

17.2.4.1 Canada

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

17.2.4.2 Hong Kong

The Offer Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Offer Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

17.2.4.3 Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

17.2.4.4 Other jurisdictions

The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

17.3 Transfer restrictions

17.3.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.
- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that these representations are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A or another available exemption under the Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to significant restrictions to transfer.

- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it may be made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.

- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.

- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.

- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

17.3.2 European Economic Area

Each person in a Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

a) it is a qualified investor as defined in the EU Prospectus Directive; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this representation, the expression an "offer" in relation to any Offer Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

18 ADDITIONAL INFORMATION

18.1 Independent auditor

The Company's independent auditor is PricewaterhouseCoopers AS, with business registration number 987 009 713 and registered address at Dronning Eufemias gate 8, 0191 Oslo, Norway. PricewaterhouseCoopers AS is a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants). PricewaterhouseCoopers AS has been the Company's auditor since 2009.

18.2 Advisors

Arctic Securities AS (Haakon VIIs gate 5, 0161 Oslo, Norway) and Pareto Securities AS (Dronning Mauds gate 3, 0115 Oslo, Norway) are acting as Joint Global Coordinators for the Offering. Sparebank 1 Markets AS (Olav V's gate 5, 0114 Oslo, Norway) is acting as Joint Bookrunner for the Listing.

Advokatfirmaet Schjødt AS (Ruseløkkveien 14-16, N-0251 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

Advokatfirmaet Thommessen AS (Haakon VII gate 10, Vika, 0116 Oslo, Norway) is acting as Norwegian legal counsel to the Managers.

18.3 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Stiklestadveien 1, 7041 Trondheim, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- the Company's certificate of incorporation and Articles of Association;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus;
- the historical financial information of the Company and its subsidiary undertakings for each of the two financial years preceding the publication of this Prospectus;
- the interim financial information of the Company for the three months period ended 31 March 2019; and
- this Prospectus.

19 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

2010 PD Amending Directive	Directive 2010/73/EU amending the EU Prospectus Directive.
Additional Shares	Additional Shares sold pursuant to the Over-Allotment Option by the Stabilisation Manager, equal to up to approximately 15% of the aggregate number of Offer Shares originally allocated in the Offering.
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324, collectively.
Annual General Meeting	The Company's annual general meeting.
APMs	Alternative performance measures.
Application Period	The application period for the Retail Offering which will take place from 09:00 hours (CET) on 5 June 2019 to 12:00 hours (CET) on 14 June 2019, unless shortened or extended.
Articles of Association	The Company's articles of association.
Board of Directors	The board of directors of the Company.
Board Members	The members of the Board of Directors.
Bookbuilding Period	The bookbuilding period for the Institutional Offering which will take place from 09:00 hours (CET) on 5 June 2019 to 14:00 hours (CET) on 14 June 2019, unless shortened or extended.
Bribery Act	The United Kingdom Bribery Act of 2010.
CAGR	Compound annual growth rate.
CEN	European Committte for Standardization.
CET	Central European Time.
Company	Norbit ASA.
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance, dated 17 October 2018.
DSRC	Dedicated short-range communication.
Operating EBITDA margin	Gross operating profit (loss) divided by total operating income.
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation.
EBIT	Earnings Before Interest and Taxes.
EEA	The European Economic Area.
Employee Application Form	Application form to be used to apply for Offer Shares in the Employee Offering, attached to this Prospectus as Appendix F.
Eligible Employee	Includes all of the employees of the Group as of the last day of the Application Period, subject to regulatory restrictions in jurisdictions other than Norway.
Employee Offering	An employee offering, in which Offer Shares are being offered to the Eligible Employees, subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each Eligible Employee.
ESMA	The European Securities and Markets Authority.
EUR, euros or €	The lawful common currency of the EU member states who have adopted the Euro as their sole national currency.
EU Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Member State.
FCPA	The U.S. Foreign Corrupt Practices Act of 1977.
FPGA	Field-Programmable Gate Array.
Financial Statements	The audited financial statements in accordance with IFRS as of and for the years ended 31 December 2018 and 2017 (the "2018 Financial Statements") and the audited financial statements in accordance with NGAAP for the years ended 31 December 2017 and 2016 (the "2017 Financial Statements").
Forward-looking statements	Statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts.
FSMA	UK Financial Services and Markets Act 2000.
GDP	Gross domestic product.

General Meeting	The Company's general meeting of shareholders.
GNSS	Global navigation satellite system.
GPS	Global positioning system.
Group	The Company together with its subsidiaries.
GSM	Global system for mobile communcations.
IAS 34	International Accounting Standard 34 "Interim Financial Reporting".
IAS 39	International Accounting Standard 39 "Financial Instruments".
IFRS	International Financial Reporting Standards, as adopted by the EU.
Indicative Price Range.........................	The indicative price range in the Offering of NOK 23 to NOK 30 per Offer Share.
Institutional Closing Date	Delivery and payment for the Offer Shares by the applicants in the Institutional Offering is expected to take place on or about 19 June 2019.
Institutional Offering	An institutional offering, in which Offer Shares are being offered to (a) investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from any applicable prospectus requirements, and (c) investors in the United States who are QIBs in transactions exempt from registration requirements under the U.S. Securities Act, subject to a lower limit per application of NOK 2,000,000.
Interim Financial Statements	The Group's consolidated interim financial statement for the three months ended 31 March 2019.
IPR	Intellectual property rights.
IRS	The U.S. Internal Revenue Service.
IT	Information technology.
ITS	Intelligent traffic systems.
Joint Global Coordinators....................	Pareto Securities AS and Arctic Securities AS
Joint Bookrunners..............................	Pareto Securities AS, Arctic Securities AS and Sparebank 1 Markets AS.
Lending Option..................................	An option expected to be granted to the Stabilisation Manager by the Lending Shareholders, pursuant to which the Stabilisation Manager may require the Lending Shareholders to lend to the Stabilisation Manager, on behalf of the Managers, up to a number of Shares equal to the number of Additional Shares.
Lending Shareholders	Draupnir Invest AS, Eidco AS, Racce AS and Esmar AS.
Listing..	The listing of the Shares on the Oslo Børs.
Management.....................................	The senior management team of the Company.
Managers	The Joint Global Coordinators and Joint Bookrunners.
Market Abuse Regulation or MAR	Regulation (EU) No. 596/2014 of the European Parliament and of the Council on market abuse.
Member State	Each Member State of the EEA which has implemented the EU Prospectus Directive.
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements	Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and together with local implementing measures.
New Shares	New shares to be issued by the Company in the Offering to raise gross proceeds of approximately NOK 250 million.
NGAAP	Norwegian Generally Accepted Accounting Principles
NOK...	Norwegian Kroner, the lawful currency of Norway.
Non-Norwegian Corporate Shareholder .	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes.
Non-Norwegian Personal Shareholders ..	Shareholders who are individuals not resident in Norway for tax purposes.
Norwegian Act on Overdue Payment	The Norwegian Act on Overdue Payment of 17 December 1976 no. 100.
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes.
Norwegian FSA..................................	The Norwegian Financial Supervisory Authority (*Nw: Finanstilsynet*).
Norwegian kroner	The lawful currency of Norway.
Norwegian Personal Shareholders.........	Shareholders who are individuals resident in Norway for tax purposes.
Norwegian Public Limited Companies Act	The Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (*Nw: allmennaksjeloven*).
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (*Nw: verdipapirhandelloven*).

Offering..	The initial public offering including the Institutional Offering and the Retail Offering taken together.
Offer Price	The final offering price for the Offer Shares in the Offering, set in a range within, below or above the Indicative Price Range.
Offer Shares	The New Shares and Sale Shares together with any Additional Shares – the Shares offered pursuant to the Offering.
Order...	The UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
Oslo Børs	Oslo Børs ASA, or, as the context may require, Oslo Børs, a Norwegian regulated stock exchange operated by Oslo Børs ASA.
Over-Allotment Option	An option expected to be granted by the Lending Shareholders to the Stabilisation Manager, on behalf of the Managers, pursuant to which the Stabilisation Manager may purchase a number of shares equal to the number of Additional Shares from the Lending Shareholders, exercisable, in whole or in part, within a 30-day period commencing at the time at which trading in the Shares commences on the Oslo Børs, expected to be on or about 18 June 2019, to cover any over-allotments made in connection with the Offering.
Payment Date	The payment date for the Offer Shares under the Retail Offering and the Employee Offering, expected to be on 17 June 2019.
PFIC	A passive foreign investment company for U.S. federal income tax purposes.
PIR	Product innovation and realisation.
PCB	Printed Circuit Board.
PCBA	Printed Circuit Board Assepmbly.
Prospectus..	This Prospectus, dated 4 June 2019.
QIBs	Qualified institutional buyers as defined in Rule 144A.
Regulation S	Regulation S under the U.S. Securities Act.
Implementation Date	In relation to each Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Member State.
Relevant Persons...............................	Persons in the UK that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
Retail Application Form	Application form to be used to apply for Offer Shares in the Retail Offering, attached to this Prospectus as Appendix E.
Retail Offering...................................	A retail offering, in which Offer Shares are being offered to the public in Norway, subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor.
Rule 144A	Rule 144A under the U.S. Securities Act.
Selling Shareholders	VHF Invest AS, Draupnir Invest AS, Petors AS, Eidco AS, Racce AS and Esmar AS.
Shares	Shares in the share capital of the Company, each with a nominal value of NOK 0.10, or any one of them.
Stabilisation Manager.........................	Arctic Securities.
Subsidiaries	The companies as listed in Section 13.2.
UK...	The United Kingdom.
U.S. dollars, USD or $	The lawful currency of the United States of America.
U.S. or United States	The United States of America.
U.S. Exchange Act	The U.S. Securities Exchange Act of 1934, as amended.
U.S. Holder.......................................	A beneficial owner of Offer Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.
U.S. Securities Act.............................	The U.S. Securities Act of 1933, as amended.
UUVs	Unmanned underwater vehicles.
VPS	The Norwegian Central Securities Depository (*Nw: Verdipapirsentralen*).
VPS account	An account with the VPS for the registration of holdings of securities.
VPS Registrar....................................	DNB Bank ASA.

APPENDIX A:

ARTICLES OF ASSOCIATION OF NORBIT ASA

Articles of Association
of
NORBIT ASA

3 May 2019

§ 1 Company name
The company's name is NORBIT ASA. The company is a public limited liability company.

§ 2 Registered office
The company's registered office is in the municipality of Trondheim.

§ 3 Purpose
The company is the parent company of an internationally focused technology group which provides custom-made high-technology products in selected niche markets. This is done through acquisition, management and trading in shares, partnership interests and other securities.

§ 4 Share capital
The company's share capital is NOK 4,342,950, divided into 43,429,500 shares, each with a par value of NOK 0.10.

§ 5 Board of Directors
The company's Board of Directors shall consist of a minimum of three and a maximum of seven board members elected by the General Meeting. The General Meeting elects the Chair of the Board and the Deputy Chair of the Board.

§ 6 Signatory rights
The Chair of the Board acting alone or the General Manager and one board member jointly shall have the authorisation to sign on behalf of the company.

§ 7 Nomination Committee
The company shall have a Nomination Committee which is elected by the General Meeting.

The Nomination Committee presents proposals to the General Meeting regarding (i) election of the Chair of the Board, board members and any deputy members of the board, and (ii) election of members of the Nomination Committee. The Nomination Committee also presents to the General Meeting proposals for remuneration to the Board of Directors and to the Nomination Committee.

The General Meeting determines instructions for the Nomination Committee and determines the remuneration of the members of the Nomination Committee.

§ 8 General Meeting
Shareholders who wish to participate in a General Meeting of the company, shall notify the company of this within a deadline which is set out in the notice of the General Meeting, and which cannot expire earlier than five days prior to the General Meeting. Shareholders who have not given notice within the expiry of the deadline, may be denied entrance.

When documents which pertain to matters which shall be handled at the Genearl Meeting have been made available for the shareholders at the company's website, the statutory requirements for distribution of documents to the shareholders do not apply. This also applies to documents which pursuant statutory reqruiements shall be included in or attached to the notice. A shareholder may nonetheless demand to be sent such documents.

The Annual General Meeting is held each year no later than six months after expiry of the preceding financial year. The following mattesr shall be discussed and resolved at the Annual General Meeting:

i. Approval of the annual accounts and the annual report
ii. Use of profits or coverage of losses in accordance wit hthe approved annual accounts, including distribution of dividends
iii. Approval of the Board of Directors' statement on salary and other remuneration to the executive management
iv. Election of members to the Board of Directors
v. Other matters which pursuant to statutory law or the Articles of Association pertain to the Annual General Meeting.

APPENDIX B:

INTERIM FINANCIAL STATEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2019

Q1 2019

CONDENSED FINANCIAL STATEMENTS

NORBIT ASA

Condensed statement of profit or loss

Amounts in NOK 000's	*Note*	**3 month period ended 31/03/19**	3 month period ended 31/03/18
Revenue	*2*	**157 696**	90 093
Other gains and losses	*3*	**10 865**	0
Raw material and change in inventories		**70 680**	46 109
Employee benefits expenses		**32 766**	26 176
Depreciation and amortisation expenses		**9 464**	9 791
Other operating expenses		**15 017**	11 768
Operating profit		**40 634**	-3 751
Share of profit from associates		**0**	0
Interest income		**0**	0
Other financial income		**7 795**	3 975
Interest expenses		**-2 024**	-2 399
Other financial expenses		**-5 406**	-2 053
Net financial items		**365**	-477
Profit before tax		**40 999**	-4 228
Income tax expense		**-6 975**	891
PROFIT FOR THE PERIOD		**34 024**	-3 337
Attributable to:			
Owners of the Company		**33 981**	-3 350
Non-controlling interests		**43**	13
		34 024	-3 337
Earnings per share	*5*		
From continuing operations			
Basic (NOK per share)		**0,78**	-0,08
Diluted (NOK per share)		**0,78**	-0,08

Condensed statement of other comprehensive income

Amounts in NOK 000's	*Note*	**3 month period ended 31/03/19**	3 month period ended 31/03/18
Profit for the period		**34 024**	-3 337
Other comprehensive income			
Exchange differences on translation of foreign operations		**8**	255
Other comprehensive income for the period, net of tax		**8**	255
Total comprehensive income for the period		**34 032**	-3 082
Total comprehensive income for the period is attributable to:			
Owners of the Company		**33 989**	-3 095
Non-controlling interests		**43**	13
		34 032	-3 082

Condensed statement of financial position

Amounts in NOK 000's	*Notes*	**31/03/19**	31/03/18
ASSETS			
Property, plant and equipment		**70 761**	54 996
Intangible assets		**120 049**	88 028
Deferred tax asset		**32 416**	41 114
Investments accounted for using the equity method		**1 402**	4 150
Shares in other companies		**626**	100
Total non-current assets		**225 254**	188 388
Inventories		**141 455**	88 532
Trade receivables		**125 273**	78 561
Other receivables and prepayments		**20 517**	18 032
Derivative financial instruments	*6*	**2 042**	411
Bank deposits		**4 254**	3 847
Total current assets		**293 541**	189 383
Total assets		**518 795**	377 771

Condensed statement of financial position

Amounts in NOK 000's	*Notes*	**31/03/19**	31/03/18
LIABILITIES			
Borrowings		**107 430**	63 300
Lease liabilities		**4 810**	11 112
Other liabilities		**-112**	7 905
Total non-current liabilities		**112 129**	82 317
Trade payables		**80 031**	56 166
Other payables		**60 912**	36 225
Borrowings		**95 570**	84 514
Lease liabilities		**7 004**	6 770
Total current liabilities		**243 517**	183 674
Total liabilities		**355 646**	265 991
Share capital and share premium	*5*	**434**	410
Other equity		**43 820**	33 344
Retained earnings		**117 554**	68 605
Non-controlling interests		**1 342**	9 421
Total equity		**163 150**	111 780
Total equity and liabilities		**518 795**	377 771

Condensed statement of changes in equity

	Notes	Attributable to owners						
		Share capital and premium	Other equity	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2018		434	43 820	0	103 939	148 193	9 723	157 915
Profit for the period					33 981	33 981	43	34 024
Other comprehensive income					8	8		8
Total comprehensive income for the period		0	0	0	33 989	33 989	43	34 032
Transaction with owners in their capacity as owners:								
Transaction with non-controlling interest					-14 374	-14 374	-8 423	-22 797
Dividends paid					-6 000	-6 000		-6 000
					-20 373	-20 374	-8 423	-28 797
Balance at 31 March 2019		434	43 820	0	117 554	161 807	1 342	163 150

	Notes	Attributable to owners						
		Share capital and premium	Other equity	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2017		410	33 344	0	71 700	105 454	9 408	114 862
Profit for the period					-3 350	-3 350	13	-3 337
Other comprehensive income					255	255		255
Total comprehensive income for the period		0	0	0	-3 095	-3 095	13	-3 082
Balance at 31 March 2018		410	33 344	0	68 604	102 358	9 422	111 780

Condensed statement of cash flows

Amounts in NOK 000's	**3 month period ended 31/03/19**	3 month period ended 31/03/18
Profit for the period	**34 024**	-3 337
Adjustments for:		
Income tax expense recognised in profit or loss	**6 975**	-891
Investment income recognised in profit or loss	**-10 865**	0
Depreciation and amortization	**9 464**	9 791
Movements in working capital:		
(Increase)/decrease in trade and other receivables	**-23 297**	-22 589
(Increase)/decrease in inventories	**-18 565**	-7 507
Increase/(decrease) in trade and other payables	**4 440**	10 618
Increase/(decrease) in provisions	**10 503**	1 880
Income taxes paid	**0**	0
Net cash generated by operating activities	**12 679**	-12 035
Cash flows from investing activities		
Payments for property, plant and equipment	**-4 198**	-5 591
Payments for intangible assets	**-20 789**	-8 651
Net cash flow on acquisition of subsidiaries	**422**	0
Net cash (used in)/generated by investing activities	**-24 565**	-14 242
Cash flows from financing activities		
Transactions with non-controlling interests	**-19 254**	0
Proceeds from borrowings	**103 982**	176
Repayment of borrowings	**-82 097**	-3 622
Net change in overdraft facility	**10 419**	18 759
Dividends paid	**-6 000**	0
Net cash (used in)/generated by financing activities	**7 049**	15 313
Net increase in bank deposits	**-4 836**	-10 964
Bank deposits at the beginning of the period	**9 091**	14 811
Bank deposits at the end of the period	**4 254**	3 847

Notes to the condensed accounts

Note 1 | Accounting principles

General information

Norbit is a knowledge-based group that delivers tailor-made high technology to industrial customers in a global market. The Norbit companies should be recognized as "World Class" in their respective markets.

The group head office is located in Trondheim. In addition, in Q1 2019 the Group also had operations in Norway from Asker, Røros, Selbu and Gjøvik, as well as foreign operations in Sopot / Gdansk, Vienna, Budapest, Lanciano, Singapore, Gothenburg and Santa Barbara CA.

The business includes the development, manufacture and delivery of products, systems and services based on electronics. Norbit Oceans and Norbit ITS constitute the Group's primary market segments in Q1 2019. Norbit ODM and Norbit EMS are the Group's respective R&D and manufacturing capacities.

Basis of preparation

The interim consolidated statements for the first quarter 2019, ending 31 March 2019, were prepared in accordance with IAS 34 Interim Financial Reporting. 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 2018.

The accounting policies adopted 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 2018.

The standards and interpretations effective from 1 January 2019 do not have significant impact on the Group`s consolidated interim financial statements.

Note 2 | Segment information

Amounts in NOK 000's

Q1 2019	Oceans	ITS	PIR	Group/ eliminations	Total
Revenues	58 918	36 013	68 449	-5 684	157 696
Gross Profit	35 390	26 126	30 352	6 012	97 881
Gross margin (%)	60 %	73 %	44 %		62 %
Operating expenses	18 480	9 341	22 453	-2 491	47 783
EBITDA	**16 910**	**16 784**	**7 900**	**8 503**	**50 098**
EBITDA margin	29 %	47 %	12 %		32 %
Depreciation	432	382	3 349	282	4 444
Amortization and impairment	3 286	995	739	0	5 020
EBIT	**13 192**	**15 408**	**3 812**	**8 221**	**40 634**
Total financial items (not allocated)					365
Profit before tax					**40 999**
Taxes (not allocated)					-6 975
Segment profit included in discontinued operations					
Profit after tax					**34 024**
Timing of revenues					
- At point in time	54 011	36 013	62 951		
- Over time	4 907	0	5 498		
Total	58 918	36 013	68 449		

Amounts in NOK 000's

Q1 2018	Oceans	ITS	PIR	Group/ eliminations	Total
Revenues	27 886	10 550	61 048	-9 390	90 093
Gross Profit	18 198	3 762	31 006	-8 982	43 984
Gross margin (%)	65 %	36 %	51 %		49 %
Operating expenses	16 560	5 063	24 214	-7 893	37 944
EBITDA	**1 638**	**-1 302**	**6 792**	**-1 089**	**6 040**
EBITDA margin	6 %	-12 %	11 %		7 %
Depreciation	606	165	2 918	248	3 936
Amortization and impairment	3 502	1 660	692	0	5 854
EBIT	**-2 470**	**-3 127**	**3 182**	**-1 336**	**-3 751**
Total financial items (not allocated)					-477
Profit before tax					**-4 228**
Taxes (not allocated)					891
Profit after tax					**-3 337**
Timing of revenues					
- At point in time	26 880	10 550	58 455		
- Over time	1 007	0	2 592		
Total	27 886	10 550	61 048		

NORBIT
- explore more -

Note 3 | Significant transactions

Business combinations

In Q1 2019 the company acquired 100% of the share capital in Ablepay AS.
Ablepay was acquired for the company`s own developed technology and the synergies the acquisition has on the ITS segment. Ablepay was founded in 2009 and the technology has been developed in close collaboration with SINTEF.

Details of the purchase consideration, the net assets required and goodwill are as follows:

Purchase consideration:

Amounts in NOK 000's	**Q1 2019**
Cash paid (TNOK 100) + earn out (TNOK 600)	**700**
Net assets acquired	**11 565**
Bargain gain	**-10 865**

The price of the shares in the company was significant lower than the value of the assets.
The previous owneres were not willing to invest more into the company and the industrial fit to NORBIT was clear due to the production and development of the fact that products can be further developed and produced in close collaboration with resources within the PIR-segment and the exsisting emloyees of Ablepay.
NORBIT has after the acuisition done a valuation of the existing technology in the company and the valuation resulted in a gain of TNOK 10 865 recogniced as other gain and losses in the consolidated statement of profit or loss in Q1-19.

Development and acquisition of intangible assets

The Group made capital expenditure of TNOK 20 789 in intangible assets in Q1 2019, of which TNOK 7 942 is attributable to the acquisition of AblePay.

Transactions with non-controlling interest

In Q1 the Company aquired shares from non-controlling interest in NORBIT EMS AS and NORBIT ITS AS totalling TNOK 22 797, leading to a reduction of Non-controlling interest of TNOK 8 423 and Retained earnings of TNOK 14 374.

New credit and guarantee facility implemented

A new credit and guarantee facility provided by DNB was implemented during Q1.
Repayment of the former credit facility and implementation of the new facility represented a net cash inflow of TNOK 21 884.

There are no other significant transactions in Q1 2019.

Note 4 | Subsequent events

There are no material subsequent events after the end of Q1 2019 or Q1 2018.

Note 5 | Earnings per share

Amounts in NOK	**Q1 2019**	Q1 2018
Basic earnings per share		
Total basic earnings per share attributable to the ordinary equity holders of the company	**0,783**	-0,081
Diluted earnings per share		
Total diluted earnings per share attributable to the ordinary equity holders of the company	**0,783**	-0,081

Reconciliations of earnings used in calculating eratnings per share

Amounts in NOK 000's	**Q1 2019**	Q1 2018
Basic earnings per share		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share:	**34 024**	-3 337
Diluted earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the company:		
Used in calculation basic earnings per share	**34 024**	-3 337
Used in calculating diluted earnings per share	**34 024**	-3 337

Weighted average number of shares used as the denominator

	Q1 2019	Q1 2018
	Number	*Number*
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**43 429 500**	41 048 200

Information concerning the classification of securities

Ordinary shares

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Diluted shares

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all potential ordinary shares into ordinary shares.

Note 6 | Derivative financial instruments

The group has the following derivative financial instruments:

	31/03/19	31/03/18
	EUR	EUR
	Amount base ('000)	Amount base ('000)
Foreign currency forwards (sale)	10 100	1 500
Average FX rate in contract	9,9481	9,9408
Market value of contracts based om MTM reports from counterpart banks	**2 042**	411

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To the Board of Directors of Norbit ASA

Report on Review of first quarter 2019 consolidated statements

Introduction

We have reviewed the accompanying condensed statement of financial position of Norbit ASA as of 31 March 2019, the condensed statement of profit and loss, the condensed statement of comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of the entity as at 31 March 2019, and its financial performance and its cash flows for the three-month period then ended in accordance with IAS 34 Interim Financial Reporting.

Trondheim, 2 June 2019
PricewaterhouseCoopers AS

Kjetil Smørdal
State Authorised Public Accountant

APPENDIX C:

FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017 (IFRS)

CONSOLIDATED

FINANCIAL STATEMENT

2018

NORBIT ASA

Consolidated statement of profit or loss

Amounts in NOK 000's	*Note*	**Year ended 31/12/18**	Year ended 31/12/17
Revenue	*2*	**438 369**	350 124
Other gains and losses	*13a)*	**0**	2 051
Changes in inventories of finished goods and work in progress		**-13 302**	-1 982
Raw materials and consumables used		**222 842**	189 922
Employee benefits expenses	*4a,8d),18c),d) 19*	**110 856**	89 982
Depreciation and amortisation expenses	*7a), 8a)*	**36 714**	32 635
Other operating expenses	*4a),4b)*	**43 210**	33 688
Operating profit		**38 048**	7 930
Share of profit from associates	*4c)*	**26 261**	281
Interest income	*4c)*	**0**	23
Other financial income	*4c)*	**15 058**	10 807
Interest expenses	*4c)*	**-9 252**	-10 712
Other financial expenses	*4c)*	**-15 129**	-5 448
Net financial items		**-9 323**	-5 331
Profit before tax		**54 987**	2 880
Income tax expense	*5*	**-7 036**	25 642
PROFIT FOR THE PERIOD		**47 951**	28 522
Attributable to:			
Owners of the Company		**47 636**	28 499
Non-controlling interests		**314**	23
		47 951	28 522
Earnings per share	*20*		
Basic (NOK per share)		**114,3**	75,6
Diluted (NOK per share)		**114,3**	75,6

Consolidated statement of other comprehensive income

Amounts in NOK 000's	*Note*	**Year ended 31/12/18**	Year ended 31/12/17
Profit for the period		**47 951**	28 522
Other comprehensive income			
Exchange differences on translation of foreign operations		**603**	273
Other comprehensive income for the period, net of tax		**603**	273
Total comprehensive income for the period		**48 554**	28 795
Total comprehensive income for the period is attributable to:			
Owners of the Company		**48 239**	28 773
Non-controlling interests		**314**	23
		48 554	28 795

Consolidated statement of financial position

Amounts in NOK 000's	*Notes*	**31/12/18**	31/12/17	01/01/17
ASSETS				
Property, plant and equipment	*7*	**70 963**	52 595	57 869
Intangible assets	*4a),8a)*	**104 279**	85 069	71 879
Deferred tax asset	*8b)*	**33 130**	39 995	11 848
Investments accounted for using the equity method	*14c)*	**1 402**	4 150	2 649
Shares in other companies	*6a)*	**626**	100	100
Total non-current assets		**210 400**	181 909	144 345
Inventories	*8c)*	**122 890**	81 025	59 482
Trade receivables	*6b)*	**101 976**	55 972	49 853
Other receivables and prepayments		**26 120**	19 453	14 170
Derivative financial instruments	*11a)*	**0**	185	0
Bank deposits	*6c)*	**9 091**	14 811	6 321
Total current assets		**260 077**	171 446	129 827
Total assets		**470 477**	353 355	274 171

Consolidated statement of financial position

Amounts in NOK 000's	*Notes*	**31/12/18**	31/12/17	01/01/17
LIABILITIES				
Borrowings	*11d)*	**84 827**	66 443	52 531
Lease liabilities	*22*	**5 863**	11 020	14 975
Other liabilities		**155**	7 607	2 430
Total non-current liabilities		**90 845**	85 070	69 936
Trade payables	*6d)*	**75 591**	45 547	46 247
Other payables	*6d)*	**52 757**	35 466	21 292
Current tax liabilities		**0**	0	757
Borrowings	*11d)*	**85 152**	65 754	62 479
Lease liabilities	*22*	**7 004**	6 656	5 582
Derivative financial instruments	*11a)*	**1 213**	0	0
Total current liabilities		**221 717**	153 423	136 356
Total liabilities		**312 562**	238 494	206 292
Share capital and share premium	*9a)*	**434**	410	363
Other equity		**43 820**	33 344	12 391
Retained earnings	*9b)*	**103 939**	71 700	40 163
Non-controlling interests	*14a)*	**9 722**	9 408	14 963
Total equity		**157 915**	114 861	67 879
Total equity and liabilities		**470 477**	353 355	274 171

Trondheim 23 May 2019

Finn Haugan
Chairperson

Bente Avnung Landsnes
Deputy chair

Trond Tuvstein
Board member

Tom Solberg
Board member

Marit Collin
Board member

Per Jørgen Weisethaunet
CEO

Consolidated statement of changes in equity

Amounts in NOK 000's	*Notes*	Attributable to owners: Share capital and premium	Other equity	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2017		363	12 391		40 163	52 917	14 963	67 879
Profit for the period					28 499	28 499	23	28 522
Other comprehensive income					273	273		273
Total comprehensive income for the period		0	0	0	28 773	28 773	23	28 795
Transaction with owners in their capacity as owners:								
Contributions of equity net of transaction costs after tax		47	20 953			21 000		21 000
Acquisition of non-controlling interest					3 107	3 107	-5 577	-2 470
Dividends paid					-343	-343		-343
Total		47	20 953	0	2 764	23 764	-5 577	18 187
Balance at 31 December 2017		410	33 344	0	71 700	105 454	9 408	114 862

Amounts in NOK 000's	*Notes*	Attributable to owners: Share capital and premium	Other equity	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2017		410	33 344	0	71 700	105 454	9 408	114 862
Profit for the period					47 636	47 636	314	47 951
Other comprehensive income					603	603		603
Total comprehensive income for the period		0	0	0	48 239	48 239	314	48 554
Transaction with owners in their capacity as owners:								
Contributions of equity net of transaction costs after tax		24	10 476			10 500		10 500
Dividends paid					-16 000	-16 000		-16 000
Total		24	10 476		-16 000	-5 500	0	-5 500
Balance at 31 December 2018		434	43 820	0	103 939	148 193	9 723	157 915

Consolidated statement of cash flows

Amounts in NOK 000's	**Year ended 31/12/18**	Year ended 31/12/17
Profit for the period	**47 951**	28 522
Adjustments for:		
Income tax expense recognised in profit or loss	**7 036**	-25 642
Share of profit from associates	**-287**	-281
Investment income recognised in profit or loss	**-25 974**	-2 051
Depreciation and amortization	**36 714**	32 635
Movements in working capital:		
(Increase)/decrease in trade and other receivables	**-46 004**	-3 874
(Increase)/decrease in inventories	**-41 866**	-12 253
Increase/(decrease) in trade and other payables	**30 044**	-2 002
Increase/(decrease) in provisions	**8 329**	-1 477
Increase/(decrease) in other liabilities	**-87**	-757
Income taxes paid	**0**	0
Net cash generated by operating activities	**15 855**	12 820
Cash flows from investing activities		
Payments to acquire financial assets	**-26**	-1 114
Proceeds on sale of financial assets	**29 389**	0
Payments for property, plant and equipment	**-37 294**	-8 921
Proceeds from disposal of property, plant and equipment	**0**	25
Payments for intangible assets	**-38 226**	-30 173
Net cash flow on acquisition of subsidiaries	**0**	-1 185
Net cash (used in)/generated by investing activities	**-46 157**	-41 369
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	**10 500**	21 000
Transactions with non-controlling interests	**0**	-2 470
Proceeds from borrowings	**13 067**	35 109
Repayment of borrowings	**0**	-9 510
Net change in overdraft facility	**17 014**	-7 090
Dividends paid	**-16 000**	0
Net cash (used in)/generated by financing activities	**24 581**	37 038
Net increase in bank deposits	**-5 720**	8 490
Bank deposits at the beginning of the period	**14 811**	6 321
Bank deposits at the end of the period	**9 091**	14 811

NOTES TO THE CONSOLIDATED ACCOUNTS

1 Significant changes in the current reporting period

The financial position and performance of the group was particularly affected by the following events and transactions during the reporting period:

Reduced shareholdings in the associate Kvikna ehf., which resulted in a gain. See note 3 for further details related to this transaction.

Capital expenditure related to PP&E totalling TNOK 37 293 and intangible assets totalling TNOK 38 226. CAPEX in PP&E primarily relates to increased production capacity in the ITS/Connectivity operating segment.
Capital expenditure related to intangible assets primarily relates to product development in the ITS and Oceans operating segments. The development work is expected to lead to sale of new products during 2019.

2 Segment information

2 (a) Description of segments and principal activities

NORBIT is structured in three main business units: Oceans, Intelligent Traffic Systems (ITS) and Product Innovation and Realization (PIR).
Oceans: NORBIT Oceans encompasses all NORBIT's knowledge and competence targeting the global maritime markets with proprietary technology and solutions. The Company offers ultra-compact sonars for a range of special applications including seabed mapping and hydrography. The Company has further developed proprietary solutions and software for maritime and environmental monitoring. The Company is continuously working on expanding its offering in selected niches of the Oceans business unit.

Intelligent Traffic Systems ("ITS"): NORBIT ITS business unit has been a leading provider of products and solutions to international system integrators for more than 10 years. NORBIT has evolved into an independent supplier of tailored connectivity solutions based on short range communication technology to intelligent traffic systems. ITS has seen a step-up in both revenue and profitability driven by long-term contracts with international blue-chip clients.

Product Innovation and Realization ("PIR"): NORBIT PIR is formed by in-house multidisciplinary R&D engineering capabilities and integrated world class manufacturing. In addition to act as an enabler for Oceans and ITS, PIR offers R&D and contract manufacturing services to long-term key clients. PIR has nearly 25 years of history in realizing innovative products, systems and solutions for industrial customers. PIR´s integrated world-class manufacturing is based on three factories with history dating back to the 1980s.

2 (b) Profit before tax for different segments

Amounts in NOK 000's — **2017**

	Oceans	ITS	PIR	Group/ eliminations	Total
Revenues	102 259	42 922	229 315	-24 372	350 124
Gross Profit	64 945	14 710	102 904	-18 324	164 235
Gross margin (%)	64 %	34 %	45 %		47 %
Operating expenses	34 871	16 608	82 993	-10 801	123 671
EBITDA	**30 074**	**-1 898**	**19 911**	**-7 523**	**40 565**
EBITDA margin	29 %	-4 %	9 %		12 %
Depreciation	1 583	834	10 599	584	13 600
Amortization and impairment	10 699	4 746	3 590	0	19 035
EBIT	**17 792**	**-7 477**	**5 721**	**-8 107**	**7 930**
Total financial items (not allocated)					-5 049
Profit before tax					**2 881**
Taxes (not allocated)					25 642
Profit after tax					**28 522**
Timing of revenues					
- At point in time	96 458	42 922	227 635		
- Over time	5 801	0	1 680		
Total	102 259	42 922	229 315		

Amounts in NOK 000's — **2018**

	Oceans	ITS	PIR	Group/ eliminations	Total
Revenues	189 943	39 466	221 084	-12 125	438 369
Gross Profit	120 651	24 585	103 955	-20 362	228 829
Gross margin (%)	64 %	62 %	47 %		52 %
Operating expenses	66 653	14 957	83 936	-11 479	154 067
EBITDA	**53 998**	**9 628**	**20 019**	**-8 883**	**74 762**
EBITDA margin	28 %	24 %	9 %		17 %
Depreciation	2 401	744	10 747	1 814	15 706
Amortization and impairment	12 730	5 322	2 955	0	21 007
EBIT	**38 867**	**3 562**	**6 317**	**-10 697**	**38 049**
Total financial items (not allocated)					16 939
Profit before tax					**54 988**
Taxes (not allocated)					-7 036
Profit after tax					**47 951**
Timing of revenues					
- At point in time	165 302	39 466	205 360		
- Over time	24 641	0	15 724		
Total	189 943	39 466	221 084		

3 Material profit or loss items

3 (a) Income on investments

In 2018 share of profit from assosiates is significantly influenced by the group's partial sale of the associated company Kvikna Ehf. NORBIT reduced its holding in Kvikna from 33.34% to 5.78% and realized a profit of TNOK 25 974 from the sale of shares. TNOK 287 is share of profit from the assosiated company Kilmore Marine Ltd.

4 Other income and expense items

4 (a) Government grants

The group has received government grants of a total of TNOK 7 644 in 2018 (TNOK 8 625 in 2017).

The grants are accounted as reduction of payroll, other operating expenses or intangible assets.

4 (b) Spesifications of other operating expenses

Amounts in NOK 000's	**2018**	2017
External services/fees	**21 740**	12 147
Travel expenses	**4 453**	4 652
Freight	**2 154**	2 512
Office supplies	**4 664**	3 958
Marketing/promotions	**5 331**	5 895
Service and maintenance	**2 013**	3 067
Other operating expenses	**2 856**	1 457
Total	**43 210**	33 688

4 (c) Finance income and costs

Amounts in NOK 000's	**2018**	2017
Finance income		
Financial exchange gain (net)	**1 640**	5 940
Other financial income	**13 418**	4 867
Finance income	**15 058**	10 807
Finance costs		
Interest expense	**9 252**	10 712
Other financial expense	**15 129**	5 448
Finance costs	**24 381**	16 160

4 (d) Auditor's remuneration

Amounts in NOK 000's	**2018**	2017
Audit fee	**616**	525
Tax fee	**20**	76
Other audit related services	**80**	65
Total	**716**	666

4 (e) Payroll expenses

Amounts in NOK 000's	**2018**	2017
Salaries	**97 385**	74 285
Pension expenses - note 8d	**4 236**	3 460
Payroll tax	**13 140**	8 646
Tax grant (skatteFUNN)	**-3 438**	-1 438
Capitalized payroll expenses as development asset	**-8 613**	-3 145
Other compensations and social costs	**8 147**	8 174
Total payroll expenses	**110 856**	89 982
Average number of full time employees	176	166

5 Income tax expense

5 (a) Income tax expense

Amounts in NOK 000's	**2018**	2017
Current tax		
Current tax on profits for the year	**0**	0
Adjustments for current tax of prior periods	**0**	-87
Total current tax expense	**0**	-87
Deferred income tax		
Decrease/(increase) in deferred tax asset	**-7 036**	25 729
(Decrease)/increase in deferred tax liabilities	**0**	0
Total deferred tax expense/(benefit)	**-7 036**	25 729
Total income tax expense	**-7 036**	25 642

5 (b) Numerical reconciliation of income tax expense to prima facie tax payable

Amounts in NOK 000's		**2018**	2017
Profit before income tax expense		**54 987**	2 880
Tax at the rate of 23% (2017 - 24%)		**-12 647**	-693
Tax effect of amounts which are not deductible (taxable)			
in calculating taxable income:			
	Goodwill impairment	**0**	0
	Income from associated companies	**5 777**	65
	Change in tax rate	**-1 625**	-827
	Change in unrecognised tax asset		24 883
	Tax result other permanent differences	**1 459**	2214
	Subtotal	**-7 036**	25 642

In 2017 NORBIT acquired 100% of the shares in Aptomar AS. At the date of the acquisition there was significant uncertainty as to whether NORBIT would be able to utilize the tax loss carry forward in Aptomar. Hence, the deferred tax asset related to the tax loss carryforward was not recognised in the purchase price allocation in the acquisition. By the end of 2017 the uncertainty had been significantly reduced and the deferred tax asset could be recognised through profit and loss.

5 (c) Amounts recognised directly in equity

Amounts in NOK 000's	**2018**	2017
Deferred tax: Tax losses acquisitions	0	2 464
Total	0	2 464

6 Financial assets and financial liabilities

6 (a) Measurement bases for financial instruments

Financial assets

Amounts in NOK 000's	**2018**	2017	01/01/2017
Financial assets at fair value			
Shares in other companies (through OCI)	**626**	100	100
Total	**626**	100	100
Financial assets at amortised cost			
Trade receivables	**101 976**	55 972	49 853
Other receivables and prepayments	**26 120**	19 453	14 170
Derivatives	**0**	185	0
Bank deposits	**9 091**	14 811	6 321
Total	**137 187**	90 421	70 345

Financial liabilities

Amounts in NOK 000's	**2018**	2017	01/01/2017
Liabilities at amortised cost			
Trade payables	**75 591**	45 547	46 247
Borrowings	**169 978**	132 197	115 010
Lease liabilities	**12 867**	17 676	20 557
Derivatives	**1 213**	0	0
Other payables	**13 022**	25 283	22 987
Total	**272 671**	220 703	204 801

6 (b) Trade receivables

Amounts in NOK 000's	**2018**	2017	01/01/2017
Current assets			
Trade receivables	**102 616**	56 113	49 853
Loss allowance	**-640**	-141	0
Total	**101 976**	55 972	49 853

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 12C

6 (c) Cash and cash equivalents

Amounts in NOK 000's	**2018**	2017	01/01/2017
Bank deposits payable on demand	**4 326**	10 143	3 099
Bank deposits restricted to tax payments	**4 765**	4 668	3 222
Total	**9 091**	14 811	6 321

(i) Restricted cash

Restricted cash was TNOK 4 765 (TNOK 4 668 in 2017 and TNOK 3 222 per 01.01.2017) for the group.

Restricted cash is related to tax deductions that are paid in on an ongoing basis on behalf of employees.

(ii) Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

Amounts in NOK 000's	**2018**	2017	01/01/2017
Balances as above	**9 091**	14 811	6 321
Balances per statement of cash flows	**9 091**	14 811	6 321

6 (d) Trade and other payables

Current liabilities

Amounts in NOK 000's	**2018**	2017	01/01/2017
Trade payables	75 591	45 547	46 247
Overdraft	**72 403**	55 389	62 479
Borrowings	**12 749**	10 366	
Lease liabilities	**7 004**	6 656	5 582
Payroll tax and other statutory liabilities	**11 588**	8 074	5 075
Other payables	**41 169**	27 392	16 973
Derivatives	**1 213**		
Total	**221 717**	153 424	136 356

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

6 (e) Borrowings

	2018		
Amounts in NOK 000's	Current	Non-current	Total
Secured			
Bank overdrafts (i)	72 403		72 403
Bank loans (ii)*	12 749	84 826	97 575
Lease liabilities (iii)	7 004	5 863	12 867
Total secured borrowings	**92 156**	90 689	182 846

*) Of which next year's down-payment 12 749

	2017		
Amounts in NOK 000's	Current	Non-current	Total
Secured			
Bank overdrafts (i)	55 389		55 389
Bank loans (ii)*	10 366	66 443	76 809
Lease liabilities (iii)	6 656	11 020	17 676
Total secured borrowings	**72 411**	77 463	149 873

**) Of which next year's down-payment 10 366*

	01.01.2017		
Amounts in NOK 000's	Current	Non-current	Total
Secured			
Bank overdrafts (i)	62 479		62 479
Bank loans (ii)		52 531	52 531
Lease liabilities (iii)	5 582	14 975	20 557
Total secured borrowings	**68 061**	67 506	135 567

(i) *Bank overdrafts*

The group has established a group account arrangement in which the parent company with subsidiaries are jointly liable.

The overdraft limit as pr. 31.12.2018 was TNOK 90 000 and available funds where TNOK 17 597.

Current borrowings include the group's total overdraft balance against the bank and the current part of long-term borrowings at year ned. The group refinanced in January 2019 and as of 01.01.2019 the overdraft limit is TNOK 130 000.

(ii) *Bank loans*

The group has various facilities (long- and short term) with Sparebank 1 SMN with an interest rate of 3M NIBOR + margin in the range 2.5% - 2.9%

Please refer to note 12a) for details on covenants related to the credit facilities

The group has refinanced in January with DNB. Interest rate on long term loan is 3M NIBOR + margin of 1.8%, short term facility has a interest rate of 1M NIBOR + 1.4%

(iii) *Lease liabilities*

The Group has a portfolio of 20 leases (2017: 16) which mainly consist of lease of office premises and production equipment in the PIR operating segment. The lease agreements have a duration in the range of 12 to 60 months. Extension options in the lease agreements have been assessed and reflected in the IFRS 16 calculations if use og the option is reasonably certain.

There are only explicitly identifiable interest rates in three of the agreements. For all other agreements, an estimated marginal borrowing cost ("EMBC") has been used. For contracts that existed on the date of transition to IFRS, EMBC as of 01.01.17 has been used. EMBC as of 01.01.17 has been estimated on the basis of the marginal cost of drawing on the Group's overdraft facility in Sparebank1 SMN (“SMN”) and is calculated to 4.1% p.a.

7 Property, plant and equipment

Amounts in NOK 000's	**Land and properties**	**Furniture, fixtures and fittings**	**Total**
Cost at 1 January 2017	37 163	148 306	185 469
Accumulated depreciation	12 470	115 130	127 600
Net book amount 1 January 2017	24 692	33 176	57 869
Additions	294	8 059	8 352
Disposals	0	25	25
Depreciation charge	1 981	11 619	13 600
Net book amount 31 December 2017	23 005	29 591	52 595
Cost at 1 January 2018	37 456	156 340	193 796
Accumulated depreciation	14 452	126 749	141 201
Net book amount 1 January 2018	23 005	29 591	52 595
Additions	1 119	32 992	34 111
Desposals	0	37	37
Depreciation charge	1 992	13 714	15 707
Net book amount 31 December 2018	22 131	48 832	70 963
Useful life	25 years	3-7 years	
Depreciation method	Linear	Linear	
Land is not depreciated			

(i) *Leased assets*

Machinery, vehices and inventory includes the following amounts where the group is a lessee under a finance lease:

Amounts in NOK 000's	**2018**	2017	01/01/2017
Leased equipment			
Cost	**28 489**	26 641	23 941
Accumulated depreciation	**15 790**	8 883	2 852
Net book amount	**12 699**	17 759	21 088

Leased assets are office facilities including furniture and fittings and production machinery.
See note 7(e) for lease liabilities.

(ii) *Non-current assets pledget as security*

It is referred to note 21.

(iii) *Impairment loss and compensation*

There are no impairment losses in 2017 and 2018. It is referred to note 23 for accounting policies relevant to property, plant and equipment

(iiii) *Change in depreciation period*

There are no changes to the depreciation period for the fixed assets.

8 (a) Intangible assets

Amounts in NOK 000's	Capitalized Development costs	Total
Cost at 1 January 2017	137 957	137 957
Accumulated amortization	53 775	53 775
Accumulated impairment	12 303	12 303
Net book amount 1 January 2017	71 879	71 879
Additions*)	32 225	32 225
Desposals		0
Amortization charge	19 035	19 035
Net book amount 31 December 2017	85 069	85 069
Cost at 1 January 2018	170 182	170 182
Accumulated amortization	72 810	72 810
Accumulated impairment	12 303	12 303
Net book amount 1 January 2018	85 069	85 069
Additions	40 217	40 217
Desposals		0
Amortization charge	21 007	21 007
Net book amount 31 December 2018	104 279	104 279
Useful life	3-5 years	

The Group has no intangible assets with indefinite useful life.

*) In 2017 the Group aquired Aptomar AS; this included additions in R&D of TNOK 6 443. All other additions in R&D in 2017 and 2018 was developed internally by the Group.

In 2018, further development was made on own technology and own products within the market segments
Intelligent Traffic Systems, Product Innovation & Realization and and Oceans.
In ITS the development projects primarely are related to next generation connectivity devices for GNSS tolling for trucks and DSRC-modules for digital tachographs. The projects will be completed in Q1-2019 and sale commences during the quarter.
In Oceans the development is mainly related to next generation of both hardware and new software of the sonar.

(i) Amortisation methods and useful lives

The group amortises the capitalized development cost using the straight-line method over 3-5 years.
Useful life is considered for each product and the amortization period is equal to useful life of the developed product.
See note 23 or the other accounting policies relevant to intangible assets.

(ii) *Non-current assets pledget as security*

It is referred to note 21.

(iii) *Impairment loss and compensation*

At the end of each reporting period the management perform an impairment test. The net present value from expected future cash flow for each product is calculated and tested against the book value of the intangible asset.
No indication of impairment was discovered in 2017 or in 2018.
It is referred to note 23 for accounting policies relevant to impairment of intangible assets.

(iv) *Change in depreciation period*

There are no changes to the depreciation period for the intangible assets.

(v) *Capitalization of R&D expenses*

Internal development costs will be capitalised if, and only if, it is probable that the expected future economic benefits that are attributable to the asset will be generated for the Group and the cost of the asset can be measured reliabl
The probability of expected future economic benefits from internal developed intangible assets are estimated based on assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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8 (b) Deferred tax balances

(i) Deferred tax assets

Amounts in NOK 000's	**2018**	2017	01/01/2017
The balance comprises temporary differencs attributable to:			
Tax losses	**-21 071**	-29 314	-5 345
Intangible and fixed assets	**-11 581**	-10 253	-6 434
Inventories	**-944**	-829	-567
Other current assets	**-26**	41	24
Other non-current liabilities	**916**	1 120	1 182
Other current liabilities	**-540**	-824	-277
Provisions	**-199**	-257	-431
Net deferred tax assets	**-33 445**	-40 316	-11 848

Amounts in NOK 000's	**Tax losses**	**Intangible and fixed assets**	**Inventories**	**Other**	**Total**
Movements					
At 1 January 2017	-5 307	-6 434	-567	185	-12 123
(Charged)/credited					0
-to profit or loss	-21 543	-3 819	-262	-105	-25 729
-directly to equity	-2 464				-2 464
-to other comprehensive income					0
At 31 December 2017	-29 314	-10 253	-829	80	-40 316
At 1 January 2018	-29 314	-10 253	-829	80	-40 316
(Charged)/credited					0
- to profit or loss	8 408	-1 328	-115	71	7 036
-directly to equity	-165				-165
- to other comprehensive income					0
Acquisition of subsidiary					0
At 31 December 2018	-21 071	-11 581	-944	151	-33 445

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise temporary differences and losses. The Group has assessed the probability of obtaining the necessary taxable profits based on budgets and forecasts. These analysis indicate that the Group will be in a tax payable position within approximately 2-3 years.

8 (c) Inventories

Amounts in NOK 000's	**2018**	2017	01/01/2017
Current assets			
Raw materials	**84 410**	55 845	36 284
Work in progress	**19 944**	9 925	10 060
Finished goods	**18 537**	15 255	13 137
Book value	**122 890**	81 025	59 482
Inventory held at cost	**127 183**	84 459	61 844
Obsolescence (i)	**-4 293**	-3 435	-2 362
Book value	**122 890**	81 025	59 482

(i) All inventories are valuated at the lower of cost and net realisable value. Inventory write-downs recognised as an expense for the group is TNOK 4 293 (TNOK 3 435 in 2017 and TNOK 2 362 per 01.01.2017).

Amounts in NOK 000's	**2018**	2017
Spesification of raw materials and consumables used		
Purchase of goods	**221 152**	182 007
Freight, customs etc.	**1 690**	7 915
Change of inventories	**-13 302**	-1 982
Total	**209 540**	187 940

8 (d) Pension

The Group has pension plans secured through collective agreements in insurance companies.
The arrangement satisfies the requirements of the Act on Mandatory Occupational Pensions. The Group has pension plans with defined contribution plans. The defined contribution plan means that the company has not incurred any future obligation. After the annual grant is paid the company has fulfilled its obligation in accordance with the arrangement.

9 Equity

9 (a) Share capital and share premium

The share capital in Norbit Group AS at 31 December 2018 consists of one share class with a total of 434 295 shares with a face value of NOK 1, with a total share capital of NOK 434 295.

	2018	2017	01/01/2017
	Nr of shares	*Nr of shares*	*Nr of shares*
Ordinary shares			
Fully paid	**434 295**	410 482	410 482
Total share capital and share premium	**434 295**	410 482	410 482

(i) Movements in ordinary shares:

	Number of shares	**Per value**	**Share permium**	**Total**
Details				
Opening balance 1 January 2017	362 856	363	12 391	12 754
Ordinary issue	47 626	48	20 953	21 001
Balance 31 December 2017	410 482	410	33 344	33 754
Ordinary issue	23 813	24	10 476	10 500
Balance 31 December 2018	434 295	434	43 820	44 254

9 (b) Retained earnings

Movements in retained earnings were as follows:

	2018	2017
Balance 1 January	**71 700**	40 163
Net profit for the period	**47 636**	28 499
Items of other comprehensive income recognised directly in retained earnings	**603**	273
Gain on purchase of non-controlling interest		3 107
Dividends	**-16 000**	-343
Balance 31 December	**103 939**	71 700

10 Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements are included in other notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

10 (a) Significant estimates and judgements

The areas involving significant estimates or judgements are:
- Estimated fair value of synthetical options under IFRS 2 (note 19)
- Assessment of economic life and amortization and depreciation plans (note 7 and 8a)
- Capitalization of expenses for R&D (note 8a)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

11 Financial risk management

This note explains the group’s exposure to financial risks and how these risks could affect the group’s future financial performance

Market risk - interest rate

The group’s main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk.

Trade and other receivables and trade and other payables are interest free and with a term of less than one year, so it is assumed that there is no interest rate risk associated with these financial assets and liabilities.

The following table shows the Group's sensitivity to potential changes in interest rates. The calculation takes into account all interest-bearing financial instruments. The calculation in the table shows the effect based on interest-bearing financial instruments at the balance sheet date.

Amounts in NOK 000's	**Impact on pre-tax profit 2018**	**Impact on pre-tax profit 2017**
Interest rates - increase by 100 basis points *)	-820	-656
Interest rates - decrease by 100 basis points *)	820	656

*) Ceteres paribus

Market risk - foreign exchange

The group’s main foreign exchange risk arises from contracts with customer denominated foreign currencies and purchase of products and services in foreign exchange as a part of fulfilling contracts with customers.

Fluctuations in exchange rates can lead to increased or decreased profit margin in contracts with customers compared to the initial project calculus.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group is mainly exposed to credit risk related to trade receivables and other current receivables.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Expected losses are calculated through an individual assessment each receivable's credit risk. The assessment is carried out by senior staff in the group's finance department.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The group's strategy for managing liquidity risk is to have sufficient liquidity at all times in order to meet its financial liabilities at maturity, both under normal and exceptional circumstances, without risking unacceptable losses or at the expense of the Group's reputation. For unutilized credit facilities see note 6e).

11 (a) Derivatives

The group has the following derivative financial instruments:

	31/12/2018		31/12/2017	
	EUR	*USD*	EUR	*USD*
	Amount base ('000)	Amount base ('000)	Amount base ('000)	Amount base ('000)
Foreign currency forwards (sale)	12 600		2 000	1 600
Average FX rate in contract	9,9489		9,9286	8,1818

(i) *Classification of derivatives*

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period. The group's accounting policy for its cash flow hedges is set out in note 25(p). Further information about the derivatives used by the group is provided in note 12(b) below.

(ii) *Fair value measurements*

Fair value measurements of foreign currency contracts are based on Marked to Market reports from leading Norwegian currency traders, primarily major Norwegian banks.

		2018	2017
(iii)	*Fair value measurements recognised in profit or loss*	-1 398	185

11 (b) Market risk

(i) *Foreign exchange risk*

Exposure

The group's exposure to foreign currency risk at the end of the reporting period, expressed in TNOK, was as follows:

Amounts in NOK 000's	**31/12/2018**	***31/12/2017***
Trade receivables	77 303	40 384
Trade payables	55 325	32 760

Instruments used by the group

The group operates internationally and is exposed to foreign exchange risk, primarily EUR and USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The risk is measured through a forecast of probable foreign exchange revenues and expenditures. The risk is hedged with the objective of minimising the volatility of the group's cash flow caused by exchange rate fluctuations

The group treasury's risk management policy is to hedge between 65% and 80% of forecast net inflow of foreign currency up to one quarter in advance, subject to a review of the cost of implementing each hedge. However, the group's use of derivatives to reduce the foreign exchange risk exposure do not meet the hedge accounting criteria. Hence, the derivative transactions are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss.

11 (c) Credit risk

(i) *Risk management*

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions. The group has historically had no material losses on receivables and manage the accounts recevables on a regular basis. No significant old receivables at the end of the reporting period.

(ii) *Security*

For some trade receivables the group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(iii) Impairment of financial assets

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. IFRS7(35G) The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2018 or 1 January 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

11 (d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the group had available credit lines of TNOK 17 597 (2017 – TNOK 34 611) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines. The group refinanced in December 2018, but the agreement was implemented early 2019. In the new agreement the short term credit line is TNOK 130 000 (the old agreement was TNOK 90 000.

Management monitors rolling forecasts of the group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the group in accordance with practice and limits set by the group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements

Amounts in NOK 000's	**2018**	2017
Floating rate		
Expiring within one year (bank overdraft and bill facility)	85 152	65 754
Expiring beyond one year (bank loans)	84 827	66 443
	169 979	132 198

(ii) Maturities of financial liabilities

The table below provides an overview of the maturity profile of all financial liabilities. For bank loans the stated amount of book value is included estimated interest payments. Other items are stated at booked amounts. In cases where the counterparty may claim earlier redemption, the amount is placed in the earliest period the payment may be required from the counterparty.

Contractual maturities of financial liabilities	**Less than 1 year**	**Between 1 year and 5 years**	**Over 5 years**	**Total contractual cash flows**	**Carrying amount (assets)/ liabilities**
At 31 December 2018					
Non-derivatives					
Trade payables	75 591			75 591	75 591
Borrowings (excluding finance leases) *)	91 043	61 924	42 311	195 278	169 979
Lease liabilities	7 007	5 863		12 870	12 867
Other payables	13 022			13 022	13 022
Total	186 663	67 787	42 311	296 761	271 459
Derivatives					
Foreign currency forwards	1 213			1 213	1 213
Total	1 213	0	0	1 213	1 213

Contractual maturities of financial liabilities	Less than 1 year	Between 1 year and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
At 31 December 2017					
Non-derivatives					
Trade payables	45 547			45 547	45 547
Borrowings (excluding finance leases) *)	69 814	43 513	39 900	153 227	132 198
Lease liabilities	6 656	11 020		17 676	17 676
Other payables	25 283			25 283	25 283
Total	147 300	54 533	39 900	241 733	220 703
Derivatives					
Foreign currency forwards	-185			-185	-185
Total	-185	0	0	-185	-185

	Borrowings	Lease liabilities	Total
01/01/2017	**115 010**	**20 557**	**135 567**
Cash changes			
- net changes in loans	17 188	-5 582	11 606
- interest and fee payments	-10 713	-794	-11 507
Non-cash changes			
- new leasing liabilitites		2 701	2 701
- accrued interest and fee	10 712	794	11 506
31/12/2017	**132 197**	**17 676**	**149 872**
01/01/2018	**132 197**	**17 676**	**149 872**
Cash changes			
- net changes in loans	37 781	-6 656	31 125
- interest and fee payments	-9 951	-636	-10 587
Non-cash changes			
- accrued interest and fee	9 952	636	10 588
- new leasing liabilitites		1 847	1 847
31/12/2018	**169 979**	**12 867**	**182 846**

12 Capital management

12 (a) Risk management

The group's objectives when managing capital are to
- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.
- maintain compliance wwith covenants from financial institutions

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group monitors capital on the basis of the following gearing ratios:

- Carrying value of total equity as % of carrying value of total assets
- Carrying value of total equity less capitalised development which is not commercialized as % of carrying value of total assets less capitalised development which is not commercialized
- NIBD over EBITDA
- Borrowing Base as % of carrying value of accounts receivables and inventory

Equity ratios 31 December	**2018**	**2017**
Total equity	157 915	114 861
Total assets	470 477	353 355
Net equity ratio	**34 %**	**33 %**

NIBD ratios 31 December	**2018**	**2017**
	TNOK	*TNOK*
NIBD	160 888	117 387
EBITDA	74 762	40 565
NIBD to EBITDA ratio	2,15	2,89

(i) Loan covenants

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

2018:
- Carrying value of total equity as % of carrying value of total assets > 30%
- NIBD over EBITDA < 4

The group has complied with these covenants throughout the reporting period.

12 (b) Dividends

	2018	**2017**
(i) Ordinary shares		
Final dividend for the year ended 31 December 2016		343
Final dividend for the year ended 31 December 2017	6 000	
Additional dividends paid during 2018	10 000	
Total dividends paid	**16 000**	**343**

(iii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the board of directors have recommended the payment for the year ended 2018 (2017). The aggregate amount of the proposed dividend expected to be paid during March 2019 out of retained earings at 31 December 2018, but not recognised as liability at year end, is	16 000	6 000

Of the TNOK 16 000 paid during 2018, TNOK 10 000 is attributable to a proxy given to the Board on the 2017 annual shareholder's meeting. The TNOK 10 000 in additonal dividend was paid in June 2018.

13 Business combination

13 (a) Summary of acquisition

In 2017, Norbit Group aquired 100% of the share capital in Aptomar AS and Kabelpartner AS.
The aquisitions have contributed to higher profits for the group, both in 2017 and 2018.

Aptomar AS is a company with long experience in solving surveillance challenges for the oil and gas industry in Norway and abroad.
NORBIT aquired the company to utilze synergies in Service and Support organisation; and also explore the possibilities to combine technology in the full Ocean space domain.

Kabelpartner AS is aquired to strengthen the group`s position in the EMS market and is the third aquired company in this field (after EMS Selbu and EMS Røros).
For the previous owner Kabelpartner represented non-core busienss and wanted to close down or sell the factory.
For NORBIT this factory was an important supplier in the Ocean segment and represented an attractive opportunity for vertically integration.

Details of the purchase consideration, the net assets required and goodwill are as follows:

Aptomar AS
Purchase consideration:

	2017
Cash paid	7 418
Net assets aquired	7 418
Goodwill	-

Kabelpartner AS
Purchase consideration:

	2017
Cash paid	532
Net assets aquired	2 583
Goodwill	**-2 051**

Negative goodwill is recorded as other gains and losses in the consolidated statement of profit or loss

There where no aquisitions in 2018.

14 Interests in other entities

14 (a) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Shares owned by NCI

	31 Dec 18	31 Dec 17	01/01/2017
Norbit ITS AS	6,00 %	6,00 %	6,00 %
Norbit EMS AS	9,73 %	9,73 %	17,34 %

Summarised balance sheet

	Norbit ITS AS			Norbit EMS AS		
Amounts in NOK 000's	**31 Dec 18**	**31 Dec 17**	**1 Jan 17**	**31 Dec 18**	**31 Dec 17**	**1 Jan 17**
	TNOK	*TNOK*	*TNOK*	*TNOK*	*TNOK*	*TNOK*
Current assets	34 196	13 686	32 830	122 578	92 808	86 346
Current liabilities	64 043	20 920	20 663	89 238	47 622	46 891
Current net assets	**-29 846**	**-7 234**	**12 166**	**33 340**	**45 186**	**39 455**
Non-current assets	69 759	46 198	29 418	46 509	26 662	31 019
Non-current liabilities	6 188	6 750	3 129	12 696	6 566	9 125
Non-current net assets	**63 572**	**39 448**	**26 289**	**33 812**	**20 096**	**21 893**
Net assets	**33 725**	**32 214**	**38 455**	**67 153**	**65 282**	**61 348**
Accumulated NCI	2 024	1 933	2 307	7 199	6 975	10 638

Summarised statement of comprehensive income

	Norbit ITS AS		Norbit EMS AS	
Amounts in NOK 000's	**2018**	2017	**2018**	2017
Revenue	39 466	42 922	222 195	211 893
Profit for the period	1 512	-6 241	3 088	3 934
Other comprehensive income	-	-	-	-
Total comprehensive income	**1 512**	**-6 241**	**3 088**	**3 934**
Profit allocated to NCI	91	-374	224	247
Dividends paid to NCI	-	-	-	-

	Norbit ITS AS		Norbit EMS AS	
Summarised statement of comprehensive income	**2018**	**2017**	**2018**	**2017**
	TNOK	*TNOK*	*TNOK*	*TNOK*
Cash flows from operating activities	1 906	15 136	-19 659	10 037
Cash flows from investing activities	-1 329	-18 795	13 194	-7 355
Cash flows from financing activities	-563	3 621	6 130	-2 559
Net incr./(decr.) in cash and cash eq.	**14**	**-37**	**-334**	**123**

14 (b) Transactions with non-controlling interests

There are no transactions with non-controlling interests in 2018. In 2017, the group acquired 7,61% of the outstanding shares in NORBIT EMS AS through several small transactions. The transactins were primarely initiated by the sellers.

14 (c) Interests in associates and joint ventures

Set out below are the associates and joint ventures of the group as at 31 December 2018 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the group. The proportion of ownership interest is the same as the proportion of voting rights held.

				Quoted fair value		Carrying amount	
Name of entity	**Place of business**	**% of ownership interest 2018/2017**	**Measure-ment method**	**2018**	**2017**	**2018**	**2017**
Associate							
Kvikna ehf		5,78%/33,34%	Equity method	n.a	n.a	n.a	3 035
Kilmore Marine Ltd.	Aberdeen	35%/35%	Equity method	n.a	n.a	1 402	1 115
Other			Equity method	n.a	n.a	26	-
Total equity accounted investments						**1 428**	**4 150**

NORBIT
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15 Contingent liabilities and contigent assets

The group had no material contingent liabilities or contingent assets at 31 December 2018 or at 31 December 2017

16 Commitments

16 (a) Capital commitments

The group had no material capital commitments at 31 December 2018 or at 31 December 2017

17 Events occuring after the reporting period

In January 2019 the Group acquired 100% of outstanding shares of AblePay Technologies AS. The initial acquisiton price was TNOK 100 with an earn-out clause linked to sales in 2019 and 2020. The earn-out has been estimated to TNOK 600, thus arriving at an estimated acquisiton price of TNOK 600. The company has been renamed to Norbit AblePay AS.

Ablepay was acquired for the company`s own developed technology and the synergies the acquisition has on the ITS segment. Ablepay was founded in 2009 and the technology has been developed in close collaboration with SINTEF.

Details of the purchase consideration, the net assets required and goodwill are as follows:

Purchase consideration:

Amounts in NOK 000's	**Q1 2019**
Cash paid (TNOK 100) + earn out (TNOK 600)	**700**
Net assets acquired	**11 565**
Bargain gain	**-10 865**

The price of the shares in the company was significant lower than the value of the assets.
The previous owneres were not willing to invest more into the company and the industrial fit to NORBIT was clear due to the production and development of the fact that products can be further developed and produced in close collaborat with resources within the PIR-segment and the exsisting emloyees of Ablepay.
NORBIT has after the acuisition done a valuation of the existing technology in the company and the valuation resulted in a gain of TNOK 10 865 recogniced as other gain and losses in the consolidated statement of profit or loss in (

18 Related party transactions

18 (a) Shareholders

The shareholders in Norbit Group ASA were as follows as of December 2018:

Shareholder	Shares	Pecentage
VHF Invest AS	105 566	24,31 %
Draupnir Invest AS	95 704	22,04 %
Petors AS	85 158	19,61 %
Eidco AS	64 301	14,81 %
Esmar AS	51 099	11,77 %
Racce AS	13 202	3,04 %
Peter Koldgaard Eriksen	7 129	1,64 %
Usegi	6 562	1,51 %
Stein Martin Beyer	2 787	0,64 %
Peter Tschulik	1 701	0,39 %
Loen Holding AS	1 086	0,25 %
	434 295	**100 %**

Shares held by Board of directors and Executive management were as follows as of December 2018:

Name	Shares	Percentage
Board of Directors		
Per Arne Eide (ownership through Eidco)	64 301	14,81 %
Carl Fredrik Eide (ownership through Racce)	13 202	3,04 %
Steffen Kirknes (ownership/control of shares in Vhf and Draupnir)	201 270	46,34 %
Per Jørgen Weisethaunet (ownership through Petors)	85 158	19,61 %
Executive Management		
Per Jørgen Weisethaunet	see above	
Stian Lønvik (ownership through Loen Holding)	1 086	0,25 %
Peter K. Eriksen	7 129	1,64 %
Stein M. Beyer	2 787	0,64 %
Peter Tschulik	1 701	0,39 %
Arild Søraunet (ownership through Usegi)	6 562	1,51 %
	383 196	**88,23 %**

18 (b) Subsidiaries

All transactions and outstanding balances among subsidiaries are eliminated in the financial statement for the group.

18 (c) Key management personnel compensation

2018 *Amounts in NOK 000's*	**Salary**	**Pension costs**	**Other remuneration**
Per Jørgen Weisethaunet (Group CEO)	2 186	84	10
Stian Lønvik (Group CFO)	1 372	80	9
Peter K. Eriksen (CEO Oceans)	2 206		10
Stein M. Beyer (CEO PIR)	1 669	70	25
Peter Tschulik (CEO ITS)	1 308		9
Arild Søraunet (CEO PIR and Group CTO)	1 169	81	5

2017 *Amounts in NOK 000's*	**Salary**	**Pension costs**	**Other remuneration**
Per Jørgen Weisethaunet (Group CEO)	1 995	81	79
Stian Lønvik (Group CFO)	1 211	77	16
Peter K. Eriksen (CEO Oceans)	1 894		10
Stein M. Beyer (CEO PIR)	1 600	70	31
Peter Tschulik (CEO ITS)	1 282		3
Arild Søraunet (CEO PIR and Group CTO)	1 045	78	6

The personnel compensation tables do not include fair value adjustment related to synthetic options that have not been exercised.

18 (d) Board of directors compensation

2018 *Amounts in NOK 000's*	**Remuneration**
Per Jørgen Weisethaunet	75
Steffen Kirknes	60
Per Arne Eide	60
Tom Solberg	60
Odd Gulbrandsen	60
Frode Iglebæk	60
Carl Fredrik Eide	60

2018 *Amounts in NOK 000's*	**Remuneration**
Per Jørgen Weisethaunet	75
Steffen Kirknes	60
Per Arne Eide	60
Tom Solberg	60
Odd Gulbrandsen	60
Frode Iglebæk	60
Carl Fredrik Eide	60

18 (e) Transactions with management and board members

There was no related party transactions between the company and the parties in the management or the board in 2018 or 2017, except from the remunerations listed in 18(c) and 18(d).

18 (f) Transactions with other related parties

	2018	2017	01/01/2017
Accounts payable to asscociates	**1 345**	1 388	1 535
	1 345	1 388	1 535

19 Share-based payments

Introduction

Norbit wants to facilitate the awarding of extraordinary efforts to the best of the Group and individuals who possess the expertise and experience that the Group considers to be decisive for the Group to be able to achieve its goals.

Norbit believes that an incentive scheme that prizes such efforts, experience and / or expertise will be well-suited for contributing to increased value creation on the Group's hand, thereby also increasing the total value of the group and the company's shares.

In 2014 Norbit launched a shared-based payment program to incentivize the group`s leading employees. The options being granted in this program are synthetic, meaning that they give a right to payment in cash equivalent to the amount real purchase options would have given, but there are no new shares being issued.

The program has a duration of five years from the agreement is signed. After this period there cannot be any new issues of options without the consent of the share holders. The options that have allready been granted retain their rights after the five year period is over.

Valuation

The model used for valuating the syntethic options is Black-scholes, which is a pricing model used to determine the fair price or theoretical value for a call or a put option based on six variables such as volatility, type of option, underlying stock price, time, strike price, and risk-free rate. The assumptions used in the model vary according to the time of the valuation. Volatility is obtained from comparable companies.

Norbit awarded options in 2014 and 2015 and theese are valuated for the financial statement 2017 and 2018. In 2017 the value of the options where TNOK 3 617 and in 2018 the value was TNOK 4 934. The increase in value is mainly attributable to a higher estimated share price. Share price used in the latest ordinary share issue has been used as estimated share price in the option pricing model.

Granted options

Year	Number of options
2014	5 806
2015	5 443
2016	0
2017	0
2018	0

Total awarded in 2014 and 2015, valuated 31.12.2017 and 31.12.2018

Option cost for the company at grant date				Valuation date		
Year:	**Months**	**Vesting period**	**Cost (NOK):**	**31/12/16**	**31/12/17**	**31/12/18**
2014			530 452	1 155 975	1 689 205	2 280 060
2015			776 036	1 002 096	1 481 606	2 044 469
2016						
2017						
2018						
2019						
Total			**1 306 488**	**2 158 071**	**3 170 811**	**4 324 529**
Payroll tax			184 215	304 288	447 084	609 759
Total incl. payroll tax			**1 490 703**	**2 462 359**	**3 617 895**	**4 934 288**

Valuation of options awarded in 2014

Assumptions:

Date of valuation:	31/12/2017	31/12/2018	
Date of Agreement:	31/12/2014	31/12/2014	
Type of option:	American Call	American Call	
Type of shares:	A-shares	A-shares	
Number of shares:	5 806,00	5 806,00	
Option price per Share:	0,00	0,00	
Price regulation:	0 %	0 %	
Share price (NOK):	350,00	460,00	*(nominal value)*
Strike (NOK):	128,61	128,61	*(nominal value)*
Risk free interest rate:	0,80 %	1,26 %	*NIBOR 3M*
Volatility:	0,408	0,408	*3 months volatility*
Maturity:	31/12/2024	31/12/2024	
Durability, years:	10	10	
Durability, months:	120	120	

Option Program specifications and calculation per 31.12.2017:

Vesting Dates	Portion	No. of shares	Strike	Time to maturity	Intrinsic value (NOK)	Time value (NOK)	Option value (NOK)	Total Option value / cost (NOK)
31/12/2014	100 %	5 806	128,61	10,008	221,390	69,5512	290,9412	1 689 205
31/12/2015	0	-	128,61	9,008	221,390	64,7589	286,1489	-
31/12/2016	0	-	128,61	8,005	221,390	59,4718	280,8618	-
31/12/2017	0	-	128,61	7,005	221,390	53,6535	275,0435	-
31/12/2018	0	-	128,61	6,005	221,390	47,2135	268,6035	-
Total	**100 %**	**5 806**						**1 689 205**

Option Program specifications and calculation per 31.12.2018:

Vesting Dates	Portion	No. of shares	Strike	Time to maturity	Intrinsic value (NOK)	Time value (NOK)	Option value (NOK)	Total Option value / cost (NOK)
31/12/2014	100 %	5 806	128,61	10,008	331,390	61,3175	392,7075	2 280 060
31/12/2015	0	-	128,61	9,008	331,390	56,2770	387,6670	-
31/12/2016	0	-	128,61	8,005	331,390	50,7822	382,1722	-
31/12/2017	0	-	128,61	7,005	331,390	44,8221	376,2121	-
31/12/2018	0	-	128,61	6,005	331,390	38,3441	369,7341	-
Total	**100 %**	**5 806**						**2 280 060**

Valuation of options awarded in 2015

Assumptions:

Date of valuation:	31/12/2017	31/12/2018	
Date of Agreement:	31/12/2015	31/12/2015	
Type of option:	American Call	American Call	
Type of shares:	A-shares	A-shares	
Number of shares:			
Number of shares:	5 443,00	5 443,00	
Option price per Share:	0,00	0,00	
Price regulation:	0 %	0 %	
Share price (NOK):	350,00	460,00	*(nominal value)*
Strike (NOK):	202,12	202,12	*(nominal value)*
Risk free interest rate:	0,80 %	1,26 %	*NIBOR 3M*
Volatility:		0,408	*3 months volatility*
Maturity:	31/12/2025	31/12/2025	
Durability, years:	10	10	
Durability, months:	120	120	

Option Program specifications and calculation per 31.12.2017:

Vesting Dates	Portion	No. of shares	Strike	Time to maturity	Intrinsic value (NOK)	Time value (NOK)	Option value (NOK)	Total Option value / cost (NOK)
31/12/2015	100 %	5 443	202,12	10,008	147,880	124,3239	272,2039	1 481 606
31/12/2016	0	-	202,12	9,005	147,880	117,7283	265,6083	-
31/12/2017	0	-	202,12	8,005	147,880	110,4190	258,2990	-
31/12/2018	0	-	202,12	7,005	147,880	102,2517	250,1317	-
31/12/2019	0	-	202,12	6,005	147,880	93,0604	240,9404	-
Total	**100 %**	**5 443**						**1 481 606**

Option Program specifications and calculation per 31.12.2018:

Vesting Dates	Portion	No. of shares	Strike	Time to maturity	Intrinsic value (NOK)	Time value (NOK)	Option value (NOK)	Total Option value / cost (NOK)
31/12/2015	100 %	5 443	202,12	10,008	257,880	117,7344	375,6144	2 044 469
31/12/2016	0	-	202,12	9,005	257,880	110,5007	368,3807	-
31/12/2017	0	-	202,12	8,005	257,880	102,5098	360,3898	-
31/12/2018	0	-	202,12	7,005	257,880	93,6220	351,5020	-
31/12/2019	0	-	202,12	6,005	257,880	83,6871	341,5671	-
Total	**100 %**	**5 443**						**2 044 469**

20 Earnings per share

	Amounts in NOK	**2018**	2017
20 (a)	**Basic earnings per share**		
	Total basic earnings per share attributable to the ordinary equity holders of the company	**114,27**	75,61
20 (b)	**Diluted earnings per share**		
	Total diluted earnings per share attributable to the ordinary equity holders of the company	**114,27**	75,61

20 (c) Reconciliations of earnings used in calculating earnings per share

Amounts in NOK	**2018**	2017
Basic earnings per share		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	**47 636**	28 499
Diluted earnings per share		
Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	**47 636**	28 499

20 (d) Weighted average number of shares used as the denominator

	2018	2017
	Number	*Number*
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**416 883**	376 930
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**416 883**	376 930

20 (e) Information concerning the classification of securities

(i) *Ordinary shares*

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year.

(ii) *Diluted shares*

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that could be issued under the treasury stock method for instruments that gives right to issue of new ordinary shares.

(iii) *Ordinary issues of shares in 2017 and 2018*

One issue on ordinary shares was made on 06.09.2017 (from 362 856 shares to 410 482)

One issue on ordinary shares was made on 06.09.2018 (from 410 482 shares to 434 295)

21 Assets pledged as security

(a) Secured borrowings

	2018	2017	01/01/2017
Long term debt	**110 442**	94 485	73 088
Short term debt	**72 403**	55 389	62 479
Total secured debt	**182 846**	149 873	135 567

(b) The carrying amounts of assets pledged as security for current and non-current borrowings are:

	2018	2017	01/01/2017
Current			
Receivables	**87 075**	48 799	41 206
Inventories	**121 449**	79 377	56 949
Total current assets pledged as security	**208 523**	128 176	98 155
Non-current			
Property, plant and equipment	**57 587**	34 591	36 622
Finance lease			
Property plant and equipment (booked in balance sheet)*	**12 699**	17 759	21 088
Total non-current assets pledged as security	**70 286**	52 350	57 710
Total assets pledged as security	**278 810**	180 525	155 865

*) Legal ownership to PP&E classified as finance lease remains with the lessor. Hence, the lessor can reclaim the assets if the leasing liabilities are defaulted by the group. However, legal pledges in these assets have not been issued.

22 Leases

22 (a) Assumptions made:

As a first-time adopter of IFRS, Norbit has chosen to do an early adoption of IFRS 16 to avoid a significant restating next financial year. Norbit has adopted the new rules retrospectively as of 1 January 2017 as permitted under IFRS 16.

The adoption of IFRS 16 required changes in the group`s accounting policies and affected the recognition, measurement and presentation of certain amounts recognised in the statement of profit, loss and the balance sheet. See note 26 for explanations.

Norbit has chosen to present the right-of-use assets as part of property, plant and equipment and the lease liabilities as other liabilities in the balance sheet.

The primary financial statements reproduced below only shows those line items that are affected by the implementation of IFRS 16.

Disclosures required under other standards are not illustrated.

Norbit Group does not have any right-of-use assets that would meet the definition of investment property.

23 Summary of significant accounting policies

The most important accounting principles applied in the preparation of the annual financial statements are described below. These principles are applied in the same way for all periods presented, unless otherwise indicated in the description.

Basic principles

The consolidated financial statements of Norbit ASA have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretation Committee (IFRIC), as adopted by the EU, as well as additional Norwegian reporting requirements pursuant to the Norwegian Accounting Act. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on the basis of the historical cost principle, with the following modifications:

• Fair value of foreign currency derivatives (IFRS 9)
• Fair value of share-based payments (IFRS 2), see note 19.

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 consolidated financial statements have been prepared on the assumption of the business being a going concern.

Consolidation principles

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for purchases of subsidiaries that constitute a business. The consideration gives is measures at the fair values of the assets transferred, the equity instruments that have been issued, liabilities assumed on the transfer of control and direct costs relating to the actual purchase. The cost of acquisition also includes the fair value of all assets or liabilities that are the result of an agreement on contingent consideration.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The costs associated with the business combination are expensed when they are incurred.

If the aggregate of the consideration transferred, the carrying amount of non-controlling interests and the fair value on the acquisition date of any previously held ownership interests exceeds the fair value of the acquired entity's identifiable net assets, the difference is capitalised as goodwill. If the aggregate is less than the company's net assets, the difference is immediately recognised in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any receivables considered to be part of the net investment, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Foreign currency translations

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian kroner (NOK), which is Norbit ASA`s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Balance sheet items are translated at the closing rate at the date of that balance sheet
- Statement of profit or loss are translated at average exchange rates
- All resulting exchange differences are recognised in other comprehensive income

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation methods and periods used by the group are disclosed in note 8a. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Intangible assets

Development

Development expenditure are capitalized to the extent that a future economic benefit related to development can be identified of an identifiable intangible asset and the expenses can be measured reliably. Otherwise, such expenses are recognized as an expense as incurred. Capitalized development are depreciated over the expected useful lives, see note 8c.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Financial instruments

A financial instrument is defined as being any contract that gives rise to a financial asset at one entity and a financial liability or equity instrument at another entity. From 1 January 2017, the group classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through OCI or through profit or loss), and
• those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

From 1 January 2017, the group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables measured at fair value upon initial recognition, and thereafter at amortised cost. Interest is ignored if it is insignificant.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned by FIFO-method (first in - first out). Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade and other borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Pension

The group has a defined contribution plan. For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Leases

IFRS 16 Leases

General impact of application of IFRS 16 Leases

The Group has applied IFRS 16 Leases (as issued by the IASB in January 2016) in advance of its effective date. IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in Note 3. The impact of the adoption of IFRS 16 on the Group’s consolidated financial statements is described below.
The date of initial application of IFRS 16 for the Group is 1 January 2017. The Group has applied IFRS 16 using the full retrospective approach, with restatement of the comparative information.

Impact of the new definition of a lease

The Group has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2017 (whether it is a lessor or a lessee in the lease contract). In preparation for the first-time application of IFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not change significantly the scope of contracts that meet the definition of a lease for the Group.

Impact on Lessee Accounting

Former operating leases

IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off-balance-sheet. Applying IFRS 16, for all leases (except as noted below), the Group: a) recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of future lease payments; b) recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss; and c) separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis. Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets. This replaces the previous requirement to recognise a provision for onerous lease contracts. For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within other expenses in the consolidated statement of profit or loss.

Former finance leases

The main difference between IFRS 16 and IAS 17 with respect to assets formerly held under a finance lease is the measurement of residual value guarantees provided by a lessee to a lessor. IFRS 16 requires that the Group recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the Group's consolidated financial statements.

Tax

The tax expense consists of tax payable and deferred tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Revenues

IFRS 15 *Revenue from Contracts with Customers*

The Group has used IFRS 15 from 1 January 2017.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:
· Step 1: Identify the contract(s) with a customer
· Step 2: Identify the performance obligations in the contract
· Step 3: Determine the transaction price
· Step 4: Allocate the transaction price to the performance obligations in the contract
· Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The majority of revenue for the group relates to sale of goods where the control is transferred to the customer at a point in time, depending on the contracted delivery terms. There is only one performance obligation in each contract and no variable consideration.

For the revenue that is recognised over time, the Group is using cost incurred compared to total expected cost (cost to cost) as a measure of progress. The contracts usually consist of only one performance obligation and there are no significant variable components in the transaction price.

The use of IFRS 15 har not caused any changes compered to revenue recognition under previous GAAP.

Statement of cash flows

The group reports cash flows from operating activities using the indirect method. Interest received is presented within investing cash flows; interest paid is presented within operating cash flows. Dividends paid to shareholders and non-controlling interests are presented under financing activities.

24 First-time adoption of International Financial Reporting Standards

First-time adoption - Balance sheet 01.01.2017

Amounts in NOK 000's	NGAAP	IFRS-adjustment	IFRS
ASSETS			
Non-current assets			
Property, plant and equipment	**47 218**	10 651	**57 869**
Intangible assets	**82 213**	1 514	**83 727**
Investments accounted for using the equity method	**2 649**	-	**2 649**
Financial assets at fair value through other comprehensive income	**100**		**100**
Total non-current assets	**132 180**	12 165	**144 345**
Current assets			
Inventories	**59 482**	-	**59 482**
Trade receivables	**49 853**	-	**49 853**
Other receivables	**14 170**	-	**14 170**
Derivative financial instruments	**-**	-	**-**
Cash and cash equivalents (excluding bank overdrafts)	**6 321**		**6 321**
Total current assets	**129 827**	-	**129 827**
Total assets	**262 006**	12 165	**274 171**
LIABILITIES			
Non-current liabilities			
Borrowings	**52 531**	-	**52 531**
Lease liabilities	**-**	14 975	**14 975**
Other liabilities	**11 555**	-9 125	**2 430**
Provisions	**-**	-	**-**
Total non-current liabilities	**64 087**	5 850	**69 936**
Current liabilities			
Trade and other payables	**66 176**	2 119	**68 295**
Borrowings	**62 479**	-	**62 479**
Lease liabilities	**-**	5 582	**5 582**
Derivative financial instruments	**-**	-	**-**
Total current assets	**128 654**	7 701	**136 356**
Total liabilities	**192 741**	13 551	**206 292**
EQUITY			
Share capital and share premium	**363**	-	**363**
Other equity	**12 391**	-	**12 391**
Retained earnings	**41 549**	-1 386	**40 163**
Non-controlling interests	**14 963**	-	**14 963**
Total equity	**69 265**	-1 386	**67 879**
Total equity and liabilities	**262 006**	12 165	**274 171**

First-time adoption - Result 2018

	NGAAP	IFRS-adjustment	IFRS
Continuing operations			
Revenue	**438 369**	-	**438 369**
Other operating revenues	**-**	-	**-**
Total operating revenues	**438 369**	**-**	438 369
Changes in inventories of finished goods and work in	**-**	-	**-**
Raw materials and consumables used	**209 540**	-	**209 540**
Employee benefits expenses	**113 342**	-2 486	**110 856**
Depreciation and amortisation expenses	**31 373**	5 341	**36 714**
Impairment of non-current assets	**-**	-	**-**
Other operating expenses	**48 221**	-5 010	**43 210**
Total operating expenses	**402 475**	**-2 155**	**400 320**
Operating profit	**35 894**	2 155	**38 048**
Share of profit of associates	**26 261**	-	**26 261**
Interest income	**-81**	-	**-81**
Financial income	**15 058**		**15 058**
Interest expenses	**-8 616**	-636	**-9 252**
Financial expenses	**-13 650**	-1 398	**-15 048**
Others [impairment of financial assets]			**-**
Net financial items	**18 973**	-2 034	**16 939**
Profit before tax	**54 867**	120	**54 987**
Income tax expense	**-6 880**	-156	**-7 036**
Profit for the year from continuing operations	**47 987**	-36	**47 951**
Discontinued operations			
Profit for the year from discontinued ope TNOK			
PROFIT FOR THE YEAR	**47 987**	-36	**47 951**
Attributable to:			
Owners of the Company	**47 672**	-36	**47 636**
Non-controlling interests	**314**	-	**314**
	47 987	-36	**47 951**

First-time adoption - Balance sheet 31.12.2018

Amounts in NOK 000's	NGAAP	IFRS-adjustment	IFRS
ASSETS			
Non-current assets			
Property, plant and equipment	**64 782**	6 182	**70 963**
Intangible assets	**135 149**	2 260	**137 409**
Investments accounted for using the equity method	**1 402**	-	**1 402**
Financial assets at fair value through other comprehensive	**626**	-	**626**
Total non-current assets	**201 958**	8 442	**210 400**
Current assets			
Inventories	**122 890**	-	**122 890**
Trade receivables	**101 976**	-	**101 976**
Other receivables	**26 120**	-	**26 120**
Derivative financial instruments	**-**	-	**-**
Cash and cash equivalents (excluding bank overdrafts)	**9 091**	-	**9 091**
Total current assets	**260 077**	-	**260 077**
Total assets	**462 036**	8 442	**470 477**
LIABILITIES			
Non-current liabilities			
Borrowings	**97 575**	-	**97 575**
Lease liabilities	**-**	5 863	**5 863**
Other liabilities	**3 892**	-3 737	**155**
Provisions	**-**	-	**-**
Total non-current liabilities	**101 467**	2 126	**103 593**
Current liabilities			
Trade and other payables	**133 216**	-4 868	**128 349**
Borrowings	**72 403**	-	**72 403**
Lease liabilities	**-**	7 004	**7 004**
Derivative financial instruments	**-**	1 213	**1 213**
Total current assets	**205 620**	3 349	**208 969**
Total liabilities	**307 086**	5 476	**312 562**
EQUITY			
Share capital and share premium	**434**	-	**434**
Other equity	**43 820**	-	**43 820**
Retained earnings	**100 973**	2 966	**103 939**
Non-controlling interests	**9 722**	-	**9 722**
Total equity	**154 949**	2 966	**157 915**
Total equity and liabilities	**462 036**	8 442	**470 477**

Amounts in NOK 000's	01/01/17	31/12/18	
Property, plant and equipment	10 651	6 182	Implementation of IFRS 16 Leases
Intangible assets	1 051	1 333	Adjustment for negative goodwill
Intangible assets	463	927	Deferred tax on IFRS adjustments
IFRS 1 adjustments - assets	**12 165**	**8 442**	
Lease liabilities	14 975	5 863	Implementation of IFRS 16 Leases
Other liabilities	-9 125	-3 737	Implementation of IFRS 16 Leases
Trade and other payables	2 462	1 132	Implementation of IFRS 2 Share Based Payments
Trade and other payables	-343	-6 000	Dividend not recognised under IFRS until approved by shareholder's meeting
Trade and other payables	-	1 213	Implementation of IFRS 9 Financial Instruments
Lease liabilities	5 582	7 004	Implementation of IFRS 16 Leases
IFRS 1 adjustments - liabilitites	**13 551**	**5 476**	
IFRS 1 adjustments - equity	**-1 386**	**2 966**	

To the General Meeting of Norbit ASA

Independent Auditor's Report

Opinion

We have audited the consolidated financial statements of Norbit ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, 31 December 2017 and 1 January 2017, the consolidated statement of profit and loss, consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for each of the two years in the period ended at 31 December 2018, and notes to the consolidated accounts, including a summary of significant accounting policies.

In our opinion the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Group as at 31 December 2018, at 31 December 2017 and 1 January 2017, and its financial performance and its cash flows for each of the two years ended at 31 December 2018 in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Trondheim, 24 May 2019
PricewaterhouseCoopers AS

Kjetil Smørdal
State Authorised Public Accountant

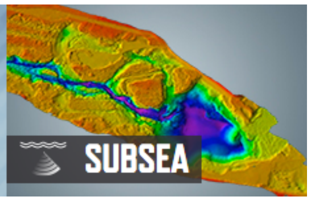
APPENDIX D:

FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2017 AND 2016 (N-GAAP)

NORBIT

- explore more -

ÅRSRAPPORT 2017



Virksomhetens art og tilholdssted
Hovedkontoret i virksomheten er lokalisert i Trondheim. Forøvrig har konsernet i 2017 også drevet virksomhet i Norge fra Asker, Røros, Selbu og Gjøvik, samt utenlandsoperasjoner i Sopot/Gdansk, Wien, Budapest, Lanciano, Singapore, Gøteborg og Santa Barbara CA. Konsernet var også deleier i selskap lokalisert i Reykjavik og i Aberdeen. Virksomheten omfatter utvikling, tilvirkning og salg av elektronikkbasert produkter, systemer, løsninger og tjenester. Konsernet har strukturert sin virksomhet i fire forretningsområder; EMS (Electronic Manufacturing Services), ITS (Intelligent Traffic Systems), SubSea og ODM (Original Design Manufacturing).

NORBIT Group AS er morselskap i konsernet, som forøvrig i 2017 bestod av datterselskapene NORBIT ITS AS, NORBIT SubSea AS, NORBIT ODM AS, NORBIT EMS AS, NORBIT Aptomar AS, NORBIT Kabelpartner AS, Øverhagaen Eiendom AS, NORBIT Sourcing AS, NORBIT US Inc., NORBIT Poland Sp. z.o.o., NORBIT GmbH (Austria), NORBIT GmbH (Germany), NORBIT Hugary Kft., NORBIT Italy Srl., NORBIT Singapore PTE Ltd., NORBIT Sweden AB, Fenrits AS, og NORBIT NV AS. I tillegg er Kvikna EHF og Kilmore Marine Ltd. tilknyttede selskaper i konsernet.

Konsernet har som visjon å være et internasjonalt, kunnskapsbasert konsern som leverer høyteknologiske produkter, systemer, løsninger og tjenester til industrielle kunder. NORBIT skal gjenkjennes som et signifikant høyteknologisk varemerke i Norden. NORBIT-selskapene skal gjenkjennes som «World Class» i sine respektive markeder.

Utvikling i resultat og stilling
Morselskap:
Som det fremgår av regnskapet for NORBIT Group som morselskap, er andre driftsinntekter økt fra MNOK 14,0 i 2016 til MNOK 21,1 i 2017. Ordinært resultat i selskapsregnskapet ble i 2017 MNOK 5,4 mot MNOK 1,7 i 2016.

Konsern:
Konsernet hadde i 2017 en konsolidert omsetning på MNOK 350,1 mot MNOK 310,2 i 2016. Konsernets konsoliderte EBITDA for 2017 ble MNOK 36,4 mot MNOK 18,6 i 2016. Økningen skyldes i hovedsak fremgang i forretningsområdet Subsea.

For øvrig så henvises det til årsregnskap og årsberetninger til datterselskapene for en utfyllende beskrivelse av utvikling i resultat og stilling.

Fortsatt drift
Styret bekrefter at årsregnskapet gir et rettvisende bilde av selskapets, og konsernets, eiendeler og gjeld, finansielle stilling, resultat, drift og økonomi. Det er ikke inntruffet forhold etter årsskiftet av betydning for årsregnskapet. Styret legger til grunn at forutsetningene for fortsatt drift er tilstede gitt selskapets planer.

Forskning og utvikling (FoU)
Det er gjort vesentlige investeringer i utvikling av ny teknologi og egne produkter i 2017. Disse investeringene forventes å gi vesentlig framtidig inntjening og balanseføres således i årsregnskapet.

Arbeidsmiljø og likestilling
Konsernet hadde i 2017 totalt 166 sysselsatte årsverk og av disse er 54 kvinner, dette gir en kvinnelig prosentandel av arbeidsstokken på 33%. Konsernstyret består av sju medlemmer, hvorav samtlige er menn. Arbeidsmiljøet oppfattes som godt og det er ikke registrert skader eller arbeidsulykker

Sykefravær
Det totale sykefraværet i konsernet anses å være lavt. Sykefraværet i morselskapet var 1,75%, for konsernet som helhet var sykefraværet på 3,8% som er en nedgang fra 2016.

Diskriminering
Konsernet ønsker å fremme diskrimineringslovens formål i egen virksomhet.

Ytre miljø
Ingen av selskapene i konsernet har virksomhet av en slik karakter at det er påkrevd med spesiell utslippstillatelse eller rensetiltak. Alt avfall sorteres i henhold til de krav det regionale mottaksapparatet stiller og som det er inngått avtale med om innsamling og behandling av avfall.

Finansiell risiko
Styret mener at selskapets finansielle risiko er forsvarlig håndtert. Konsernets aktivitet er godt diversifisert, noe som gir en god evne til å takle nedgang innenfor ett forretningsområde. En vesentlig del av selskapets omsetning er i valuta, da primært i EURO og USD. Det forsøkes å oppnå balanse i valutaeksponeringen.

Resultatdisponering og utbyttegrunnlag
Årsresultatet på 29,8 MNOK disponeres slik; 6 MNOK til utbytte, mens resten avsettes til annen egenkapital

Fremtidig utvikling
Konsernet vil fortsette sitt arbeid med teknologiutvikling og produksjon. Det jobbes systematisk med videre oppbygging av en organisasjon for internasjonal forretningsutvikling og salg. Konsernet er etter styrets vurdering godt posisjonert for en solid vekst både i omsetning og resultat.

Trondheim 2018-03-19

Per Jørgen Weisethaunet
Styrets leder / Adm. dir.

Steffen Kirknes
Nestleder

Odd Gulbrandsen
Styremedlem

Frode Iglebæk
Styremedlem

Per Arne Eide
Styremedlem

Carl Fredrik Eide
Styremedlem

Tom Solberg
Styremedlem

Resultatregnskap

Morselskap 2016	Morselskap 2017		Note	Konsern 2017	Konsern 2016
		Salgsinntekter	7	350 123 665	310 240 746
13 999 577	21 105 653	Andre driftsinntekter			
13 999 577	**21 105 653**	**Sum driftsinntekter**		**350 123 665**	**310 240 746**
29 692	4 430 828	Varekostnader		187 939 685	169 437 986
7 708 142	8 085 409	Lønnskostnader	13,14	88 826 656	80 751 647
242 866	304 438	Avskrivninger	1,2	27 190 670	22 856 925
7 361 034	6 684 911	Annen driftskostnad	13	36 958 221	41 473 650
15 341 734	**19 505 585**	**Sum driftskostnader**		**340 915 232**	**314 520 208**
-1 342 157	**1 600 067**	**Driftsresultat**		**9 208 433**	**-4 279 462**
		Finansinntekter og finanskostnader			
7 164 147	9 245 128	Inntekt på investering i datterselskap og tilknyttet selskap	3	281 111	1 102 777
389 337	181 345	Renteinntekter selskap i samme konsern			
686 501	1 781 727	Andre renteinntekter		22 519	686 647
142 436	107 839	Andre finansinntekter		10 621 697	8 955 609
4 699 311	5 410 241	Andre rentekostnader		9 917 204	6 683 862
55 218	371 917	Andre finanskostnader		5 448 233	7 104 894
3 627 891	**5 533 882**	**Resultat av finansposter**		**-4 440 110**	**-3 043 723**
2 285 734	**7 133 949**	**Resultat før skattekostnad**		**4 768 323**	**-7 323 185**
586 745	1 755 589	Skatt på ordinær resultat	12	-25 022 386	-2 746 461
1 698 989	**5 378 360**	**Årsresultat**		**29 790 709**	**-4 576 725**
		Minoritetsandel	10	22 618	1 647 850
		Majoritetsandel		**29 768 091**	**-6 224 575**
		Disponering av årsresultat			
	6 000 000	Avsatt utbytte	10		
1 698 989	-621 640	Annen egenkapital	10		
1 698 989	**5 378 360**	Sum disponert			

Eiendeler

Morselskap				Konsern	
2016	2017		Note	2017	2016
		Anleggsmidler			
		Immaterielle eiendeler			
		Forskning og utvikling	1	85 068 647	71 878 768
	5 986	Utsatt skattefordel	12	38 912 532	11 384 490
		Goodwill	1	-1 743 611	-1 050 561
-	**5 986**	**Sum immaterielle eiendler**		**122 237 568**	**82 212 696**
		Varige driftsmidler			
		Tomter, bygninger o.a. fast eiendom	2	23 004 544	24 692 476
572 227	481 720	Driftsløsøre, inventar og utstyr	2	20 325 132	22 525 350
572 227	**481 720**	**Sum varige driftsmidler**		**43 329 677**	**47 217 826**
		Finansielle anleggsmidler			
129 305 051	144 252 193	Investeringer i datterselskap	3		
3 991 250	3 909 113	Lån til selskap i samme konsern	8		
1 250 005	2 364 439	Investeringer i tilknyttet selskap	3	4 149 931	2 649 225
		Investeringer i aksjer og andeler	4	100 000	100 000
134 546 306	**150 525 745**	**Sum finansielle anleggsmidler**		**4 249 930**	**2 749 225**
135 118 533	**151 013 452**	**Sum anleggsmidler**		**169 817 175**	**132 179 748**
		Omløpsmidler			
		Varelager	5	81 024 571	59 481 751
		Fordringer			
5 280 407	6 795 874	Kundefordringer	8,9	55 971 930	49 853 382
78 141 992	95 939 802	Fordringer selskap samme konsern	9		
571 644	256 877	Andre kortsiktige fordringer		19 453 191	14 170 245
83 994 043	**102 992 554**	**Sum fordringer**		**75 425 120**	**64 023 627**
350 961	369 921	Bankinnskudd, kontanter og lignende	15	14 811 014	6 321 263
84 345 004	**103 362 475**	**Sum omløpsmidler**		**171 260 705**	**129 826 641**
219 463 537	**254 375 926**	**Sum eiendeler**		**341 077 880**	**262 006 389**

Egenkapital og Gjeld

Morselskap				Konsern	
2016	**2017**		**Note**	**2017**	**2016**
		Innskutt egenkapital			
362 856	410 482	Aksjekapital	10,11	410 482	362 856
12 391 144	33 343 518	Overkurs	10	33 343 518	12 391 144
12 754 000	**33 754 000**	**Sum innskutt egenkapital**		**33 754 000**	**12 754 000**
		Opptjent egenkapital			
54 153 803	53 532 163	Annen egenkapital	10	68 697 807	41 548 850
54 153 803	**53 532 163**	**Sum opptjent egenkapital**		**68 697 807**	**41 548 850**
		Minoritetsinteresser	10	9 407 582	14 962 568
66 907 803	**87 286 163**	**Sum egenkapital**		**111 859 389**	**69 265 417**
		Avsetninger og forplikteler			
14 593		Utsatt skatt	12		
14 593	**-**	**Sum avsetninger og forplikteler**		**-**	**-**
		Annen langsiktig gjeld			
48 419 159	66 771 658	Gjeld til kredittinstitusjoner	8	76 808 841	52 531 433
	7 330 000	Øvrig langsiktig gjeld	8	13 625 674	11 555 082
48 419 159	**74 101 658**	**Sum annen langsiktig gjeld**		**90 434 515**	**64 086 515**
		Kortsiktig gjeld			
60 955 006	52 407 029	Gjeld til kredittinstitusjoner	8	55 388 720	62 478 540
1 680 103	2 798 779	Leverandørgjeld		45 547 336	46 247 183
		Betalbar skatt	12		756 559
110 047	391 583	Skyldige offentlige avgifter		8 074 173	4 318 078
	6 000 000	Utbytte	10	6 000 000	342 964
40 710 799	30 718 786	Gjeld til selskap i samme konsern	9		
666 028	671 929	Annen kortsiktig gjeld	6	23 773 747	14 511 132
104 121 982	**92 988 105**	**Sum kortsiktig gjeld**		**138 783 977**	**128 654 456**
152 555 734	**167 089 763**	**Sum gjeld**		**229 218 492**	**192 740 971**
219 463 537	**254 375 926**	**Sum egenkapital og gjeld**		**341 077 880**	**262 006 389**

Trondheim 2018-03-19

Per Jørgen Weisethaunet
Styrets leder / Adm. dir.

Steffen Kirknes
Nestleder

Odd Gulbrandsen
Styremedlem

Frode Iglebæk
Styremedlem

Per Arne Eide
Styremedlem

Carl Fredrik Eide
Styremedlem

Tom Solberg
Styremedlem

Kontantstrømoppstilling

Morselskap				Konsern	
2016	2017		Note	2017	2016
		Kontantstrømmer fra operasjonelle aktiviteter			
2 285 734	7 133 949	Resultat før skattekostnad		4 768 323	-7 323 185
		Periodens betalte skatt		-756 559	-1 372 585
242 866	304 438	Avskrivninger	1,2	27 190 670	22 856 925
		Resultatandel fra tilknyttede selskaper (fratrukket utdeling)	3	-281 111	-1 102 777
		Endring i varelager		-12 252 848	7 604 485
-804 168	-1 515 467	Endring i kundefordringer		-3 873 695	10 435 477
679 542	1 118 676	Endring i leverandørgjeld		-2 002 253	-417 605
-17 275 278	651 541	Endring i andre tidsavgrensingsposter		-2 447 868	-6 835 620
		Effekt av valutakursendringer			490 023
-14 871 304	**7 693 137**	**Netto kontantstrøm fra operasjonelle aktiviteter**		**10 344 658**	**24 335 138**
		Kontantstrøm fra investeringsaktiviteter			
		Innbetalinger ved salg av varige driftsmidler	2	25 000	
-341 743	-213 931	Utbetalinger ved kjøp av varige driftsmidler	2	-5 651 015	-7 445 010
		Utbetalinger ved kjøp av immaterielle eiendeler	1	-30 173 334	-14 461 233
-5 907 667	-17 887 082	Utbet. ved kjøp av aksjer / konsernbidrag til TS og DS		-1 114 434	
24 263 433		Innbetalinger på lånefordring konsern (korts./langs.)			
18 014 023	**-35 816 686**	**Netto kontantstrøm fra investeringsaktiviteter**		**-36 913 783**	**-21 906 243**
		Kontantstrømmer fra finansieringsaktiviteter			
2 111 766		Netto innbetaling kassekreditt			2 734 989
	-8 547 977	Netto utbetaling kassekreditt		-7 089 820	
-2 128 183	-9 992 013	Utbet. ved nedbetaling av gjeld til konsernselskap (korts./langs.)			
5 000 000	27 500 000	Innbetalinger ved opptak av annen gjeld (korts./langs.)		34 314 384	5 000 000
	21 000 000	Innbetaling av egenkapital		21 000 000	
-5 340 003	-1 817 501	Utbetalinger ved nedbetaling av annen gjeld (korts./langs.)		-9 510 482	-8 511 344
-2 800 000		Utbetaling av utbytte			-3 800 000
		Endring minoritet, utkjøp og omorganisering		-2 470 213	169 012
		Effekt av oppkjøpt virksomhet		-2 726 259	
-3 156 419	**28 142 509**	**Netto kontantstrømmer fra finansieringsaktiviteter**		**33 517 609**	**-4 407 344**
-13 701	**18 960**	**Netto kontantstrøm for perioden**		**6 948 485**	**-1 978 449**
364 662	350 961	Kontanter og kontantekvivalenter ved periodens begynnelse		6 321 263	8 299 711
		Kontanter i oppkjøpt virksomhet		1 541 266	
350 961	**369 921**	**Kontanter og kontantekvivalenter ved periodens slutt**	11	**14 811 014**	**6 321 263**
		Bestående av:			
350 961	369 921	Bankinnskudd, kontanter og lignende.		14 811 014	6 321 263
19 044 994	34 611 280	Ubenyttet driftskreditt utgjør i tillegg		34 611 280	19 044 994

Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven og god regnskapsskikk.

Bruk av estimater
Utarbeidelse av regnskaper i samsvar med regnskapsloven krever bruk av estimater. Videre krever anvendelse av selskapets regnskapsprinsipper at ledelsen må utøve skjønn. Områder som i stor grad inneholder slike skjønnsmessige vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er vesentlige for årsregnskapet, er beskrevet i notene.

Aksjer i datterselskap og tilknyttet selskap
Datterselskaper er selskaper der morselskapet har kontroll, og dermed bestemmende innflytelse på enhetens finansielle og operasjonelle strategi, normalt ved å eie mer enn halvparten av den stemmeberettigede kapitalen. Investeringer med 20-50 % eie av stemmeberettiget kapital og betydelig innflytelse, defineres som tilknyttede selskaper.

Følgende selskaper inngår i konsernet 31.12.:
Mor- og datterselskaper
- NORBIT Group AS (morselskap)
- NORBIT ODM AS
- NORBIT ITS AS
- NORBIT Subsea AS
- NORBIT EMS AS
- NORBIT Aptomar AS
- NORBIT Kabelpartner AS
- Øverhagaen Eiendom AS
- NORBIT Sourcing AS
- Fenrits AS
- NORBIT NV AS
- NORBIT US Inc.
- NORBIT Poland Sp. z.o.o.
- NORBIT Hungary Kft.
- NORBIT GmbH. (Austria)
- NORBIT GmbH. (Germany)
- NORBIT Italy Srl.
- NORBIT Sweden AB
- NORBIT Singapore PTE. Ltd.

Tilknyttede selskaper
- Kvikna ehf.
- Kilmore Marine Ltd.

Regnskapsprinsipper for aksjer i datterselskaper og tilknyttede selskaper
Kostmetoden brukes som prinsipp for investeringer i datterselskaper og tilknyttede selskaper i selskapsregnskapet. Kostprisen økes når midler tilføres ved kapitalutvidelse, eller når det gis konsernbidrag til datterselskap. Mottatte utdelinger resultatføres i utgangspunktet som inntekt. Utdelinger som overstiger andel av opptjent egenkapital etter kjøpet føres som reduksjon av anskaffelseskost. Utbytte/konsernbidrag fra datterselskap regnskapsføres det samme året som datterselskapet avsetter beløpet. Utbytte fra andre selskaper regnskapsføres som finansinntekt når utbyttet er vedtatt.

I konsernregnskapet brukes egenkapitalmetoden som prinsipp for investeringer i tilknyttede selskaper. Bruk av metoden fører til at regnskapsført verdi i balansen tilsvarer andelen av egenkapitalen i det tilknyttede selskapet, korrigert for eventuelle gjenværende merverdier fra kjøpet og urealiserte interngevinster Resultatandelen i resultatregnskapet baseres på andelen av resultatet etter skatt i det tilknyttede selskapet, og korrigeres for eventuelle avskrivninger på merverdier og urealiserte gevinster. I resultatregnskapet vises resultatandelen under finansposter.

Konsolideringsprinsipper
Datterselskaper blir konsolidert fra det tidspunkt kontrollen er overført til konsernet (oppkjøpstidspunktet).

I konsernregnskapet erstattes posten aksjer i datterselskap med datterselskapets eiendeler og gjeld. Konsernregnskapet utarbeides som om konsernet var én økonomisk enhet. Transaksjoner, urealisert fortjeneste og mellomværende mellom selskapene i konsernet elimineres.

Kjøpte datterselskaper regnskapsføres i konsernregnskapet basert på morselskapets anskaffelseskost. Anskaffelseskost tilordnes identifiserbare eiendeler og gjeld i datterselskapet, som oppføres i konsernregnskapet til virkelig verdi på oppkjøpstidspunktet. Eventuell merverdi ut over hva som kan henføres til identifiserbare eiendeler og gjeld, balanseføres som goodwill. Goodwill behandles som en residual og balanseføres med den andelen som er observert i oppkjøpstransaksjonen. Merverdier i konsernregnskapet avskrives over de oppkjøpte eiendelenes forventede levetid. Negativ goodwill inntektsføres over fem år.

Omregning av utenlandske datterselskaper skjer ved at balansen omregnes til balansedagens kurs, og at resultatregnskapet omregnes til en gjennomsnittskurs. Eventuelle vesentlige transaksjoner omregnes til transaksjonsdagens kurs. Alle omregningsdifferanser føres direkte mot egenkapitalen.

Salgsinntekter
Inntekter ved salg av varer og tjenester vurderes til virkelig verdi av vederlaget, netto etter fradrag for merverdiavgift, returer, rabatter og andre avslag. Salg av varer resultatføres når en enhet innenfor konsernet har levert sine produkter til kunden og det ikke er uoppfylte forpliktelser som kan påvirke kundens aksept av leveringen. Levering er ikke foretatt før produktene er sendt til avtalt sted og risiko for tap og ukurans er overført til kunden. Erfaringstall brukes som grunnlag for å estimere og regnskapsføre avsetninger for kvantumsrabatter og varereturer på salgstidspunktet. Avsetning til forventede garantiarbeider føres som kostnad og avsetning for forpliktelser.

Tjenester inntektsføres i takt med utførelsen.

Klassifisering av balanseposter
Eiendeler bestemt til varig eie eller bruk klassifiseres som anleggsmidler. Eiendeler som er tilknyttet varekretsløpet klassifiseres som omløpsmidler. Fordringer for øvrig klassifiseres som omløpsmidler hvis de skal tilbakebetales innen ett år. For gjeld legges analoge kriterier til grunn. Første års avdrag på langsiktige fordringer og langsiktig gjeld klassifiseres likevel ikke som omløpsmiddel og kortsiktig gjeld.

Anskaffelseskost
Anskaffelseskost for eiendeler omfatter kjøpesummen for eiendelen, med fradrag for bonuser, rabatter og lignende, og med tillegg for kjøpsutgifter (frakt, toll, offentlige avgifter som ikke refunderes og eventuelle andre direkte kjøpsutgifter). Ved kjøp i utenlandsk valuta balanseføres eiendelen til kursen på transaksjonstidspunktet, men til terminkursen ved bruk av terminkontrakt.

For varige driftsmidler og immaterielle eiendeler omfatter anskaffelseskost også direkte utgifter for å klargjøre eiendelen for bruk, for eksempel utgifter til testing av eiendelen.

Renter knyttet til tilvirkning av anleggsmidler kostnadsføres.

Immaterielle eiendeler og goodwill
Goodwill har oppstått i forbindelse med kjøp av datterselskap. Goodwill avskrives over forventet levetid, badwill inntektsføres etter samme prinsipp.

Utgifter til utvikling balanseføres i den grad det kan identifiseres en fremtidig økonomisk fordel knyttet til utvikling av en identifiserbar immateriell eiendel og utgiftene kan måles pålitelig. I motsatt fall kostnadsføres slike utgifter løpende. Balanseført utvikling avskrives lineært over økonomisk levetid.

Varige driftsmidler
Tomter avskrives ikke. Andre varige driftsmidler balanseføres og avskrives lineært til restverdi over driftsmidlenes forventede utnyttbare levetid. Ved endring i avskrivningsplan fordeles virkningen over gjenværende avskrivningstid ("knekkpunktmetoden"). Vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader. Påkostninger og forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Skillet mellom vedlikehold og påkostning/forbedring regnes i forhold til driftsmidlets stand på anskaffelsestidspunktet.

Leide (leasede) driftsmidler balanseføres som driftsmidler hvis leiekontrakten anses som finansiell.

Andre langsiktige aksjeinvesteringer
Kostmetoden brukes som prinsipp for investeringer i andre aksjer mv. Utdelinger regnskapsføres i utgangspunktet som finansinntekt, når utdelingen er vedtatt. Hvis utdelingene vesentlig overstiger andel av opptjent egenkapital etter kjøpet, føres det overskytende til reduksjon av kostprisen.

Nedskrivning av anleggsmidler
Ved indikasjon om at balanseført verdi av et anleggsmiddel er høyere enn virkelig verdi, foretas det test for verdifall. Testen foretas for det laveste nivå av anleggsmidler som har selvstendige kontantstrømmer. Hvis balanseført verdi er høyere enn både salgsverdi og gjenvinnbart beløp (nåverdi ved fortsatt bruk/eie), foretas det nedskrivning til det høyeste av salgsverdi og gjenvinnbart beløp. Tidligere nedskrivninger, med unntak for nedskrivning av goodwill, reverseres hvis forutsetningene for nedskrivningen ikke lenger er til stede.

Varelager
Varer vurderes til det laveste av anskaffelseskost (etter FIFO-prinsippet) og virkelig verdi. For råvarer brukes gjenanskaffelseskost som tilnærming til virkelig verdi. For ferdig tilvirkede varer og varer under tilvirkning består anskaffelseskost av utgifter til produktutforming, materialforbruk, direkte lønn, og andre direkte og indirekte produksjonskostnader (basert på normal kapasitet). Virkelig verdi er estimert salgspris fratrukket nødvendige utgifter til ferdigstillelse og salg. Bare variable utgifter anses nødvendige for å selge ferdige varer, mens også faste tilvirkningskostnader inkluderes som nødvendige for varer som ikke er ferdig tilvirket.

Anleggskontrakter
Arbeid under utførelse knyttet til fastpriskontrakter med lang tilvirkningstid vurderes etter løpende avregnings metode. Fullførelsesgraden beregnes som påløpte kostnader i prosent av forventet totalkostnad. Totalkostnaden revurderes løpende. For prosjekter som antas å gi tap, kostnadsføres hele det beregnede tapet umiddelbart.

Fordringer
Kundefordringer føres opp i balansen etter fradrag for avsetning til forventede tap. Avsetning til tap gjøres på grunnlag av individuell vurdering av fordringene og en tilleggsavsetning som skal dekke øvrige páregnelige tap. Vesentlige økonomiske problemer hos kunden, sannsynligheten for at kunden vil gå konkurs eller gjennomgå økonomisk restrukturering, og utsettelser og mangler ved betalinger anses som indikatorer på at kundefordringer må

Andre fordringer, både omløpsfordringer og anleggsfordringer, føres opp til det laveste av pålydende og virkelig verdi. Virkelig verdi er nåverdien av forventede framtidige innbetalinger. Det foretas likevel ikke neddiskontering når effekten av neddiskontering er uvesentlig for regnskapet. Avsetning til tap vurderes på samme måte som for kundefordringer.

Investeringer i børsnoterte aksjer
For kortsiktige investeringer i børsnoterte aksjer brukes markedsverdiprinsippet. Verdien i balansen tilsvarer markedsverdien av investeringene pr. 31.12. Mottatt utbytte, og realiserte og urealiserte gevinster/tap, resultatføres som finansposter.

Sikringsbokføring av valutaterminkontrakter
Urealiserte gevinster og tap på valutaterminkontrakter regnskapsføres ikke. Urealisert gevinst eller tap er opplyst i note.

Utenlandsk valuta
Fordringer og gjeld i utenlandsk valuta vurderes etter kursen ved regnskapsårets slutt. Kursgevinster og kurstap knyttet til varesalg og varekjøp i utenlandsk valuta føres som salgsinntekter og varekostnad.

Gjeld
Gjeld, med unntak for enkelte avsetninger for forpliktelser, balanseføres til nominelt gjeldsbeløp.

Garantiarbeider/reklamasjoner
Garantiarbeider/reklamasjoner knyttet til avsluttede salg vurderes til antatt kostnad for slikt arbeid. Estimatet beregnes med utgangspunkt i historiske tall for garantiarbeider, men korrigert for forventet avvik på grunn av for eksempel endring i kvalitetssikringsrutiner og endring i produktspekter. Avsetningen føres opp under "Annen kortsiktig gjeld", og endringen i avsetningen kostnadsføres.

Pensjoner
Konsernets pensjonsordninger er finansiert gjennom innbetalinger til forsikringsselskap.
Ved innskuddsplaner betaler selskapet innskudd til et forsikringsselskap. Selskapet har ingen ytterligere betalingsforpliktelse etter at innskuddene er betalt. Innskuddene regnskapsføres som lønnskostnad. Eventuelle forskuddsbetalte innskudd balanseføres som eiendel (pensjonsmidler) i den grad innskuddet kan refunderes eller redusere framtidige innbetalinger.

Skatt
Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt beregnes på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt eventuelt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet. Oppføring av utsatt skattefordel på netto skattereduserende forskjeller som ikke er utlignet og underskudd til fremføring, begrunnes med antatt fremtidig inntjening. Utsatt skatt og skattefordel som kan balanseføres oppføres netto i balansen.

Skattereduksjon ved avgitt konsernbidrag, og skatt på mottatt konsernbidrag som føres som reduksjon av balanseført beløp på investering i datterselskap, føres direkte mot skatt i balansen (mot betalbar skatt hvis konsernbidraget har virkning på betalbar skatt, og mot utsatt skatt hvis konsernbidraget har virkning på utsatt skatt). Utsatt skatt både i selskapsregnskapet og i konsernregnskapet regnskapsføres til nominelt beløp.

Kontantstrømoppstilling
Kontantstrømoppstillingen utarbeides etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige likvide plasseringer, som umiddelbart og med uvesentlig kursrisiko kan konverteres til kjente kontantbeløp og med gjenværende løpetid mindre enn tre måneder fra anskaffelsesdato.

Note 1 Immaterielle eiendeler og goodwill

Konsern

	FoU	Goodwill oppkjøp andre datter-selskaper	Goodwill oppkjøp NORBIT EMS	Goodwill oppkjøp NORBIT Kabelpartner	Sum
Anskaffelseskost 01.01.	137 957 194	-762 182	-12 707 398		124 487 614
Tilgang	24 288 329			-2 051 307	22 237 022
Tilgang ved kjøp av datterselskap	7 936 312				7 936 312
Anskaffelseskost 31.12.	170 181 835	-762 182	-12 707 398	-2 051 307	154 660 948
Akkumulerte avskrivninger 31.12.	72 809 883	-762 182	-12 707 398	-307 696	59 032 607
Akkumulerte nedskrivninger 31.12	12 303 304				12 303 304
Balanseført verdi 31.12.	**85 068 647**	**-**	**-**	**-1 743 611**	**83 325 036**
Årets avskrivninger	19 034 761	96 879	-1 147 440	-307 696	17 676 503
Forventet økonomisk levetid	5 år	5 år	5 år	5 år	
Avskrivningsplan	Lineær	Lineær	Lineær	Lineær	

Det satses vesentlig på forskning og utvikling i konsernet. I 2017 er det gjort videreutvikling på egen teknologi og egne produkter innen markedssegmentene Intelligent Traffic Systems, Original Design Manufacturing og SubSea.
Det er utført nedskrivningstest hvor resultatet er at det ikke er funnet indikasjoner på at nedskrivning av immaterielle eiendeler for 2017 er nødvendig.
Av en totalt bokført verdi på 85,1MNOK i FoU per 31.12, utgjør 59,2 MNOK verdi på ferdig utviklede produkter som er i salg kommersielt.

Note 2 Varige driftsmidler

Morselskap

	Driftsløsøre	Sum
Anskaffelseskost 01.01.	1 011 235	1 011 235
Tilgang	213 931	213 931
Anskaffelseskost 31.12.	1 225 166	1 225 166
Akkumulerte avskrivninger 31.12.	743 446	743 446
Balanseført verdi 31.12.	**481 720**	**481 720**
Årets avskrivninger	304 438	304 438
Forventet økonomisk levetid	3-5 år	
Avskrivningsplan	Lineær	

Konsern

	Bygninger og tomter	Maskiner og inventar	Sum
Anskaffelseskost 01.01.	36 145 839	135 882 953	172 028 792
Tilgang ved oppkjøp datterselskaper		1 639 991	1 639 991
Tilgang	293 325	3 717 699	4 011 024
Avgang		25 000	25 000
Anskaffelseskost 31.12.	36 439 164	141 215 643	177 654 807
Akkumulerte avskrivninger 31.12.	13 434 620	120 890 511	134 325 131
Balanseført verdi 31.12.	**23 004 544**	**20 325 132**	**43 329 677**
Årets avskrivninger	1 981 437	7 532 730	9 514 167
Forventet økonomisk levetid	25 år	3-7 år	
Avskrivningsplan	Lineær	Lineær	

Årlig leie av ikke balanseførte driftsmidler		2017	2016
Driftsmiddel	**Leieperiode**	**Årlig leie**	**Årlig leie**
Maskiner	0-33 mnd.	152 735	
Bygninger	66 mnd.	4 325 101	2 677 656

Note 3 Datterselskap og tilknyttet selskap

Morselskap

Investeringene i datterselskaper og tilknyttede selskaper regnskapsføres etter kostmetoden.

Datterselskap	Forretnings-kontor	Eier-/ stemme-andel	Egenkap. siste år (100%)	Resultat siste år (100%)	Balanseført verdi
NORBIT Subsea AS	Trondheim	100,00 %	29 412 850	4 107 459	49 898 773
NORBIT ODM AS	Trondheim	100,00 %	5 578 099	101 812	22 360 843
NORBIT ITS AS	Trondheim	94,00 %	32 213 762	-8 992 685	25 309 234
NORBIT EMS AS	Selbu/Røros	90,27 %	65 281 755	2 821 146	34 468 160
NORBIT Aptomar AS	Trondheim	100,00 %	36 265 806	6 145 555	7 417 602
NORBIT Kabelpartner AS	Trondheim	100,00 %	2 694 737	2 272 118	531 688
NORBIT Sourcing AS	Gjøvik	100,00 %	349 707	-762 876	971 840
NORBIT US Ltd.	Santa Barbara	100,00 %	-297 319	3 177 902	
NORBIT Poland Sp. z.o.o.	Gdansk/Sopot	100,00 %	-6 837	-52 159	47 339
NORBIT Hungary Kft.	Budapest	100,00 %	677 332	-249 235	121 922
NORBIT GmbH (Austria)	Wien	100,00 %	-64 104	-420 125	422 941
NORBIT GmbH (Germany)	Hamburg	50,00 %	1 000 000		501 550
NORBIT Italy Srl.	Lanciano	100,00 %			126 114
NORBIT Sweden AB	Gøteborg	100,00 %			71 758
NORBIT Singapore PTE Ltd.	Singapore	100,00 %			69 888
NORBIT NV AS	Trondheim	100,00 %	295 670	-23 249	576 140
Fenrits AS	Trondheim	100,00 %	809 297	11 334	1 356 401
Balanseført verdi 31.12.					**144 252 193**

Tilknyttede selskaper	Forretnings-kontor	Eier-/ stemme-andel	Egenkap. siste år (100%)	Resultat siste år (100%)	Balanseført verdi
Kvikna ehf.*	Reykjavik	33,33 %	7 947 676	3 308 330	1 250 005
Kilmore Marine Ltd.	Aberdeen	35,00 %			1 114 434
Balanseført verdi 31.12.					**2 364 439**

*) Kvikna ehf. eier 100% av aksjene i Kvikna Medical ehf., som er innregnet i EK og resultat i tallene over.

Konsern

Datterselskapene NORBIT Singapore PTE Ltd., NORBIT Sweden AB og NORBIT Italy Srl. er ikke konsolidert inn i konsernregnskapet.
Driftskostnaden i selskapene er likevel reflektert i konsernregnskapet gjennom at kostnadene er fakturert til andre selskaper som inngår i konsernet.

Beregning av årets resultatandel tilknyttet selskap	Kvikna ehf.	Kilmore Marine	Sum tilknyttede selskaper
Andel årets resultat	281 111		281 111
Årets resultatandel	281 111	-	**281 111**

Beregning av balanseført verdi 31.12.	Kvikna ehf.	Kilmore Marine	Sum tilknyttede selskaper
Balanseført verdi 01.01.	2 649 225		2 649 225
Omregningsdifferanse	105 161		105 161
Tilgang tilknyttet selskap		1 114 434	1 114 434
Årets resultatandel	281 111		281 111
Balanseført verdi 31.12.	3 035 497	1 114 434	**4 149 931**

Note 4 Andre langsiktige aksjer og andeler

Konsern

	Land	Eier-/ stemme-andel	Balanseført verdi
Tangen Næringsbygg AS	Norge	0,3 %	100 000
Balanseført verdi 31.12.			**100 000**

Note 5 Varer

Konsern

	2017	2016
Råvarer	55 845 105	36 284 324
Varer under tilvirkning	9 924 537	10 060 036
Egentilvirkede ferdigvarer	15 254 928	13 137 392
Sum	**81 024 571**	**59 481 751**
Varebeholdning vurdert til anskaffelseskost	84 459 409	61 843 914
Nedskrivning for ukurans	-3 434 838	-2 362 163
Sum	**81 024 571**	**59 481 751**

Note 6 Anleggskontrakter

Konsern

Resultatposter vedrørende prosjekter	2017	2016
Resultat på prosjekter under utførelse		
Resultatførte totale inntekter	1 680 000	2 617 304
Estimert kontraktsfortjeneste	1 040 000	3 481 569

Note 7 Driftsinntekter

Morselskap

Alle inntekter er opptjent i Norge og består av lisensinntekter og honorar for tjenester overfor konsernselskaper.

Konsern

Fordeling på virksomhetsområder	2017	2016
Utvikling og salg av teknologi og produkter for elektronisk identifikasjon	42 921 853	55 290 564
Utvikling, tilvirkning og leveranse av elektronikkbaserte produkter og løsninger	39 857 584	30 559 217
Kontraktsproduksjon av elektronikk	173 396 645	181 441 765
Utvikling og salg av sonarteknologi og annet subsearelatert utstyr	93 947 583	42 949 200
Sum	**350 123 665**	**310 240 746**

Note 8 Fordringer og gjeld

Morselskap

Fordringer med forfall senere enn ett år	2017	2016
Lån til selskap i samme konsern	3 909 113	3 991 250
Langsiktig gjeld med forfall senere enn 5 år	24 351 638	22 250 000

Gjeld sikret ved pant	2017	2016
Langsiktig gjeld	74 101 658	48 419 159
Kortsiktig gjeld	52 407 029	60 955 006
Sum	**126 508 687**	**109 374 165**

Balanseført verdi av pantsatte eiendeler	2017	2016
Varige driftsmidler	481 720	572 227
Fordringer	6 795 874	5 280 407
Aksjer	134 501 239	129 305 051
Sum	**141 778 833**	**135 157 685**

	2017		2016	
Sikkerhetsstillelse	**Tilnyttet selskap**	**Datter-selskap***	**Tilnyttet selskap**	**Datter-selskap***
Kausjonsforpliktelse		1 500 000		1 500 000

* NORBIT Sourcing AS

Selskapet har etablert en konsernkontoordning hvor selskapet med datterselskaper hefter solidarisk for gjeld stiftet i morselskapet. Trekkfasilitetene for konsernkontoordningen er på 90 000 000

Konsern

	2017	2016
Langsiktig gjeld med forfall senere enn 5 år	25 701 638	24 250 000

Gjeld sikret ved pant	2017	2016
Langsiktig gjeld	90 434 515	62 086 515
Kortsiktig gjeld	55 388 720	60 955 006
Sum	**145 823 235**	**123 041 521**

Balanseført verdi av pantsatte eiendeler	2017	2016
Varige driftsmidler	43 084 530	47 059 173
Varer	79 376 557	56 948 846
Fordringer	48 799 408	41 205 858
Sum	**171 260 495**	**145 213 877**

Eiendelene er i tillegg stillet som sikkerhet for		
Ubenyttet kassekreditt	34 611 280	19 044 994
Sum	**34 611 280**	**19 044 994**

Kundefordringer	2017	2016
Kundefordringer til pålydende	56 112 712	49 994 164
Avsetning til tap på kundefordringer	-140 782	-140 782
Kundefordringer i balansen	**55 971 930**	**49 853 382**

Konsernets leasingforpliktelse er oppført under øvrig langsiktig gjeld og er per utgangen av året på kr 6 018 719.
Leasinggjeld er sikret ved pant i underliggende leasingobjekter.

Konsernets urealiserte gevinst/tap på valutaterminkontrakter er per 31.12 uvesentlig.
Konsernet har gjennom 2017 benyttet seg av terminkontrakter og opsjonskontrakter, for å sikre eksponering mot kurssvigninger i USD og EUR.

Note 9 Mellomværende med selskap i samme konsern m.v.

Morselskap

	Kundefordringer		Andre kortsiktige fordringer	
	2017	2016	2017	2016
Foretak i samme konsern m.v.	6 735 005	5 280 407	95 939 802	78 141 992
Tilknyttet selskap				
Sum	**6 735 005**	5 280 407	**95 939 802**	78 141 992

	Leverandørgjeld		Annen kortsiktig gjeld	
	2017	2016	2017	2016
Foretak i samme konsern	1 968 672	843 230	30 718 786	40 710 799
Tilknyttet selskap				
Sum	**1 968 672**	843 230	**30 718 786**	40 710 799

Det er i 2017 mottatt konsernbidrag fra NORBIT Subsea AS på 590 087 og fra NORBIT Kabelpartner på 2 842 599.
Det er mottatt konsernbidrag med skatteeffekt på 5 812 442 og avgitt uten skatteeffekt på samme beløp fra NORBIT EMS AS.
Det er avgitt konsernbidrag med skatteeffekt på 7 400 701, og mottatt uten skatteeffekt på samme beløp fra NORBIT Aptomar AS.

Konsern	Leverandørgjeld	
	2017	2016
Tilknyttet selskap	1 387 674	1 534 920

Note 10 Egenkapital

Morselskap

Årets endring i egenkapital	Aksjekapital	Overkurs	Annen egenkapital	Sum
Egenkapital 01.01.	362 856	12 391 144	54 153 803	66 907 803
Kapitalforhøyelse	47 626	20 952 374		21 000 000
Årets resultat			5 378 360	5 378 360
Avsatt utbytte			-6 000 000	-6 000 000
Egenkapital 31.12.	**410 482**	**33 343 518**	**53 532 163**	**87 286 163**

Konsern

Årets endring i egenkapital	Aksjekapital	Overkurs	Annen egenkapital	Minorites-interesser	Sum
Egenkapital 01.01.	362 856	12 391 144	41 548 850	14 962 567	69 265 417
Kapitalforhøyelse	47 626	20 952 374			21 000 000
Årets resultat			29 768 091	22 618	29 790 709
Endring minoritet, utkjøp og omorganisering			3 107 390	-5 577 603	-2 470 213
Avsatt utbytte			-6 000 000		-6 000 000
Omregningsdifferanse utenlandske datterselskaper			273 476		273 476
Egenkapital 31.12.	**410 482**	**33 343 518**	**68 697 807**	**9 407 582**	**111 859 389**

Note 11 Aksjekapital og aksjonærinformasjon

Morselskapets aksjekapital består av 410 482 aksjer á kr 1

Oversikt over aksjonærene 31.12.

Aksjonær	Roller	Antall	Eierandel
VHF Invest AS	Styreleder eier 100 % av VHF Invest AS	113 166	27,6 %
Draupnir Invest AS	Styreleder eier 4 % av Draupnir Invest AS	93 436	22,8 %
Stik 1 AS	Styremedlem Per Arne Eide og Carl Fredrik Eide har eierandeler i Stik 1 AS	114 753	28,0 %
Petors AS	Daglig leder eier 100 % av Petors AS.	84 591	20,6 %
Andre aksjonærer	Ledende ansatte	4 536	1,1 %
Totalt antall aksjer		**410 482**	**100,0 %**

Note 12 Skatt

	Morselskap		*Konsern*	
Beregning av utsatt skatt/utsatt skattefordel	**2017**	**2016**	**2017**	**2016**
Midlertidige forskjeller				
Driftsmidler	-26 029	60 802	-42 069 771	-26 028 533
Varelager			-3 605 359	-2 362 163
Fordringer			180 131	104 220
Garantiavsetninger			-1 118 750	-1 797 358
Andre forskjeller			4 870 795	4 923 766
Netto midlertidige forskjeller	-26 029	60 802	-41 742 954	-25 160 068
Underskudd til fremføring (FFU)			-127 453 865	-22 111 175
Grunnlag for utsatt skatt	**-26 029**	**60 802**	**-169 196 819**	**-47 271 243**
23%/24% utsatt skatt (skattefordel)	-5 986	14 593	-38 912 532	-11 384 490
Herav ikke balanseført utsatt skattefordel				
Utsatt skatt i balansen	**-5 986**	**14 593**	**-38 912 532**	**-11 384 490**
Grunnlag for skattekostnad, endring i utsatt skatt og betalbar skatt				
Grunnlag for betalbar skatt				
Resultat før skattekostnad	7 133 949	2 285 734	4 768 323	-7 323 185
Permanente forskjeller	179 921	64 654	-5 524 588	-4 829 814
Grunnlag for skattekostnad på årets resultat	7 313 870	2 350 388	-756 265	-12 153 000
Endring i midlertidige forskjeller og FFU	86 832	23 684	756 265	15 179 238
Gr.lag for bet.bar skatt i res.regnskapet	**7 400 702**	**2 374 072**	-	**3 026 238**
+/÷ Mottatt/avgitt konsernbidrag	-7 400 702	-2 374 072		
Skattepliktig inntekt (grunnlag for betalbar skatt i balansen)	-	-	-	**3 026 238**
Fordeling av skattekostnaden				
Betalbar skatt (24%/25 % av grunnlag for betalbar skatt i resultatregnskapet)	1 776 168	593 518		756 559
For mye, for lite avsatt i fjor				
Sum betalbar skatt	1 776 168	593 518	-	756 559
Endring i utsatt skatt	-20 579	-6 773		-3 503 020
Skattekostnad	**1 755 589**	**586 745**	-	**-2 746 461**
Betalbar skatt i balansen				
Betalbar skatt i skattekostnaden	1 776 168	593 518		756 559
Skattevirkning av konsernbidrag	-1 776 168	-593 518		
Betalbar skatt i balansen	-	-	-	**756 559**
Avstemming av skattekostnaden				
Skattesats i prosent av resultat før skatt	1 712 148	571 434	1 146 134	-1 903 741
Skattesats i prosent av permanente forskjeller	43 181	16 164	-2 112 798	-1 220 683
Skatteeffekt av endret skattesats	260	-852	826 895	377 964
Resultatført tidligere ikke balanseført utsatt skattefordel			-24 882 618	
Skattekostnad	**1 755 589**	**586 745**	**-25 022 386**	**-2 746 461**

Ved allokering av vederlaget i oppkjøpt virksomhet ble utsatt skattefordel tillagt liten verdi. Det er gjort betydelige grep i den oppkjøpte virksomheten i ettertid av oppkjøpet med positiv effekt, og på tidspunkt for regnskapsavleggelse er konsernets vurdering at det fremførebare underskuddet har verdi basert på forventning om fremtidig inntjening i Norbit Group skattekonsern. Dette forklarer det vesentligste av den negative skattekostnaden.

Note 13 Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte mm.

Morselskap

Lønnskostnader	2017	2016
Lønn	6 164 227	6 013 618
Arbeidsgiveravgift	974 740	961 641
Pensjonskostnader	315 639	331 340
Andre ytelser	630 803	401 543
Sum	**8 085 409**	**7 708 142**
Sysselsatte årsverk i regnskapsåret har vært	5	5

	2017		2016	
Ytelser til ledende personer	**Konsernsjef**	**Styret**	**Konsernsjef**	**Styret**
Lønn	1 995 346		1 747 234	
Styrehonorar	60 000	315 000	60 000	255 000
Pensjonsutgifter	81 272		87 334	
Annen godtgjørelse	106 870		43 598	
Sum	2 243 488	315 000	1 938 166	255 000

Kostnadsført godtgjørelse til revisor	2017	2016
Lovpålagt revisjon	124 000	153 000
Skatterådgivning (inkl. teknisk bistand med ligningspapirer)	10 000	29 000
Annen bistand	16 841	35 000
Sum	**150 841**	**217 000**

Konsern

Lønnskostnader	2017	2016
Lønn	73 129 417	68 130 441
Arbeidsgiveravgift	8 645 967	8 255 770
Pensjonskostnader	3 460 414	2 727 439
Andre ytelser	3 590 859	1 637 996
Sum	**88 826 656**	**80 751 647**
Sysselsatte årsverk i regnskapsåret har vært	166	143

Ytelser til ledende personer 2017	Konsernsjef	Ledere i datterselskaper	Styret i morselskapet	Styret i datterselskaper
Lønn	1 995 346	4 385 287		
Styrehonorar	95 000		315 000	123 000
Pensjonsutgifter	81 272	80 834		
Annen godtgjørelse	106 870	49 559		
Sum	2 278 488	4 515 680	315 000	123 000

Ytelser til ledende personer 2016	Konsernsjef	Ledere i datterselskaper	Styret i morselskapet	Styret i datterselskaper
Lønn	1 747 234	2 101 411		
Styrehonorar	137 000		255 000	266 720
Pensjonsutgifter	87 334			
Annen godtgjørelse	43 598	30 141		
Sum	2 015 166	2 131 552	255 000	266 720

Kostnadsført godtgjørelse til revisor	2017	2016
Lovpålagt revisjon	525 065	708 913
Skatterådgivning (inkl. teknisk bistand med ligningspapirer)	76 000	52 800
Annen bistand og attestasjonstjenester	65 226	163 250
Sum	**666 291**	**924 963**

Note 14 Pensjoner

Konsernet har pensjonsordninger sikret gjennom kollektivavtale i forsikringsselskap. Ordningene tilfredsstiller kravene i lov om obligatorisk tjenestepensjon. Konsernet har pensjonsplaner med innskuddsbaserte ordninger. Innskuddsplan innebærer at foretaket ikke har påtatt seg noen framtidig forpliktelse. Ved ytelsen av det årlige tilskuddet har foretaket oppfylt sin forpliktelse iht. ordningen.

Note 15 Bundne bankinnskudd, trekkrettigheter

Morselskap

Bundne bankinnskudd	**2017**	**2016**
Skattetrekksmidler	369 921	350 961

Konsern

Bundne bankinnskudd	**2017**	**2016**
Skattetrekksmidler	4 667 646	3 221 857

Trekkrettigheter	**2017**	**2016**
Ubenyttet kassekreditt	34 611 280	19 044 994

Note 16 Transaksjoner med nærstående parter

Morselskap

Mellomværende med konsernselskaper er spesifisert i note 9.
Renter til/fra konsernselskaper går frem av egne linjer i resultatregnskapet.

Selskapets transaksjoner med nærstående parter:

	2017	**2016**
a) Driftsinntekter		
Lisensinntekter fra konsernselskaper	523 208	243 080
Inntekter fra tjenester overfor konsernselskaper	20 582 445	13 756 497
Sum	**21 105 653**	**13 999 577**
b) Nedbetaling av gjeld		
Nedbetalt gjeld til Draupnir AS som er kontrollert av styreleder NORBIT Group AS	2 064 384	855 926
Sum	**2 064 384**	**855 926**

Konsern

Ytelser til ledende ansatte er omtalt i note 13, og mellomværende med konsernselskaper er omtalt i note 9.

Til generalforsamlingen i Norbit Group AS

Uavhengig revisors beretning

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Norbit Group AS' årsregnskap som viser et overskudd i selskapsregnskapet på kr 5 378 360 og et overskudd i konsernregnskapet på kr 29 790 709. Årsregnskapet består av:

- selskapsregnskapet, som består av balanse per 31. desember 2017, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper, og

- konsernregnskapet, som består av balanse per 31. desember 2017, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening:

- er årsregnskapet avgitt i samsvar med lov og forskrifter

- gir det medfølgende selskapsregnskapet et rettvisende bilde av den finansielle stillingen til Norbit Group AS per 31. desember 2017 og av selskapets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

- gir det medfølgende konsernregnskapet et rettvisende bilde av den finansielle stillingen til konsernet Norbit Group AS per 31. desember 2017 og av konsernets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet og konsernet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon består av årsberetningen, men inkluderer ikke årsregnskapet og revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Styret og administrerende direktørs ansvar for årsregnskapet

Styret og administrerende direktør (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet er ledelsen ansvarlig for å ta standpunkt til selskapets og konsernets evne til fortsatt drift, og på tilbørlig måte å opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

Som del av en revisjon i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og anslår vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.

- opparbeider vi oss en forståelse av den interne kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets og konsernets interne kontroll.

- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.

pwc

- konkluderer vi på hensiktsmessigheten av ledelsens bruk av fortsatt drift-forutsetningen ved avleggelsen av regnskapet, basert på innhentede revisjonsbevis, og hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggs-opplysningene i regnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon om årsregnskapet og årsberetningen. Våre konklusjoner er basert på revisjonsbevis innhentet inntil datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke fortsetter driften.

- evaluerer vi den samlede presentasjonen, strukturen og innholdet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet representerer de underliggende transaksjonene og hendelsene på en måte som gir et rettvisende bilde.

- innhenter vi tilstrekkelig og hensiktsmessig revisjonsbevis vedrørende den finansielle informasjonen til enhetene eller forretningsområdene i konsernet for å kunne gi uttrykk for en mening om det konsoliderte regnskapet. Vi er ansvarlige for å lede, følge opp og gjennomføre konsernrevisjonen. Vi alene er ansvarlige for vår revisjonskonklusjon.

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen og til hvilken tid revisjonsarbeidet skal utføres. Vi utveksler også informasjon om forhold av betydning som vi har avdekket i løpet av revisjonen, herunder om eventuelle svakheter av betydning i den interne kontrollen.

Uttalelse om øvrige lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til anvendelse av overskuddet er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets og konsernets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Trondheim, 20. mars 2018
PricewaterhouseCoopers AS

Kjetil Smørdal

Kjetil Smørdal
Statsautorisert revisor

NORBIT

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ÅRSRAPPORT 2016

Virksomhetens art og tilholdssted
Hovedkontoret i virksomheten er lokalisert i Trondheim. Forøvrig har konsernet i 2016 også drevet virksomhet i Norge fra Asker, Røros, Selbu og Gjøvik, samt utenlandsoperasjoner i Sopot/Gdansk, Wien, Budapest, Lanciano og Santa Barbara CA. Konsernet var også deleier i selskap lokalisert i Reykjavik. Virksomheten omfatter utvikling, tilvirkning og salg av elektronikkbasert produkter, systemer, løsninger og tjenester. Konsernet har strukturert sin virksomhet i fire forretningsområder; EMS (Electronic Manufacturing Services), ITS (Intelligent Traffic Systems), SubSea og ODM (Original Design Manufacturing).

NORBIT Group AS er morselskap i konsernet, som forøvrig i 2016 bestod av datterselskapene NORBIT ITS AS, NORBIT SubSea AS, NORBIT ODM AS, NORBIT EMS AS, Øverhagaen Eiendom AS, NORBIT Sourcing AS, NORBIT US Inc., NORBIT Poland Sp. z.o.o., NORBIT GmbH (Austria), NORBIT GmbH (Germany), NORBIT Hugary Kft., NORBIT Italy Srl., Fenrits AS, og NORBIT Technology Management AS. I tillegg er Kvikna EHF et tilknyttet selskap i konsernet.

Konsernet har som visjon å være et internasjonalt, kunnskapsbasert konsern som leverer høyteknologiske produkter, systemer, løsninger og tjenester til industrielle kunder. NORBIT skal gjenkjennes som et signifikant høyteknologisk varemerke i Norden. NORBIT-selskapene skal gjenkjennes som «World Class» i sine respektive markeder.

Utvikling i resultat og stilling
Morselskap:
Som det fremgår av regnskapet for NORBIT Group som morselskap, er andre driftsinntekter økt fra MNOK 13,7 i 2015 til MNOK 14,0 i 2016. Ordinært resultat i selskapsregnskapet ble i 2016 MNOK 1,7 mot MNOK 28,9 i 2015.

Konsern:
Konsernet hadde i 2016 en konsolidert omsetning på MNOK 310,2 mot MNOK 380,4 i 2015. Konsernets konsoliderte EBITDA for 2016 ble MNOK 18,6 mot MNOK 54,3 i 2015. Nedgangen skyldes først og fremst store ordrer og leveranser i forretningsområdet ITS i 2015.

For øvrig så henvises det til årsregnskap og årsberetninger til datterselskapene for en utfyllende beskrivelse av utvikling i resultat og stilling.

Fortsatt drift
Styret bekrefter at årsregnskapet gir et rettvisende bilde av selskapets, og konsernets, eiendeler og gjeld, finansielle stilling, resultat, drift og økonomi. Det er ikke inntruffet forhold etter årsskiftet av betydning for årsregnskapet. Styret legger til grunn at forutsetningene for fortsatt drift er tilstede gitt selskapets planer. Forøvring henvises det til note 8 vedrørende covenant på bankfinansieringen.

Forskning og utvikling (FoU)
Det er gjort vesentlige investeringer i utvikling av ny teknologi og egne produkter i 2016. Disse investeringene forventes å gi vesentlig framtidig inntjening og balanseføres således i årsregnskapet.

Arbeidsmiljø og likestilling
Konsernet hadde i 2016 totalt 143 sysselsatte årsverk og av disse er 41 kvinner, dette gir en kvinnelig prosentandel av arbeidsstokken på 29%. Konsernstyret består av seks medlemmer, hvorav samtlige er menn. Arbeidsmiljøet oppfattes som godt og det er ikke registrert skader eller arbeidsulykker av betydning.

Sykefravær
Det totale sykefraværet i konsernet anses å være lavt. Sykefraværet i morselskapet var 0,3%, i ITS var det 1,5%, mens i ODM var det 2,6% og for Subsea var sykefraværet 1,24% i 2016. I NORBIT EMS AS var sykefraværet 8%.

Diskriminering
Konsernet ønsker å fremme diskrimineringslovens formål i egen virksomhet.

Ytre miljø
Ingen av selskapene i konsernet har virksomhet av en slik karakter at det er påkrevd med spesiell utslippstillatelse eller rensetiltak. Alt avfall sorteres i henhold til de krav det regionale mottaksapparatet stiller og som det er inngått avtale med om innsamling og behandling av avfall.

Finansiell risiko
Styret mener at selskapets finansielle risiko er forsvarlig håndtert. Konsernets aktivitet er godt diversifisert, noe som gir en god evne til å takle nedgang innenfor ett forretningsområde. En vesentlig del av selskapets omsetning er i valuta, da primært i EURO og USD. Det forsøkes å oppnå balanse i valutaeksponeringen.

Resultatdisponering og utbyttegrunnlag
Årsresultatet på 1,7 MNOK er i sin helhet avsatt til annen egenkapital.

Fremtidig utvikling
Konsernet vil fortsette sitt arbeid med teknologiutvikling og produksjon. Det jobbes systematisk med videre oppbygging av en organisasjon for internasjonal forretningsutvikling og salg. Konsernet er etter styrets vurdering godt posisjonert for en solid vekst både i omsetning og resultat.

Trondheim 2017-04-03

Steffen Kirknes
Nestleder

Per Jørgen Weisethaunet
Styrets leder / Adm. dir.

Frode Iglebæk
Styremedlem

Per Arne Eide
Styremedlem

Tom Solberg
Styremedlem

Morselskap 2015	Morselskap 2016		Note	Konsern 2016	Konsern 2015
		Salgsinntekter	7	310 240 746	380 371 087
13 652 482	13 999 577	Andre driftsinntekter			
13 652 482	**13 999 577**	**Sum driftsinntekter**		**310 240 746**	**380 371 087**
49 611	29 692	Varekostnader		169 437 986	200 284 042
9 279 202	7 708 142	Lønnskostnader	13,14	80 751 647	91 490 479
163 927	242 866	Avskrivninger	1,2	22 856 925	19 073 940
		Nedskrivninger	1		12 303 304
5 921 097	7 361 034	Annen driftskostnad	13	41 473 650	34 276 147
15 413 837	**15 341 734**	**Sum driftskostnader**		**314 520 208**	**357 427 911**
-1 761 355	**-1 342 157**	**Driftsresultat**		**-4 279 462**	**22 943 175**
		Finansinntekter og finanskostnader			
36 554 612	7 164 147	Inntekt på investering i datterselskap og tilknyttet selskap	3	1 102 777	310 741
1 238 575	389 337	Renteinntekter selskap i samme konsern			
3 663 857	686 501	Andre renteinntekter		686 647	746 502
5 889 095	142 436	Andre finansinntekter		8 955 609	14 757 712
7 866 566	4 699 311	Andre rentekostnader		6 683 862	6 854 653
196 498	55 218	Andre finanskostnader		7 104 894	16 483 239
39 283 075	**3 627 891**	**Resultat av finansposter**		**-3 043 723**	**-7 522 937**
37 521 720	**2 285 734**	**Resultat før skattekostnad**		**-7 323 185**	**15 420 239**
8 590 902	586 745	Skatt på ordinær resultat	12	-2 746 461	4 264 676
28 930 818	**1 698 989**	**Årsresultat**		**-4 576 725**	**11 155 563**
		Minoritetsandel	10	1 647 850	2 452 820
		Majoritetsandel		-6 224 575	**8 702 743**
		Disponering av årsresultat			
2 800 000		Avsatt utbytte	10		
26 130 818	1 698 989	Annen egenkapital	10		
28 930 818	**1 698 989**	Sum disponert			

NORBIT

Eiendeler

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Morselskap 2015	Morselskap 2016		Note	Konsern 2016	Konsern 2015
		Anleggsmidler			
		Immaterielle eiendeler			
		Forskning og utvikling	1	71 878 768	73 404 233
		Utsatt skattefordel	12	11 384 490	7 865 091
		Goodwill	1	-1 050 561	-2 938 177
-	-	**Sum immaterielle eiendler**		**82 212 696**	**78 331 147**
		Varige driftsmidler			
		Tomter, bygninger o.a. fast eiendom	2	24 692 476	26 292 976
473 349	572 227	Driftsløsøre, inventar og utstyr	2	22 525 350	22 237 682
473 349	**572 227**	**Sum varige driftsmidler**		**47 217 826**	**48 530 658**
		Finansielle anleggsmidler			
123 990 902	129 305 051	Investeringer i datterselskap	3		
28 254 683	3 991 250	Lån til selskap i samme konsern	8		
1 250 005	1 250 005	Investeringer i tilknyttet selskap	3	2 649 225	1 377 967
		Investeringer i aksjer og andeler	4	100 000	100 000
153 495 590	**134 546 306**	**Sum finansielle anleggsmidler**		**2 749 225**	**1 477 967**
153 968 939	**135 118 533**	**Sum anleggsmidler**		**132 179 748**	**128 339 772**
		Omløpsmidler			
		Varelager	5	59 481 751	67 086 236
		Fordringer			
4 476 239	5 280 407	Kundefordringer	8,9	49 853 382	60 288 859
61 155 637	78 141 992	Fordringer selskap samme konsern	9		
1 406 564	571 644	Andre kortsiktige fordringer		14 170 245	14 158 097
67 038 440	**83 994 043**	**Sum fordringer**		**64 023 627**	**74 446 956**
364 662	350 961	Bankinnskudd, kontanter og lignende	15	6 321 263	8 299 711
67 403 102	**84 345 004**	**Sum omløpsmidler**		**129 826 641**	**149 832 903**
221 372 042	**219 463 537**	**Sum eiendeler**		**262 006 389**	**278 172 675**

Morselskap 2015	Morselskap 2016		Note	Konsern 2016	Konsern 2015
		Innskutt egenkapital			
362 856	362 856	Aksjekapital	10,11	362 856	362 856
12 391 144	12 391 144	Overkurs	10	12 391 144	12 391 144
12 754 000	**12 754 000**	**Sum innskutt egenkapital**		**12 754 000**	**12 754 000**
		Opptjent egenkapital			
52 454 814	54 153 803	Annen egenkapital	10	41 548 850	46 801 902
52 454 814	**54 153 803**	**Sum opptjent egenkapital**		**41 548 850**	**46 801 902**
		Minoritetsinteresser	10	14 962 568	13 785 308
65 208 814	**66 907 803**	**Sum egenkapital**		**69 265 417**	**73 341 209**
		Avsetninger og forplikteler			
21 365	14 593	Utsatt skatt	12		
21 365	**14 593**	**Sum avsetninger og forplikteler**		-	-
		Annen langsiktig gjeld			
48 759 162	48 419 159	Gjeld til kredittinstitusjoner	8	52 531 433	55 336 084
		Øvrig langsiktig gjeld	8	11 555 082	12 261 776
48 759 162	**48 419 159**	**Sum annen langsiktig gjeld**		**64 086 515**	**67 597 860**
		Kortsiktig gjeld			
58 843 240	60 955 006	Gjeld til kredittinstitusjoner	8	62 478 540	59 743 552
1 000 561	1 680 103	Leverandørgjeld		46 247 183	46 664 788
		Betalbar skatt	12	756 559	1 372 585
662 655	110 047	Skyldige offentlige avgifter		4 318 078	7 099 178
2 800 000		Utbytte	10	342 964	3 800 000
42 838 982	40 710 799	Gjeld til selskap i samme konsern	9		
1 237 263	666 028	Annen kortsiktig gjeld	6	14 511 132	18 553 503
107 382 700	**104 121 982**	**Sum kortsiktig gjeld**		**128 654 456**	**137 233 606**
156 163 227	**152 555 734**	**Sum gjeld**		**192 740 971**	**204 831 466**
221 372 042	**219 463 537**	**Sum egenkapital og gjeld**		**262 006 389**	**278 172 675**

Trondheim 2017-04-03

Steffen Kirknes
Nestleder

Per Jørgen Weisethaunet
Styrets leder / Adm. dir.

Frode Iglebæk
Styremedlem

Per Arne Eide
Styremedlem

Tom Solberg
Styremedlem

Morselskap 2015	Morselskap 2016		Konsern 2016	Konsern 2015
		Kontantstrømmer fra operasjonelle aktiviteter		
37 521 720	2 285 734	Resultat før skattekostnad	-7 323 185	15 420 239
		Periodens betalte skatt	-1 372 585	-534 768
-5 726 707		Tap/ gevinst ved salg av eiendeler		
163 927	242 866	Avskrivninger	22 856 925	19 073 940
		Resultatandel fra tilknyttede selskaper (fratrukket utdeling)	-1 102 777	-310 741
		Endring i varelager	7 604 485	-4 247 647
-1 472 486	-804 168	Endring i kundefordringer	10 435 477	-11 920 727
505 578	679 542	Endring i leverandørgjeld	-417 605	852 061
-37 008 484	-17 275 278	Endring i andre tidsavgrensingsposter	-6 835 620	-6 087 754
		Effekt av valutakursendringer	490 023	-549 225
-6 016 452	**-14 871 304**	**Netto kontantstrøm fra operasjonelle aktiviteter**	**24 335 138**	**23 998 682**
		Kontantstrøm fra investeringsaktiviteter		
-332 561	-341 743	Utbetalinger ved kjøp av varige driftsmidler	-7 445 010	-13 614 573
		Utbetalinger ved kjøp av immaterielle eiendeler	-14 461 233	-22 232 826
-53 826 790	-5 907 667	Utbet. ved kjøp av aksjer / konsernbidrag til TS og DS		
373 594		Innbetalinger ved salg av aksjer		
13 672 559	24 263 433	Innbetalinger på lånefordring konsern (korts./langs.)		
-40 113 198	**18 014 022**	**Netto kontantstrøm fra investeringsaktiviteter**	**-21 906 243**	**-35 847 399**
		Kontantstrømmer fra finansieringsaktiviteter		
22 516 639	2 111 766	Netto innbetaling kassekreditt	2 734 989	9 701 962
20 854 643		Innbetalinger gjeld konsernselskaper		
	-2 128 183	Utbet. ved nedbetaling av gjeld til konsernselskap (korts./langs.)		-
2 771 664	5 000 000	Innbetalinger ved opptak av annen gjeld (korts./langs.)	5 000 000	16 218 656
	-5 340 003	Utbetalinger ved nedbetaling av annen gjeld (korts./langs.)	-8 511 344	-7 091 566
	-2 800 000	Utbetaling av utbytte	-3 800 000	-41 488
		Endring minoritet, utkjøp og omorganisering	169 012	-10 400 361
46 142 946	**-3 156 419**	**Netto kontantstrømmer fra finansieringsaktiviteter**	**-4 407 344**	**8 387 203**
13 296	**-13 701**	**Netto kontantstrøm for perioden**	**-1 978 449**	**-3 461 514**
351 367	364 662	Kontanter og kontantekvivalenter ved periodens begynnelse	8 299 711	11 761 225
364 662	**350 961**	**Kontanter og kontantekvivalenter ved periodens slutt**	**6 321 263**	**8 299 711**
		Bestående av:		
364 662	350 961	Bankinnskudd, kontanter og lignende.	6 321 263	8 299 711
21 156 760	19 044 994	Ubenyttet driftskreditt utgjør i tillegg	19 044 994	20 256 448

Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven og god regnskapsskikk.

Bruk av estimater
Utarbeidelse av regnskaper i samsvar med regnskapsloven krever bruk av estimater. Videre krever anvendelse av selskapets regnskapsprinsipper at ledelsen må utøve skjønn. Områder som i stor grad inneholder slike skjønnsmessige vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er vesentlige for årsregnskapet, er beskrevet i notene.

Aksjer i datterselskap og tilknyttet selskap
Datterselskaper er selskaper der morselskapet har kontroll, og dermed bestemmende innflytelse på enhetens finansielle og operasjonelle strategi, normalt ved å eie mer enn halvparten av den stemmeberettigede kapitalen. Investeringer med 20-50 % eie av stemmeberettiget kapital og betydelig innflytelse, defineres som tilknyttede selskaper.

Følgende selskaper inngår i konsernet 31.12.:
Mor- og datterselskaper
- NORBIT Group AS (morselskap)
- NORBIT ODM AS
- NORBIT ITS AS
- NORBIT Subsea AS
- NORBIT Technology Management AS
- NORBIT EMS AS
- Øverhagaen Eiendom AS
- NORBIT Sourcing AS
- Fenrits AS
- NORBIT US Inc.
- NORBIT Poland Sp. z.o.o.
- NORBIT Hungary Kft.
- NORBIT GmbH. (Austria)
- NORBIT GmbH. (Germany)
- NORBIT Italy Srl.

Tilknyttede selskaper
- Kvikna ehf.

Regnskapsprinsipper for aksjer i datterselskaper og tilknyttede selskaper
Kostmetoden brukes som prinsipp for investeringer i datterselskaper og tilknyttede selskaper i selskapsregnskapet. Kostprisen økes når midler tilføres ved kapitalutvidelse, eller når det gis konsernbidrag til datterselskap. Mottatte utdelinger resultatføres i utgangspunktet som inntekt. Utdelinger som overstiger andel av opptjent egenkapital etter kjøpet føres som reduksjon av anskaffelseskost. Utbytte/konsernbidrag fra datterselskap regnskapsføres det samme året som datterselskapet avsetter beløpet. Utbytte fra andre selskaper regnskapsføres som finansinntekt når utbyttet er vedtatt.

I konsernregnskapet brukes egenkapitalmetoden som prinsipp for investeringer i tilknyttede selskaper. Bruk av metoden fører til at regnskapsført verdi i balansen tilsvarer andelen av egenkapitalen i det tilknyttede selskapet, korrigert for eventuelle gjenværende merverdier fra kjøpet og urealiserte interngevinster Resultatandelen i resultatregnskapet baseres på andelen av resultatet etter skatt i det tilknyttede selskapet, og korrigeres for eventuelle avskrivninger på merverdier og urealiserte gevinster. I resultatregnskapet vises resultatandelen under finansposter.

Konsolideringsprinsipper
Datterselskaper blir konsolidert fra det tidspunkt kontrollen er overført til konsernet (oppkjøpstidspunktet).

I konsernregnskapet erstattes posten aksjer i datterselskap med datterselskapets eiendeler og gjeld. Konsernregnskapet utarbeides som om konsernet var én økonomisk enhet. Transaksjoner, urealisert fortjeneste og mellomværende mellom selskapene i konsernet elimineres.

Kjøpte datterselskaper regnskapsføres i konsernregnskapet basert på morselskapets anskaffelseskost. Anskaffelseskost tilordnes identifiserbare eiendeler og gjeld i datterselskapet, som oppføres i konsernregnskapet til virkelig verdi på oppkjøpstidspunktet. Eventuell merverdi ut over hva som kan henføres til identifiserbare eiendeler og gjeld, balanseføres som goodwill. Goodwill behandles som en residual og balanseføres med den andelen som er observert i oppkjøpstransaksjonen. Merverdier i konsernregnskapet avskrives over de oppkjøpte eiendelenes forventede levetid. Negativ goodwill inntektsføres over fem år.

Omregning av utenlandske datterselskaper skjer ved at balansen omregnes til balansedagens kurs, og at resultatregnskapet omregnes til en gjennomsnittskurs. Eventuelle vesentlige transaksjoner omregnes til transaksjonsdagens kurs. Alle omregningsdifferanser føres direkte mot egenkapitalen.

Salgsinntekter
Inntekter ved salg av varer og tjenester vurderes til virkelig verdi av vederlaget, netto etter fradrag for merverdiavgift, returer, rabatter og andre avslag. Salg av varer resultatføres når en enhet innenfor konsernet har levert sine produkter til kunden og det ikke er uoppfylte forpliktelser som kan påvirke kundens aksept av leveringen. Levering er ikke foretatt før produktene er sendt til avtalt sted og risiko for tap og ukurans er overført til kunden. Erfaringstall brukes som grunnlag for å estimere og regnskapsføre avsetninger for kvantumsrabatter og varereturer på salgstidspunktet. Avsetning til forventede garantiarbeider føres som kostnad og avsetning for forpliktelser.

Tjenester inntektsføres i takt med utførelsen.

Klassifisering av balanseposter
Eiendeler bestemt til varig eie eller bruk klassifiseres som anleggsmidler. Eiendeler som er tilknyttet varekretsløpet klassifiseres som omløpsmidler. Fordringer for øvrig klassifiseres som omløpsmidler hvis de skal tilbakebetales innen ett år. For gjeld legges analoge kriterier til grunn. Første års avdrag på langsiktige fordringer og langsiktig gjeld klassifiseres likevel ikke som omløpsmiddel og kortsiktig gjeld.

Anskaffelseskost
Anskaffelseskost for eiendeler omfatter kjøpesummen for eiendelen, med fradrag for bonuser, rabatter og lignende, og med tillegg for kjøpsutgifter (frakt, toll, offentlige avgifter som ikke refunderes og eventuelle andre direkte kjøpsutgifter). Ved kjøp i utenlandsk valuta balanseføres eiendelen til kursen på transaksjonstidspunktet, men til terminkursen ved bruk av terminkontrakt.

For varige driftsmidler og immaterielle eiendeler omfatter anskaffelseskost også direkte utgifter for å klargjøre eiendelen for bruk, for eksempel utgifter til testing av eiendelen.

Renter knyttet til tilvirkning av anleggsmidler kostnadsføres.

Immaterielle eiendeler og goodwill
Goodwill har oppstått i forbindelse med kjøp av datterselskap. Goodwill avskrives over forventet levetid.

Utgifter til utvikling balanseføres i den grad det kan identifiseres en fremtidig økonomisk fordel knyttet til utvikling av en identifiserbar immateriell eiendel og utgiftene kan måles pålitelig. I motsatt fall kostnadsføres slike utgifter løpende. Balanseført utvikling avskrives lineært over økonomisk levetid.

Varige driftsmidler
Tomter avskrives ikke. Andre varige driftsmidler balanseføres og avskrives lineært til restverdi over driftsmidlenes forventede utnyttbare levetid. Ved endring i avskrivningsplan fordeles virkningen over gjenværende avskrivningstid ("knekkpunktmetoden"). Vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader. Påkostninger og forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Skillet mellom vedlikehold og påkostning/forbedring regnes i forhold til driftsmidlets stand på anskaffelsestidspunktet.

Leide (leasede) driftsmidler balanseføres som driftsmidler hvis leiekontrakten anses som finansiell.

Andre langsiktige aksjeinvesteringer
Kostmetoden brukes som prinsipp for investeringer i andre aksjer mv. Utdelinger regnskapsføres i utgangspunktet som finansinntekt, når utdelingen er vedtatt. Hvis utdelingene vesentlig overstiger andel av opptjent egenkapital etter kjøpet, føres det overskytende til reduksjon av kostprisen.

Nedskrivning av anleggsmidler
Ved indikasjon om at balanseført verdi av et anleggsmiddel er høyere enn virkelig verdi, foretas det test for verdifall. Testen foretas for det laveste nivå av anleggsmidler som har selvstendige kontantstrømmer. Hvis balanseført verdi er høyere enn både salgsverdi og gjenvinnbart beløp (nåverdi ved fortsatt bruk/eie), foretas det nedskrivning til det høyeste av salgsverdi og gjenvinnbart beløp. Tidligere nedskrivninger, med unntak for nedskrivning av goodwill, reverseres hvis forutsetningene for nedskrivningen ikke lenger er til stede.

Varelager
Varer vurderes til det laveste av anskaffelseskost (etter FIFO-prinsippet) og virkelig verdi. For råvarer brukes gjenanskaffelseskost som tilnærming til virkelig verdi. For ferdig tilvirkede varer og varer under tilvirkning består anskaffelseskost av utgifter til produktutforming, materialforbruk, direkte lønn, og andre direkte og indirekte produksjonskostnader (basert på normal kapasitet). Virkelig verdi er estimert salgspris fratrukket nødvendige utgifter til ferdigstillelse og salg. Bare variable utgifter anses nødvendige for å selge ferdige varer, mens også faste tilvirkningskostnader inkluderes som nødvendige for varer som ikke er ferdig tilvirket.

Anleggskontrakter
Arbeid under utførelse knyttet til fastpriskontrakter med lang tilvirkningstid vurderes etter løpende avregnings metode. Fullførelsesgraden beregnes som påløpte kostnader i prosent av forventet totalkostnad. Totalkostnaden revurderes løpende. For prosjekter som antas å gi tap, kostnadsføres hele det beregnede tapet umiddelbart.

Fordringer
Kundefordringer føres opp i balansen etter fradrag for avsetning til forventede tap. Avsetning til tap gjøres på grunnlag av individuell vurdering av fordringene og en tilleggsavsetning som skal dekke øvrige påregnelige tap. Vesentlige økonomiske problemer hos kunden, sannsynligheten for at kunden vil gå konkurs eller gjennomgå økonomisk restrukturering, og utsettelser og mangler ved betalinger anses som indikatorer på at kundefordringer må

Andre fordringer, både omløpsfordringer og anleggsfordringer, føres opp til det laveste av pålydende og virkelig verdi. Virkelig verdi er nåverdien av forventede framtidige innbetalinger. Det foretas likevel ikke neddiskontering når effekten av neddiskontering er uvesentlig for regnskapet. Avsetning til tap vurderes på samme måte som for kundefordringer.

Investeringer i børsnoterte aksjer
For kortsiktige investeringer i børsnoterte aksjer brukes markedsverdiprinsippet. Verdien i balansen tilsvarer markedsverdien av investeringene pr. 31.12. Mottatt utbytte, og realiserte og urealiserte gevinster/tap, resultatføres som finansposter.

Sikringsbokføring av valutaterminkontrakter
Urealiserte gevinster og tap på valutaterminkontrakter regnskapsføres ikke. Urealisert gevinst eller tap er opplyst i note.

Utenlandsk valuta
Fordringer og gjeld i utenlandsk valuta vurderes etter kursen ved regnskapsårets slutt. Kursgevinster og kurstap knyttet til varesalg og varekjøp i utenlandsk valuta føres som salgsinntekter og varekostnad.

Gjeld
Gjeld, med unntak for enkelte avsetninger for forpliktelser, balanseføres til nominelt gjeldsbeløp.

Garantiarbeider/reklamasjoner
Garantiarbeider/reklamasjoner knyttet til avsluttede salg vurderes til antatt kostnad for slikt arbeid. Estimatet beregnes med utgangspunkt i historiske tall for garantiarbeider, men korrigert for forventet avvik på grunn av for eksempel endring i kvalitetssikringsrutiner og endring i produktspekter. Avsetningen føres opp under "Annen kortsiktig gjeld", og endringen i avsetningen kostnadsføres.

Pensjoner
Konsernets pensjonsordninger er finansiert gjennom innbetalinger til forsikringsselskap.

Innskuddsplaner
Ved innskuddsplaner betaler selskapet innskudd til et forsikringsselskap. Selskapet har ingen ytterligere betalingsforpliktelse etter at innskuddene er betalt. Innskuddene regnskapsføres som lønnskostnad. Eventuelle forskuddsbetalte innskudd balanseføres som eiendel (pensjonsmidler) i den grad innskuddet kan refunderes eller redusere framtidige innbetalinger.

Skatt
Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt beregnes på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt eventuelt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet. Oppføring av utsatt skattefordel på netto skattereduserende forskjeller som ikke er utlignet og underskudd til fremføring, begrunnes med antatt fremtidig inntjening. Utsatt skatt og skattefordel som kan balanseføres oppføres netto i balansen.

Skattereduksjon ved avgitt konsernbidrag, og skatt på mottatt konsernbidrag som føres som reduksjon av balanseført beløp på investering i datterselskap, føres direkte mot skatt i balansen (mot betalbar skatt hvis konsernbidraget har virkning på betalbar skatt, og mot utsatt skatt hvis konsernbidraget har virkning på utsatt skatt). Utsatt skatt både i selskapsregnskapet og i konsernregnskapet regnskapsføres til nominelt beløp.

Kontantstrømoppstilling
Kontantstrømoppstillingen utarbeides etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige likvide plasseringer, som umiddelbart og med uvesentlig kursrisiko kan konverteres til kjente kontantbeløp og med gjenværende løpetid mindre enn tre måneder fra anskaffelsesdato.

Note 1 Immaterielle eiendeler og goodwill

Konsern

	FoU	Goodwill oppkjøp ITS, Fenrits og SubSea	Goodwill oppkjøp Norbitech Hold.	Goodwill oppkjøp NORBIT EMS	Goodwill oppkjøp NORBIT Sourcing	Sum
Anskaffelseskost 01.01.	123 495 961	-658 415	-6 970 196	-5 737 202	-103 767	110 026 381
Tilgang	14 461 233					14 461 233
Avgang						-
Anskaffelseskost 31.12.	137 957 194	-658 415	-6 970 196	-5 737 202	-103 767	124 487 614
Akkumulerte avskrivninger 31.12.	53 775 121	-776 048	-6 970 196	-4 589 762	-83 012	41 356 103
Akkumulerte nedskrivninger 31.12	12 303 304					12 303 304
Balanseført verdi 31.12.	**71 878 768**	**117 633**	**0**	**-1 147 440**	**-20 755**	70 828 207
Årets avskrivninger	15 986 698	156 844	-876 266	-1 147 440	-20 753	14 099 083
Forventet økonomisk levetid	5 år	5 år	5 år	5 år	5 år	
Avskrivningsplan	Lineær	Lineær	Lineær	Lineær	Lineær	

Det satses vesentlig på forskning og utvikling i konsernet. I 2016 er det gjort videreutvikling på egen teknologi og egne produkter innen markedssegmentene Intelligent Traffic Systems, Original Design Manufacturing og SubSea.
Det er utført nedskrivningstest hvor resultatet er at det ikke er funnet indikasjoner på at nedskrivning av immaterielle eiendeler for 2016 er nødvendig.
Av en totalt bokført verdi på 71,9 MNOK i FoU per 31.12, utgjør 54,1 MNOK verdi på ferdig utviklede produkter som er i salg kommersielt.

Note 2 Varige driftsmidler

Morselskap

	Driftsløsøre	Sum
Anskaffelseskost 01.01.	669 491	669 491
Tilgang	341 743	341 743
Avgang		-
Anskaffelseskost 31.12.	1 011 235	1 011 235
Akkumulerte avskrivninger 31.12.	439 008	439 008
Balanseført verdi 31.12.	**572 227**	572 227
Årets avskrivninger	242 866	242 866
Forventet økonomisk levetid	3-5 år	
Avskrivningsplan	Lineær	

Konsern

	Bygninger og tomter	Maskiner og inventar	Sum
Anskaffelseskost 01.01.	35 814 535	128 769 247	164 583 782
Tilgang	331 304	7 113 706	7 445 010
Avgang			-
Anskaffelseskost 31.12.	36 145 839	135 882 953	172 028 792
Akkumulerte avskrivninger 31.12.	11 453 364	113 357 605	124 810 969
Balanseført verdi 31.12.	**24 692 476**	**22 525 350**	47 217 826
Årets avskrivninger	1 931 804	6 826 039	8 757 843
Forventet økonomisk levetid	25 år	3-7 år	
Avskrivningsplan	Lineær	Lineær	

Årlig leie av ikke balanseførte driftsmidler

Driftsmiddel	Leieperiode	2016 Årlig leie	2015 Årlig leie
Maskiner	0-33 mnd.		26 197
Bygninger	66 mnd.	4 156 174	3 679 069

Note 3 Datterselskap og tilknyttet selskap

Morselskap

Investeringene i datterselskaper og tilknyttede selskaper regnskapsføres etter kostmetoden.

Datterselskap	Forretnings-kontor	Eier-/ stemme-andel	Egenkap. siste år (100%)	Resultat siste år (100%)	Balanseført verdi
NORBIT Subsea AS	Trondheim	100,00 %	25 753 856	-5 755 788	49 898 773
NORBIT ODM AS	Trondheim	100,00 %	5 476 287	-9 458 811	22 360 843
NORBIT ITS AS	Trondheim	94,00 %	38 455 112	6 092 923	25 309 234
NORBIT EMS AS	Selbu/Røros	82,66 %	61 348 110	7 212 009	27 580 489
NORBIT Sourcing AS	Gjøvik	100,00 %	1 112 583	-1 067 800	971 840
NORBIT US Ltd.	Santa Barbara	100,00 %	-3 653 344	-1 171 798	
NORBIT Poland Sp. z.o.o.	Gdansk/Sopot	100,00 %	43 046	107 986	47 339
NORBIT Hungary Kft.	Budapest	100,00 %	868 724	955 015	153 386
NORBIT GmbH (Austria)	Wien	100,00 %	350 083	12 892	422 941
NORBIT GmbH (Germany)	Hamburg	50,00 %	1 000 000		501 550
NORBIT Italy Srl.	Lanciano	100,00 %			126 114
NORBIT Technology Management AS	Trondheim	100,00 %	295 670	17 464	576 140
Fenrits AS	Trondheim	100,00 %	809 297	-11 846	1 356 401
Balanseført verdi 31.12.					**129 305 051**

Tilknyttede selskaper	Forretnings-kontor	Eier-/ stemme-andel	Egenkap. siste år (100%)	Resultat siste år (100%)	Balanseført verdi
Kvikna ehf.*	Island	33,33 %	7 947 676	3 308 330	1 250 005
Balanseført verdi 31.12.					**1 250 005**

*) Kvikna ehf. eier 100% av aksjene i Kvikna Medical ehf., som er innregnet i EK og resultat i tallene over.

Konsern

Beregning av årets resultatandel tilknyttet selskap	Kvikna ehf.	Sum tilknyttede selskaper
Andel årets resultat	1 102 777	1 102 777
Årets resultatandel	1 102 777	**1 102 777**

Beregning av balanseført verdi 31.12.	Kvikna ehf.	Sum tilknyttede selskaper
Balanseført verdi 01.01.	1 377 967	1 377 967
Omregningsdifferanse	168 481	168 481
Årets resultatandel	1 102 777	1 102 777
Balanseført verdi 31.12.	2 649 225	**2 649 225**

Note 4 Andre langsiktige aksjer og andeler

Konsern

	Land	Eier-/ stemme-andel	Balanseført verdi
Tangen Næringsbygg AS	Norge	0,3 %	100 000
NORBIT Australia *)	Australia	100 %	
Balanseført verdi 31.12.			**100 000**

*) Selskapet er uten aktivitet eller vesentlige balanseposter, og er derfor ikke konsolidert inn i konsernregnskapet. Selskapet avvikles i 2017

Note 5 Varer

Konsern

	2016	2015
Råvarer	36 284 324	44 070 002
Varer under tilvirkning	10 060 036	15 918 074
Egentilvirkede ferdigvarer	13 137 392	7 098 160
Sum	**59 481 751**	**67 086 236**
Varebeholdning vurdert til anskaffelseskost	61 843 914	68 905 728
Nedskrivning for ukurans	-2 362 163	-1 819 492
Sum	**59 481 751**	**67 086 236**

Note 6 Anleggskontrakter

Konsern

Resultatposter vedrørende prosjekter	2016	2015
Resultat på prosjekter under utførelse		
Resultatførte totale inntekter	2 617 304	3 301 769
Estimert kontraktsfortjeneste	3 481 569	-424 149

Note 7 Driftsinntekter

Morselskap

Alle inntekter er opptjent i Norge og består av lisensinntekter og honorar for tjenester overfor konsernselskaper.

Konsern

Fordeling på virksomhetsområder	2016	2015
Utvikling og salg av teknologi og produkter for elektronisk identifikasjon	55 290 564	116 651 575
Utvikling, tilvirkning og leveranse av elektronikkbaserte produkter og løsninger	30 559 217	34 056 789
Kontraktsproduksjon av elektronikk	181 441 765	206 817 185
Utvikling og salg av sonarteknologi og annet subsearelatert utstyr	42 949 200	22 845 538
Sum	**310 240 746**	**380 371 087**

Note 8 Fordringer og gjeld

Morselskap

Fordringer med forfall senere enn ett år	**2016**	**2015**
Lån til selskap i samme konsern	3 991 250	28 254 683

Langsiktig gjeld med forfall senere enn 5 år	22 250 000	25 087 500

Gjeld sikret ved pant	**2016**	**2015**
Langsiktig gjeld	48 419 159	48 759 162
Kortsiktig gjeld	60 955 006	58 843 240
Sum	**109 374 165**	**107 602 402**

Balanseført verdi av pantsatte eiendeler	**2016**	**2015**
Varige driftsmidler	572 227	473 349
Fordringer	5 280 407	4 476 239
Aksjer	129 305 051	123 990 902
Sum	**135 157 685**	**128 940 490**

	2016		2015	
Sikkerhetsstillelse	Tilnyttet selskap	Datter-selskap*	**Tilnyttet selskap**	**Datter-selskap***
Kausjonsforpliktelse		1 500 000		1 500 000

* NORBIT Sourcing AS

Selskapet har etablert en konsernkontoordning hvor selskapet med datterselskaper hefter solidarisk for gjeld stiftet i morselskapet. Trekkfasilitetene for konsernkontoordningen er på 80 000 000

Konsern

	2016	**2015**
Langsiktig gjeld med forfall senere enn 5 år	24 250 000	27 808 660

Gjeld sikret ved pant	**2016**	**2015**
Langsiktig gjeld	62 086 515	58 643 065
Kortsiktig gjeld	60 955 006	59 743 552
Sum	**123 041 521**	**118 386 617**

Balanseført verdi av pantsatte eiendeler	**2016**	**2015**
Varige driftsmidler	47 059 173	48 530 658
Varer	56 948 846	64 360 081
Fordringer	41 205 858	62 990 916
Sum	**145 213 877**	**175 881 655**

Eiendelene er i tillegg stillet som sikkerhet for		
Ubenyttet kassekreditt	19 044 994	20 256 448
Sum	**19 044 994**	**20 256 448**

Kundefordringer	**2016**	**2015**
Kundefordringer til pålydende	49 853 382	60 288 859
Avsetning til tap på kundefordringer		
Kundefordringer i balansen	**49 853 382**	**60 288 859**

Konsernets leasingforpliktelse er oppført under øvrig langsiktig gjeld og er per utgangen av året på kr 9 125 082.
Leasinggjeld er sikret ved pant i underliggende leasingobjekter.

Konsernets urealiserte gevinst/tap på valutaterminkontrakter er per 31.12 på kr 0
Konsernet har gjennom 2016 benyttet seg av terminkontrakter og opsjonskontrakter, for å sikre eksponering mot kurssvigninger i USD og EUR.
Konsernet er per 31.12 i brudd med lånebetingelser stilt av banken, banken har waivet dette og man er nå innenfor bankens gjeldene covenants.

Note 9 Mellomværende med selskap i samme konsern m.v.

Morselskap

	Kundefordringer		Andre kortsiktige fordringer	
	2016	2015	2016	2015
Foretak i samme konsern m.v.	5 280 407	4 476 239	78 141 992	61 155 637
Tilknyttet selskap				
Sum	**5 280 407**	4 476 239	**78 141 992**	61 155 637

	Leverandørgjeld		Annen kortsiktig gjeld	
	2016	2015	2016	2015
Foretak i samme konsern	843 230		40 710 799	42 838 982
Tilknyttet selskap				
Sum	**843 230**	-	**40 710 799**	42 838 982

Det er i 2016 mottatt konsernbidrag fra NORBIT ITS AS på 7 164 147.
Det er avgitt konsernbidrag til NORBIT ODM AS på 3 964 071
Mottatt konsernbidrag inngår i kortsiktige fordringer konsern, og avgitt konsernbidrag inngår i kortsiktig gjeld til selskap i samme konsern.

Konsern

	Leverandørgjeld	
	2016	2015
Tilknyttet selskap	1 534 920	1 641 100

Note 10 Egenkapital

Morselskap

Årets endring i egenkapital	**Aksjekapital**	**Overkurs**	**Annen egenkapital**	**Sum**
Egenkapital 01.01.	362 856	12 391 144	52 454 814	65 208 814
Årets resultat			1 698 989	1 698 989
Egenkapital 31.12.	**362 856**	**12 391 144**	**54 153 803**	**66 907 803**

Konsern

Årets endring i egenkapital	**Aksjekapital**	**Overkurs**	**Annen egenkapital**	**Minorites-interesser**	**Sum**
Egenkapital 01.01.	362 856	12 391 144	46 801 902	13 785 308	73 341 209
Årets resultat			-6 224 575	1 647 850	-4 576 725
Endring minoritet, utkjøp og omorganisering				590 460	590 460
Avsatt utbytte				-342 964	-342 964
Omregningsdifferanse utenlandske datterselskaper			253 437		253 437
Egenkapital 31.12.	**362 856**	**12 391 144**	**40 830 765**	**15 680 654**	**69 265 417**

Note 11 Aksjekapital og aksjonærinformasjon

Morselskapets aksjekapital består av 362 856 aksjer á kr 1

Oversikt over aksjonærene 31.12.

Aksjonær	**Roller**	**Antall**	**Eierandel**
VHF Invest AS	Styreleder eier 100 % av VHF Invest AS	114 300	31,5 %
Draupnir Invest AS	Styreleder eier 4 % av Draupnir Invest AS	88 900	24,5 %
Lade Teknopark AS	Styremedlem Per Arne Eide er styreleder i Lade Teknopark AS	76 199	21,0 %
Petors AS	Daglig leder eier 100 % av Petors AS.	83 457	23,0 %
Totalt antall aksjer		**362 856**	**100,0 %**

Note 12 Skatt

	Morselskap		*Konsern*	
Beregning av utsatt skatt/utsatt skattefordel	2016	**2015**	2016	**2015**
Midlertidige forskjeller				
Driftsmidler	60 802	84 486	-26 028 533	-21 763 359
Varelager			-2 362 163	-1 819 492
Fordringer			104 220	96 071
Garantiavsetninger			-1 797 358	-1 449 079
Andre forskjeller		975	4 923 766	-1 398 674
Netto midlertidige forskjeller	60 802	85 461	-25 160 068	-26 334 533
Underskudd til fremføring (FFU)			-22 111 175	-5 125 835
Grunnlag for utsatt skatt	60 802	**85 461**	-47 271 243	**-31 460 368**
24%/25% utsatt skatt (skattefordel)	14 593	21 365	-11 384 490	-7 865 091
Herav ikke balanseført utsatt skattefordel				
Utsatt skatt i balansen	14 593	**21 365**	-11 384 490	**-7 865 091**

Grunnlag for skattekostnad, endring i utsatt skatt og betalbar skatt

	Morselskap 2016	Morselskap 2015	Konsern 2016	Konsern 2015
Grunnlag for betalbar skatt				
Resultat før skattekostnad	2 285 734	37 521 720	-7 323 185	15 420 239
Permanente forskjeller	64 654	-5 697 236	-4 829 814	-6 035 954
Grunnlag for skattekostnad på årets resultat	2 350 388	31 824 484	-12 153 000	9 384 285
Endring i midlertidige forskjeller og FFU	23 684	-3 703	15 179 238	-4 300 636
Gr.lag for bet.bar skatt i res.regnskapet	**2 374 072**	**31 820 781**	**3 026 238**	**5 083 649**
+/÷ Mottatt/avgitt konsernbidrag	-2 374 072	-31 820 781		
Skattepliktig inntekt (grunnlag for betalbar skatt i balansen)	-	-	**3 026 238**	**5 083 649**
Fordeling av skattekostnaden				
Betalbar skatt (25 % av grunnlag for betalbar skatt i resultatregnskapet)	593 518	8 591 611	756 559	1 372 585
For mye, for lite avsatt i fjor				
Sum betalbar skatt	593 518	8 591 611	756 559	1 372 585
Endring i utsatt skatt	-6 773	-709	-3 503 020	2 892 091
Skattekostnad	**586 745**	**8 590 902**	**-2 746 461**	**4 264 676**
Betalbar skatt i balansen				
Betalbar skatt i skattekostnaden	593 518	8 591 611	756 559	1 372 585
Skattevirkning av konsernbidrag	-593 518	-8 591 611		
Betalbar skatt i balansen	-	-	**756 559**	**1 372 585**
Avstemming av skattekostnaden				
Skattesats i prosent av resultat før skatt	571 434	10 130 864	-1 903 741	4 163 465
Skattesats i prosent av permanente forskjeller	16 164	-1 538 254	-1 220 683	-1 629 708
Skatteeffekt av endret skattesats	-852	-1 709	377 964	1 730 919
Skattekostnad	**586 745**	**8 590 902**	**-2 746 461**	**4 264 676**

Note 13 Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte mm.

Morselskap

Lønnskostnader	2016	2015
Lønn	6 013 618	7 197 172
Arbeidsgiveravgift	961 641	1 098 805
Pensjonskostnader	331 340	324 812
Andre ytelser	401 543	658 413
Sum	**7 708 142**	**9 279 202**

Sysselsatte årsverk i regnskapsåret har vært	5	7

	2016		2015	
Ytelser til ledende personer	Konsernsjef	Styret	**Konsernsjef**	**Styret**
Lønn	1 747 234		1 916 996	
Styrehonorar	60 000	255 000	60 000	255 000
Pensjonsutgifter	87 334		65 932	
Annen godtgjørelse	43 598		8 898	
Sum	1 938 166	255 000	2 051 826	255 000

Kostnadsført godtgjørelse til revisor	2016	2015
Lovpålagt revisjon	153 000	83 000
Skatterådgivning (inkl. teknisk bistand med ligningspapirer)	29 000	33 000
Annen bistand	35 000	5 000
Sum	**217 000**	**121 000**

Konsern

Lønnskostnader	2016	2015
Lønn	68 130 441	76 036 339
Arbeidsgiveravgift	8 255 770	9 258 768
Pensjonskostnader	2 727 439	3 089 287
Andre ytelser	1 637 996	3 106 085
Sum	**80 751 647**	**91 490 479**

Sysselsatte årsverk i regnskapsåret har vært	143	143

Ytelser til ledende personer 2016	Konsernsjef	Ledere i datterselskaper	Styret i morselskapet	Styret i datterselskaper
Lønn	1 747 234	2 101 411		
Styrehonorar	137 000		255 000	266 720
Pensjonsutgifter	87 334			
Annen godtgjørelse	43 598	30 141		
Sum	2 015 166	2 131 552	255 000	266 720

Ytelser til ledende personer 2015	**Konsernsjef**	**Ledere i datterselskaper**	**Styret i morselskapet**	**Styret i datterselskaper**
Lønn	1 916 996	1 593 574		
Styrehonorar	137 000		255 000	172 400
Pensjonsutgifter	65 932	32 580		
Annen godtgjørelse	8 898	20 904		
Sum	2 128 826	1 647 058	255 000	172 400

Kostnadsført godtgjørelse til revisor	2016	2015
Lovpålagt revisjon	708 913	457 730
Andre attestasjonstjenester		16 200
Skatterådgivning (inkl. teknisk bistand med ligningspapirer)	52 800	40 000
Annen bistand	163 250	31 875
Sum	**924 963**	**545 805**

Note 14 Pensjoner

Konsernet har pensjonsordninger sikret gjennom kollektivavtale i forsikringsselskap. Ordningene tilfredsstiller kravene i lov om obligatorisk tjenestepensjon. Konsernet har pensjonsplaner med innskuddsbaserte ordninger. Innskuddsplan innebærer at foretaket ikke har påtatt seg noen framtidig forpliktelse. Ved ytelsen av det årlige tilskuddet har foretaket oppfylt sin forpliktelse iht. ordningen.

Note 15 Bundne bankinnskudd, trekkrettigheter

Morselskap

Bundne bankinnskudd	**2016**	**2015**
Skattetrekksmidler	350 961	364 662

Konsern

Bundne bankinnskudd	**2016**	**2015**
Skattetrekksmidler	3 221 857	3 973 405

Trekkrettigheter	**2016**	**2015**
Ubenyttet kassekreditt	19 044 994	20 256 448

Note 16 Transaksjoner med nærstående parter

Morselskap

Mellomværende med konsernselskaper er spesifisert i note 9.
Renter til/fra konsernselskaper går frem av egne linjer i resultatregnskapet.

Selskapets transaksjoner med nærstående parter:

	2016	**2015**
a) Driftsinntekter		
Lisensinntekter fra konsernselskaper	243 080	311 801
Inntekter fra tjenester overfor konsernselskaper	13 756 497	13 340 681
Sum	**13 999 577**	**13 652 482**
b) Nedbetaling av gjeld		
Nedbetalt gjeld til Draupnir AS som er kontrollert av styreleder NORBIT Group AS	855 926	1 000 000
Sum	**855 926**	**1 000 000**

Konsern

Ytelser til ledende ansatte er omtalt i note 13, og mellomværende med konsernselskaper er omtalt i note 9.

Til generalforsamlingen i Norbit Group AS

Uavhengig revisors beretning

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Norbit Group AS' årsregnskap som viser et overskudd i selskapsregnskapet på kr 1 698 989 og et underskudd i konsernregnskapet på kr -4 576 725. Årsregnskapet består av:

- selskapsregnskapet, som består av balanse per 31. desember 2016, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper, og
- konsernregnskapet, som består av balanse per 31. desember 2016, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening:

- er årsregnskapet avgitt i samsvar med lov og forskrifter
- gir det medfølgende selskapsregnskapet et rettvisende bilde av den finansielle stillingen til Norbit Group AS per 31. desember 2016 og av selskapets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.
- gir det medfølgende konsernregnskapet et rettvisende bilde av den finansielle stillingen til konsernet Norbit Group AS per 31. desember 2016 og av konsernets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet og konsernet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon består av årsberetningen, men inkluderer ikke årsregnskapet og revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

PricewaterhouseCoopers AS, Brattørkaia 17 B, Postboks 6365 Sluppen, NO-7492 Trondheim
T: 02316, org.no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

pwc

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Ved utarbeidelsen av årsregnskapet er ledelsen ansvarlig for å ta standpunkt til selskapets og konsernets evne til fortsatt drift, og på tilbørlig måte å opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

Som del av en revisjon i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og anslår vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll.

- opparbeider vi oss en forståelse av den interne kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets eller konsernets interne kontroll.

- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.

- konkluderer vi på hensiktsmessigheten av ledelsens bruk av fortsatt drift-forutsetningen ved avleggelsen av regnskapet, basert på innhentede revisjonsbevis, og hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i regnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon om årsregnskapet og årsberetningen. Våre konklusjoner er basert på revisjonsbevis innhentet inntil datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke fortsetter driften.

- evaluerer vi den samlede presentasjonen, strukturen og innholdet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet representerer de underliggende transaksjonene og hendelsene på en måte som gir et rettvisende bilde.

- innhenter vi tilstrekkelig og hensiktsmessig revisjonsbevis vedrørende den finansielle informasjonen til enhetene eller forretningsområdene i konsernet for å kunne gi uttrykk for en mening om det konsoliderte regnskapet. Vi er ansvarlige for å lede, følge opp og gjennomføre konsernrevisjonen. Vi alene er ansvarlige for vår revisjonskonklusjon.

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen og til hvilken tid revisjonsarbeidet skal utføres. Vi utveksler også informasjon om forhold av betydning som vi har avdekket i løpet av revisjonen, herunder om eventuelle svakheter av betydning i den interne kontrollen.

Uttalelse om øvrige lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til anvendelse av overskuddet er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Trondheim 3. april 2017
PricewaterhouseCoopers AS

Tore Helgesen

Tore Helgesen
Statsautorisert revisor

APPENDIX E:

APPLICATION FORM FOR THE RETAIL OFFERING

APPLICATION FORM FOR THE RETAIL OFFERING

General information: The terms and conditions for the Retail Offering are set out in the prospectus dated 4 June 2019 (the "**Prospectus**"), which has been issued by NORBIT ASA ("**Norbit**" or the "**Company**") in connection with the initial public offering (the "**Offering**") of shares in the Company and the listing of the Company's Shares on the Oslo Børs. All capitalised terms not defined herein shall have the meaning as assigned to them in the Prospectus.

Application procedure: Norwegian applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number may apply for Offer Shares through the VPS online application system by following the link to such online application system on the following websites: www.arctic.com, www.paretosec.com and www.sb1markets.no. Applications in the Retail Offering can also be made by using this Retail Application Form. Retail Application Forms must be correctly completed and submitted by the expiry of the Application Period to one of the following application offices:

Arctic Securities AS	Pareto Securities AS	Sparebank 1 Markets AS
Haakon VIIs gate 5 P.O. Box 1833 Vika NO-0123 Oslo, Norway Phone: +47 21 01 30 40 Email: subscription@arctic.com	Dronning Mauds gt. 3 P.O. Box 1411 Vika NO-0115 Oslo, Norway Phone: +47 22 87 87 00 Email: subscription@paretosec.com	Olav V's gate 5 P.O. Box 1398 Vika NO-0114 Oslo, Norway Phone +47 24 14 74 00 Email: subscription@sb1markets.no

The applicant is responsible for the correctness of the information filled in on this Retail Application Form. Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period, and any application that may be unlawful, may be disregarded without further notice to the applicant. **Subject to any shortening or extension of the Application Period, applications made through the VPS online application system must be duly registered, and applications made on Retail Application Forms must be received, by one of the application offices by 12:00 hours (CET) on 14 June 2019**. None of the Company or any of the Managers may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any of the application offices. All applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

Price of Offer Shares: The Company has, together with the Managers, set an Indicative Price Range for the Offering from NOK 23 to NOK 30 per Offer Share. The Company will, in consultation with the Managers, determine the final number of Offer Shares and the final Offer Price on the basis of the applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the number of applications received in the Retail Offering. The Offer Price will be determined on or about 16 June 2019 and announced through the Oslo Børs's information system on or about the same date under the ticker code "NORBIT". The Indicative Price Range is non-binding and the Offer Price may be set within, below or above the Indicative Price Range. Each applicant in the Retail Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on the Retail Application Form that the applicant does not wish to be allocated Offer Shares should the Offer Price be set above the highest price in the Indicative Price Range (i.e. NOK 30 per Offer Share). If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set above the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on the Retail Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range.

Allocation, payment and delivery of Offer Shares: Arctic Securities, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 17 June 2019, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it may contact one of the application offices listed above from on or about 17 June 2019 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the VPS for the registration of holdings of securities ("**VPS account**") should be able to see how many Offer Shares they have been allocated from on or about 17 June 2019. In registering an application through the VPS online application system or by completing a Retail Application Form, each applicant in the Retail Offering will grant Arctic Securities (on behalf of the Managers) an irrevocable authorisation to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Retail Application Form. Accounts will be debited on or about 18 June 2019 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 17 June 2019. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date. Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 17 June 2019, or can be obtained by contacting the Managers. Arctic Securities (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 26 June 2019 if there are insufficient funds on the account on the Payment Date. Should any applicant have insufficient funds on its account, or should payment be delayed for any reason, or if it is not possible to debit the account, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payment" below. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 19 June 2019 (or such later date upon the successful debit of the relevant account).

Guidelines for the applicant: Please refer to the second page of this Retail Application Form for further application guidelines.

Applicant's VPS account (12 digits):	I/we apply for Offer Shares for a total of NOK (minimum NOK 10,500 and maximum NOK 1,999,999):	Applicant's bank account to be debited (11 digits):

OFFER PRICE: My/our application is conditional upon the final Offer Price not being set above the Indicative Price Range (insert cross) **(must only be completed if the application is conditional upon the final Offer Price not being set above the Indicative Price Range):**	

I/we hereby irrevocably (i) apply for the number of Offer Shares allocated to me/us, at the Offer Price, up to the aggregate application amount as specified above subject to the terms and conditions set out in this Retail Application Form and in the Prospectus, (ii) authorise and instruct each of the Managers (or someone appointed by any of them) acting jointly or severally to take all actions required to purchase and/or subscribe the Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Retail Application Form, and to ensure delivery of such Offer Shares to me/us in the VPS, (iii) authorise Arctic Securities to debit my/our bank account as set out in this Retail Application Form for the amount payable for the Offer Shares allocated to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are aware of the risks associated with an investment in the Offer Shares and that I/we are eligible to apply for and purchase Offer Shares under the terms set forth therein.

Date and place*:	**Binding signature****:

* Must be dated during the Application Period.
** The applicant must be of legal age. If the Retail Application Form is signed by proxy, documentary evidence of authority to sign must be attached in the form of a power of attorney or company registration certificate.

DETAILS OF THE APPLICANT — ALL FIELDS MUST BE COMPLETED	
First name	Surname/Family name/Company name
Home address (for companies: registered business address)	Zip code and town
Identity number (11 digits) / business registration number (9 digits)	Nationality
Telephone number (daytime)	E-mail address

Please note: If the application form is sent to the Managers by e-mail, the e-mail will be unsecured unless the applicant takes measures to secure it. The Managers recommend the applicant to secure all e-mails with application forms attached.

GUIDELINES FOR THE APPLICANT

THIS RETAIL APPLICATION FORM IS NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, SWITZERLAND, CANADA, HONG KONG, SINGAPORE OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.

Regulatory issues: Legislation passed throughout the European Economic Area (the "**EEA**") pursuant to the Markets and Financial Instruments Directive ("**MiFID**") implemented in the Norwegian Securities Trading Act, imposes requirements in relation to business investment. In this respect, the Managers must categorise all new clients in one of three categories: Eligible counterparties, Professional clients and Non-professional clients. All applicants applying for Offer Shares in the Offering who/which are not existing clients of one of the Managers will be categorised as Non-professional clients. The applicant can by written request to the Managers request to be categorised as a Professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act and ancillary regulations. For further information about the categorisation, the applicant may contact one of the Managers. The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.

Execution only: As the Managers are not in the position to determine whether the application for Offer Shares is suitable for the applicant, the Managers will treat the application as an execution only instruction from the applicant to apply for Offer Shares in the Offering. Hence, the applicant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The applicant acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to the Managers, there is a duty of secrecy between the different units of the Managers as well as between the Managers and the other entities in the Managers' respective groups. This may entail that other employees of the Managers or the Managers' respective groups may have information that may be relevant to the subscriber, but which the Managers will not have access to in their capacity as Managers for the Retail Offering.

Information barriers: The Managers are securities firms offering a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from their corporate finance departments by information barriers known as "Chinese walls". The applicant acknowledges that the Managers' analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions in the Offer Shares as a consequence of such Chinese walls.

VPS account and anti-money laundering procedures: The Retail Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**"). Applicants who are not registered as existing customers of one of the Managers must verify their identity to one of the Managers in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Retail Application Form are exempted, unless verification of identity is requested by a Manager. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period will not be allocated Offer Shares. Participation in the Retail Offering is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the Retail Application Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised investment firms in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance.

Selling restrictions: The Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 17 "Selling and Transfer Restrictions" in the Prospectus. The Company does not assume any responsibility in the event there is a violation by any person of such restrictions. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. In the Retail Offering, the Offer Shares are being offered and sold to certain persons outside the United States in offshore transactions within the meaning of and in compliance with Rule 903 of Regulation S under the U.S. Securities Act.

The Company has not authorised any offer to the public of its securities in any Member State of the EEA other than Norway. With respect to each Member State of the EEA other than Norway which has implemented the EU Prospectus Directive (each, a "**Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Member State. Any offers outside Norway will only be made in circumstances where there is no obligation to publish a prospectus.

Stabilisation: In connection with the Offering, Arctic Securities (as the "**Stabilisation Manager**"), or its agents, on behalf of the Managers, may, upon exercise of the Over-allotment Option, from the first day of the Listing engage in transactions that stabilise, maintain or otherwise affect the price of the Shares for up to 30 days from the first day of the Listing. Specifically, the Stabilisation Manager may effect transactions with a view to supporting the market price of the Shares at a level higher than what might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager and its agents to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilisation activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the first day of the Listing.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply.

1. The service "Payment by direct debiting — securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
2. Costs related to the use of "Payment by direct debiting — securities trading" appear from the bank's prevailing price list, account information and/or information is given by other appropriate manner. The bank will charge the indicated account for incurred costs.
3. The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
4. In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Financial Contracts Act, the payer's bank shall assist if payer withdraws a payment instruction which has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
5. The payer cannot authorise for payment a higher amount than the funds available at the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall be covered by the payer immediately.
6. The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
7. If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at the applicable rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 no. 100, which at the date of the Prospectus is 8.75% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or, from the third day after the Payment Date, otherwise dispose of or assume ownership to the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit therefrom). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the New Shares with the Norwegian Register of Business Enterprises, the Managers are expected to, on behalf of the applicants, pre-fund payment for New Shares allocated in the Offering at a total subscription price equal to the Offer Price multiplied by the aggregate number of allocated New Shares.

APPENDIX F:

APPLICATION FORM FOR THE EMPLOYEE OFFERING

APPLICATION FORM FOR THE EMPLOYEE OFFERING

General information: The terms and conditions for the Employee Offering are set out in the prospectus dated 4 June 2019 (the "**Prospectus**"), which has been issued by NORBIT ASA ("**Norbit**" or the "**Company**") in connection with the initial public offering (the "**Offering**") of shares in the Company and the listing of the Company's Shares on the Oslo Børs. All capitalised terms not defined herein shall have the meaning as assigned to them in the Prospectus.

Application procedure: Eligible Employees and Board Members who are residents of Norway with a Norwegian personal identification number may apply for Offer Shares through the VPS online application system by following the link to such online application system on the following website: www.arctic.com. Applications in the Employee Offering can also be made by using this Employee Application Form. Employee Application Forms must be correctly completed and submitted by the expiry of the Application Period to the following application office:

Arctic Securities AS
Haakon VIIs gate 5 P.O. Box 1833 Vika NO-0123 Oslo, Norway Phone: +47 21 01 30 40 Email: subscription@arctic.com

The applicant is responsible for the correctness of the information filled in on this Employee Application Form. Employee Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period, and any application that may be unlawful, may be disregarded without further notice to the applicant. **Subject to any shortening or extension of the Application Period, applications made through the VPS online application system must be duly registered, and applications made on Employee Application Forms must be received, by the application office by 12:00 hours (CET) on 14 June 2019**. None of the Company or any of the Managers may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by the application office. All applications made in the Employee Offering will be irrevocable and binding upon receipt of a duly completed Employee Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

Price of Offer Shares: The Company has, together with the Managers, set an Indicative Price Range for the Offering from NOK 23 to NOK 30 per Offer Share. The Company will, in consultation with the Managers, determine the final number of Offer Shares and the final Offer Price on the basis of the applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the number of applications received in the Employee Offering. The Offer Price will be determined on or about 16 June 2019 and announced through the Oslo Børs's information system on or about the same date under the ticker code "NORBIT". The Indicative Price Range is non-binding and the Offer Price may be set within, below or above the Indicative Price Range. Each applicant in the Employee Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on the Employee Application Form that the applicant does not wish to be allocated Offer Shares should the Offer Price be set above the highest price in the Indicative Price Range (i.e. NOK 30 per Offer Share). If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set above the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on the Employee Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range. The Offer Price will be reduced by 20% for an application amount per Eligible Employee or Board Member between NOK 10,500 and NOK 1,000,000. Offer Shares allocated for amounts between NOK 15,000 and NOK 1,000,000 (rounded down to the nearest whole Offer Share) will be subject to a lock-up obligation whereby these Offer Shares may not be traded, sold, hypothecated, pledged or otherwise disposed of for a period of two years from the first day of Listing. The lock-up shall not prevent the pledging of any Shares to a financial institution. Eligible Employees or Board Members participating in the Employee Offering will receive full allocation for any application up to and including NOK 1,000,000. Multiple applications by one applicant in the Employee Offering will be treated as one application with respect to the maximum application limit, the guaranteed allocation, the reduced offer price and the discount. For a description of relevant tax legislation in Norway applicable to the reduced offer price and the discount in the Employee Offering, see the Prospectus section 15.2 "Taxation of reduced offer price and discount in the Employee Offering". The reduced offer price and the discount will be allocated to the New Shares.

Allocation, payment and delivery of Offer Shares: Arctic Securities, acting as settlement agent for the Employee Offering, expects to issue notifications of allocation of Offer Shares in the Employee Offering on or about 17 June 2019, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it may contact the application office listed above from on or about 17 June 2019 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the VPS for the registration of holdings of securities ("**VPS account**") should be able to see how many Offer Shares they have been allocated from on or about 17 June 2019. In registering an application through the VPS online application system or by completing a Employee Application Form, each applicant in the Employee Offering will grant Arctic Securities (on behalf of the Managers) an irrevocable authorisation to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Employee Application Form. Accounts will be debited on or about 18 June 2019 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 17 June 2019. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date. Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 17 June 2019, or can be obtained by contacting the Managers. Arctic Securities (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 26 June 2019 if there are insufficient funds on the account on the Payment Date. Should any applicant have insufficient funds on its account, or should payment be delayed for any reason, or if it is not possible to debit the account, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payment" below. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Employee Offering is expected to take place on or about 19 June 2019 (or such later date upon the successful debit of the relevant account).

Guidelines for the applicant: Please refer to the second page of this Employee Application Form for further application guidelines.

Applicant's VPS account (12 digits):	**I/we apply for Offer Shares for a total of NOK (minimum NOK 10,500 and maximum NOK 1,999,999):**	**Applicant's bank account to be debited (11 digits):**

OFFER PRICE: My/our application is conditional upon the final Offer Price not being set above the Indicative Price Range (insert cross) **(must only be completed if the application is conditional upon the final Offer Price not being set above the Indicative Price Range):**	

I/we hereby irrevocably (i) apply for the number of Offer Shares allocated to me/us, at the Offer Price, up to the aggregate application amount as specified above subject to the terms and conditions set out in this Employee Application Form and in the Prospectus, (ii) authorise and instruct each of the Managers (or someone appointed by any of them) acting jointly or severally to take all actions required to purchase and/or subscribe the Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Employee Application Form, and to ensure delivery of such Offer Shares to me/us in the VPS, (iii) authorise Arctic Securities to debit my/our bank account as set out in this Employee Application Form for the amount payable for the Offer Shares allocated to me/us, (iv) confirm and warrant to have read the Prospectus and that I/we are aware of the risks associated with an investment in the Offer Shares and that I/we are eligible to apply for and purchase Offer Shares under the terms set forth therein, (v) accept and agree that I will not, without the prior written consent of the Company, sell or agree to sell, lend, pledge or otherwise transfer or dispose of any Offer Shares allocated for amounts between NOK 15,000 and NOK 1,000,000 (rounded down to the nearest whole Offer Share), or enter into any swap or other arrangement that transfers to another any of the economic consequences of ownership of such shares for a period of two years from the first day of Listing and (vi) accept and acknowledge that each of the Managers is entitled to instruct the VPS Registrar and my VPS account manager to implement transfer restrictions relating to such Offer Shares on my VPS account in order to ensure the abovementioned lock up obligation.

Date and place*:	**Binding signature****:

* Must be dated during the Application Period.
** The applicant must be of legal age. If the Employee Application Form is signed by proxy, documentary evidence of authority to sign must be attached in the form of a power of attorney or company registration certificate.

DETAILS OF THE APPLICANT — ALL FIELDS MUST BE COMPLETED	
First name	Surname/Family name/Company name
Home address (for companies: registered business address)	Zip code and town
Identity number (11 digits) / business registration number (9 digits)	Nationality
Telephone number (daytime)	E-mail address

Please note: If the application form is sent to the Managers by e-mail, the e-mail will be unsecured unless the applicant takes measures to secure it. The Managers recommend the applicant to secure all e-mails with application forms attached.

GUIDELINES FOR THE APPLICANT

THIS EMPLOYEE APPLICATION FORM IS NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, SWITZERLAND, CANADA, HONG KONG, SINGAPORE OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.

Regulatory issues: Legislation passed throughout the European Economic Area (the "**EEA**") pursuant to the Markets and Financial Instruments Directive ("**MiFID**") implemented in the Norwegian Securities Trading Act, imposes requirements in relation to business investment. In this respect, the Managers must categorise all new clients in one of three categories: Eligible counterparties, Professional clients and Non-professional clients. All applicants applying for Offer Shares in the Offering who/which are not existing clients of one of the Managers will be categorised as Non-professional clients. The applicant can by written request to the Managers request to be categorised as a Professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act and ancillary regulations. For further information about the categorisation, the applicant may contact one of the Managers. The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.

Execution only: As the Managers are not in the position to determine whether the application for Offer Shares is suitable for the applicant, the Managers will treat the application as an execution only instruction from the applicant to apply for Offer Shares in the Offering. Hence, the applicant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The applicant acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to the Managers, there is a duty of secrecy between the different units of the Managers as well as between the Managers and the other entities in the Managers' respective groups. This may entail that other employees of the Managers or the Managers' respective groups may have information that may be relevant to the subscriber, but which the Managers will not have access to in their capacity as Managers for the Employee Offering.

Information barriers: The Managers are securities firms offering a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from their corporate finance departments by information barriers known as "Chinese walls". The applicant acknowledges that the Managers' analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions in the Offer Shares as a consequence of such Chinese walls.

VPS account and anti-money laundering procedures: The Employee Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**"). Applicants who are not registered as existing customers of one of the Managers must verify their identity to one of the Managers in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Employee Application Form are exempted, unless verification of identity is requested by a Manager. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period will not be allocated Offer Shares. Participation in the Employee Offering is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the Employee Application Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised investment firms in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance.

Selling restrictions: The Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 17 "Selling and Transfer Restrictions" in the Prospectus. The Company does not assume any responsibility in the event there is a violation by any person of such restrictions. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. In the Employee Offering, the Offer Shares are being offered and sold to certain persons outside the United States in offshore transactions within the meaning of and in compliance with Rule 903 of Regulation S under the U.S. Securities Act.

The Company has not authorised any offer to the public of its securities in any Member State of the EEA other than Norway. With respect to each Member State of the EEA other than Norway which has implemented the EU Prospectus Directive (each, a "**Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Member State. Any offers outside Norway will only be made in circumstances where there is no obligation to publish a prospectus.

Stabilisation: In connection with the Offering, Arctic Securities (as the "**Stabilisation Manager**"), or its agents, on behalf of the Managers, may, upon exercise of the Over-allotment Option, from the first day of the Listing engage in transactions that stabilise, maintain or otherwise affect the price of the Shares for up to 30 days from the first day of the Listing. Specifically, the Stabilisation Manager may effect transactions with a view to supporting the market price of the Shares at a level higher than what might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager and its agents to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilisation activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the first day of the Listing.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply.

1. The service "Payment by direct debiting — securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
2. Costs related to the use of "Payment by direct debiting — securities trading" appear from the bank's prevailing price list, account information and/or information is given by other appropriate manner. The bank will charge the indicated account for incurred costs.
3. The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
4. In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Financial Contracts Act, the payer's bank shall assist if payer withdraws a payment instruction which has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
5. The payer cannot authorise for payment a higher amount than the funds available at the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall be covered by the payer immediately.
6. The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
7. If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at the applicable rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 no. 100, which at the date of the Prospectus is 8.75% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or, from the third day after the Payment Date, otherwise dispose of or assume ownership to the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit therefrom). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the New Shares with the Norwegian Register of Business Enterprises, the Managers are expected to, on behalf of the applicants, pre-fund payment for New Shares allocated in the Offering at a total subscription price equal to the Offer Price multiplied by the aggregate number of allocated New Shares.

NORBIT ASA
Stiklestadveien 1
7041 Trondheim
Norway

Managers

Arctic Securities AS	Pareto Securities AS	Sparebank 1 Markets AS

Legal Adviser to the Company	**Legal Adviser to the Managers**
(as to Norwegian law)	*(as to Norwegian law)*
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