

NORBIT

- explore more -

Presentation of fourth quarter and full year 2019 results

CEO Per Jørgen Weisethaunet and CFO Stian Lønvik

14 February 2020, Oslo, Norway



Disclaimer

These materials, prepared by NORBIT ASA (the "**Company**"), may contain statements about future events and expectations that are forward-looking statements. Any statement in these materials that is not a statement of historical fact including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements. The Company assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

This presentation does not constitute or form part of, and is not prepared or made in connection with, an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. The information in this presentation is subject to verification, completion and change. The contents of this presentation have not been independently verified. The Company's securities have not been and will not be registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), and are offered and sold only outside the United States in accordance with an exemption from registration provided by Regulation S of the US Securities Act. This presentation should not form the basis of any investment decision. Investors and prospective investors in securities of any issuer mentioned herein are required to make their own independent investigation and appraisal of the business and financial condition of such company and the nature of the securities.

NORBIT is to be recognized as world class, enabling people to explore more



- Founded 1995
- HQ in Trondheim, Norway
- Manufacturing facilities in Selbu and Røros, Norway
- Offices and Subsidiaries in 12 countries
- Dedicated workforce of ~270
- Listed on OSE in June 2019, ticker **NORBIT**



NORBIT
- explore more -

A global provider of tailored technology to carefully selected niches

Diversified and robust business model



Tailored sonar technology to the global maritime markets



Independent supplier of tailored short-range communication technology to trucks

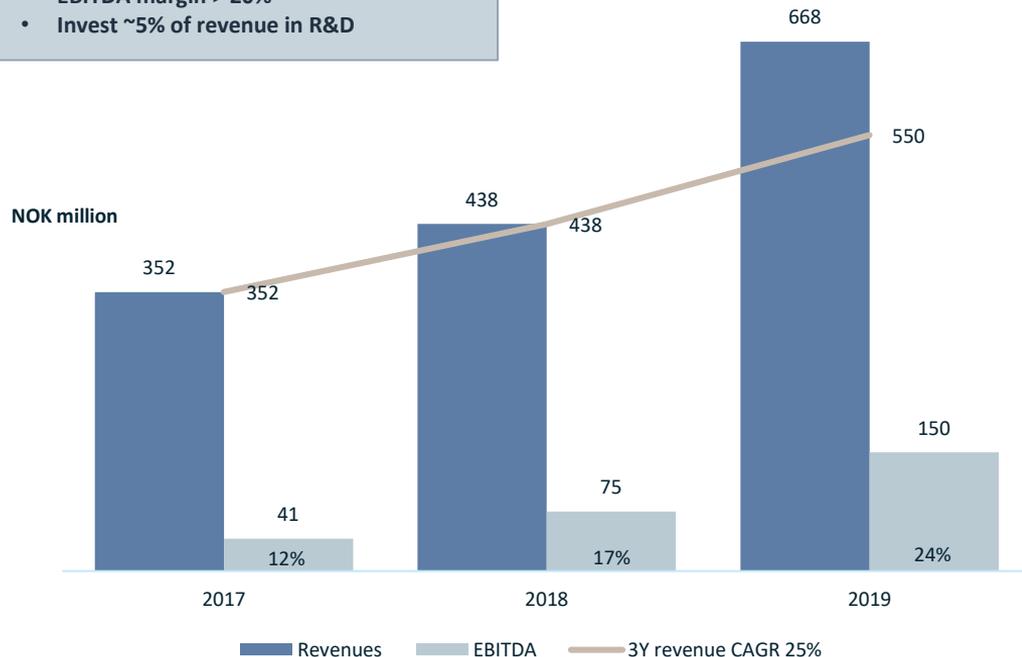


Product, Innovation and Realization (PIR) includes multi-disciplinary R&D and world class manufacturing

A strong quarter and continued profitable growth for the year

Long-term financial targets

- 3Y revenue CAGR > 25% starting 2017
- EBITDA margin > 20%
- Invest ~5% of revenue in R&D



Fourth quarter 2019

- Revenues of NOK 187 million, 46% growth
- EBITDA of NOK 40 million, 22% margin

Full year 2019

- Revenues of NOK 668 million, 52% growth
- All segments contribute considerably to the growth
- EBITDA of NOK 150 million, 100% growth
- Board propose dividend of NOK 0.6 per share



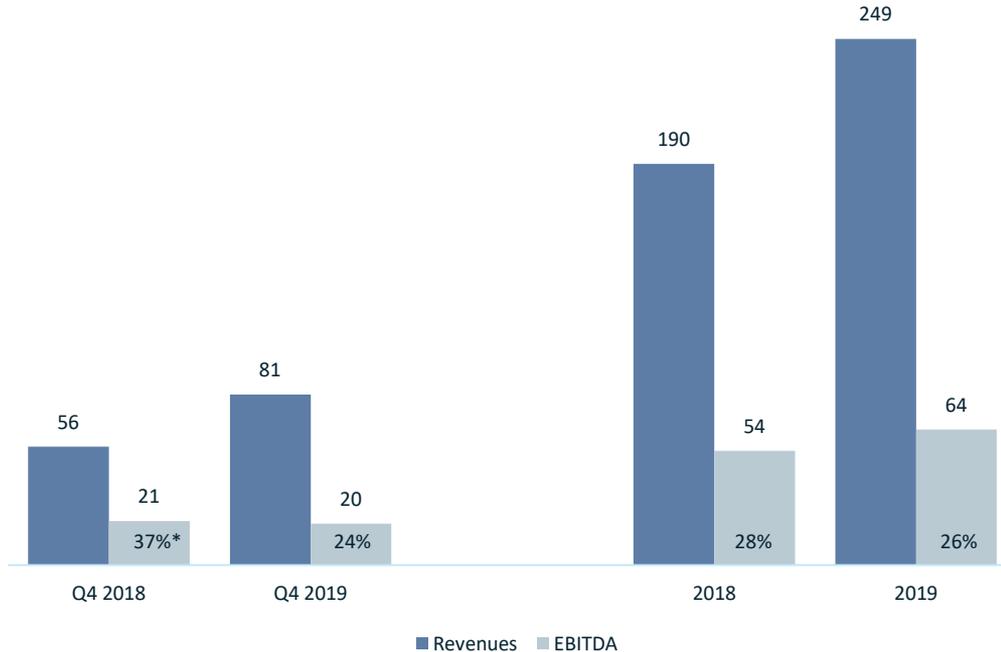
Oceans



Oceans delivers a strong quarter

Revenue and EBITDA

NOK million



Fourth quarter 2019

- All-time high quarterly revenues
- EBITDA of 24% for the quarter
 - Margin impacted by product mix sold in the quarter

Full year 2019

- Revenues of 249 million, 31% growth
- EBITDA of 26% for 2019

Recent events

- Successfully expanded to new market segments
 - Award from major energy company to NORBIT Aptomar in January 2020

*EBITDA for Q4 2018 positively affected by correction of capitalized R&D expenses

Successfully broadening the application area to new markets

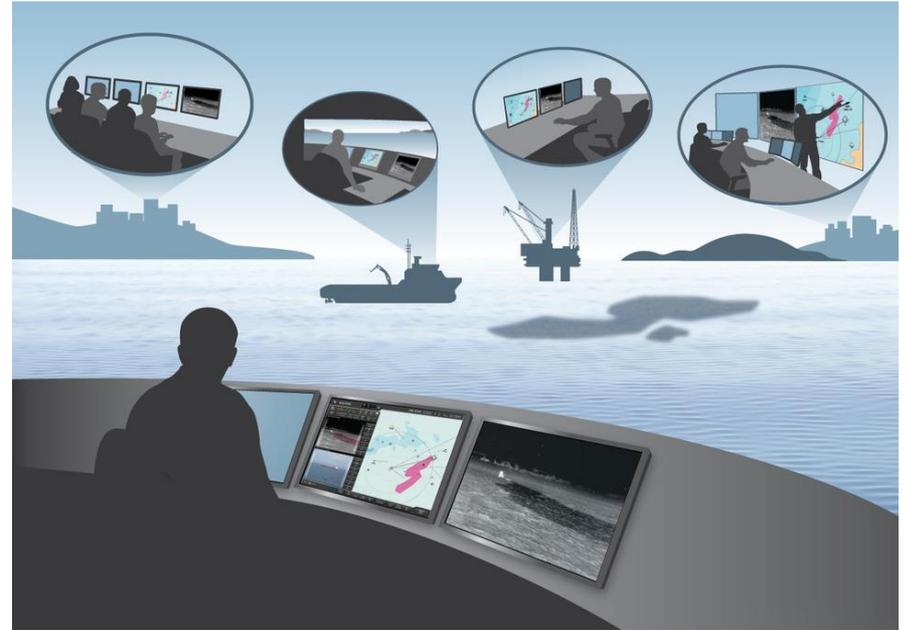
Surveillance and Environmental monitoring

Strategically award to major energy company

- System for vessel traffic monitoring and early warning asset protection
 - First award to this region
- Proving NORBIT's business model;
 - Broadening the application area of existing solutions
 - Benefiting on the sales and distribution platform when entering new markets

SeaCOP eVTS

- System combining remote sensing technologies (radar, infrared cameras and sonars) with data fusion and artificial intelligence
- Purpose to give improved situational awareness
 - Information and tools to increase efficiency and reduce cost
 - Ensuring safety and integrity of people, environment and marine assets





DSRC solutions for satellite based truck tolling



Connectivity devices for smart tachograph

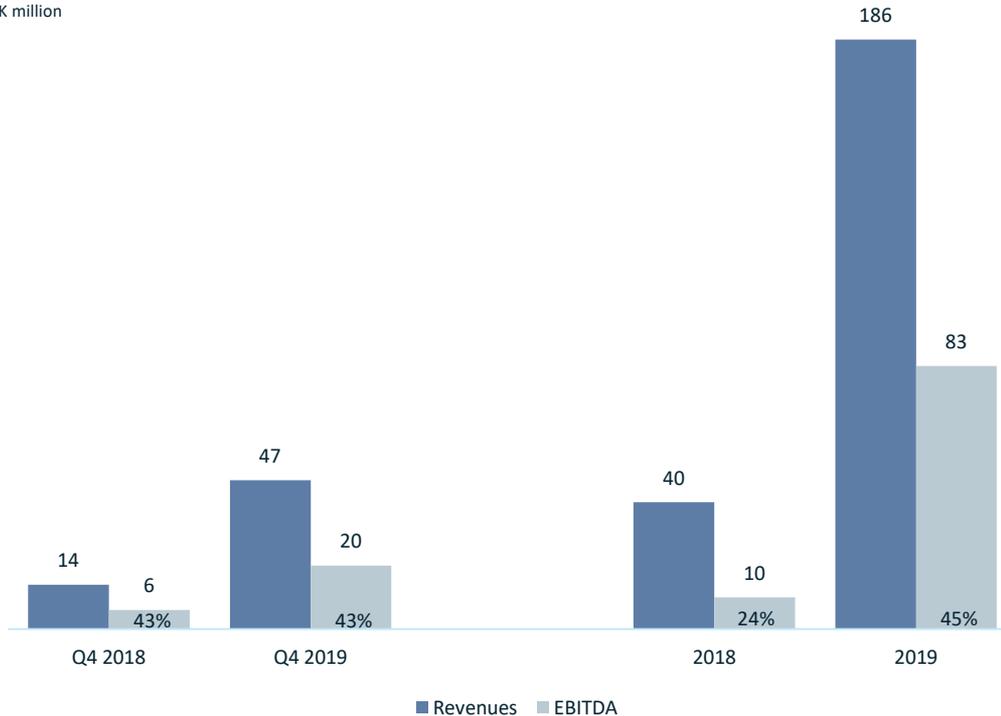
Intelligent Traffic Systems (ITS)



Another strong quarter for Intelligent Traffic Systems (ITS)

Revenue and EBITDA

NOK million



Fourth quarter 2019

- Steady growth for the quarter Y-o-Y
 - Volume fluctuations between quarters expected
- EBITDA of 43% for the quarter

Full year 2019

- Revenues of 186 million, a significant growth
 - Significant step-up in deliveries of new products
- EBITDA of 45% for 2019

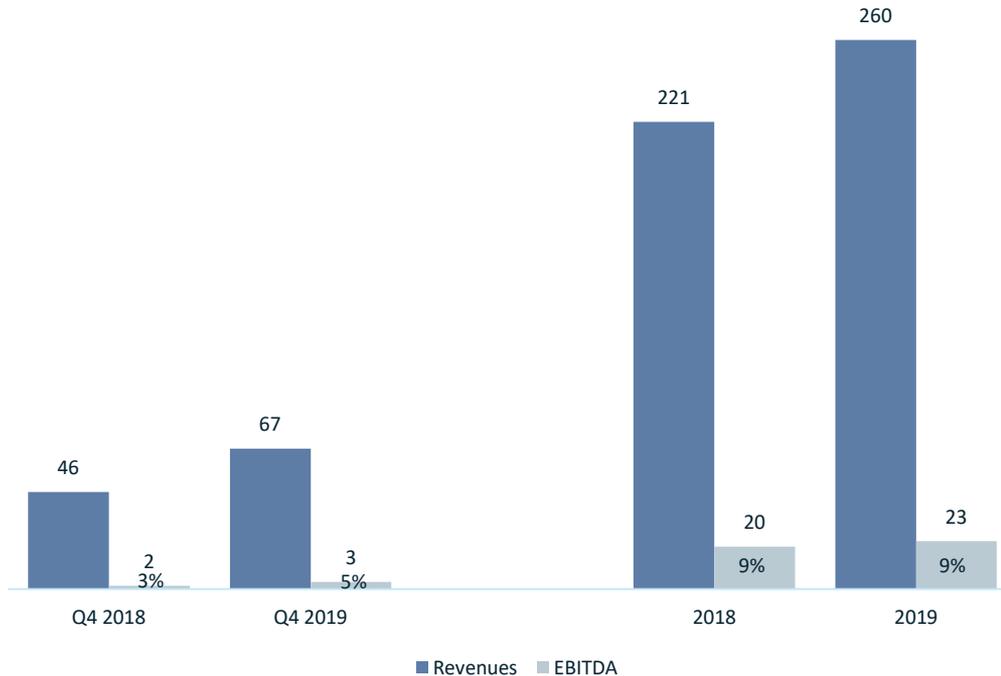


Product Innovation & Realization (PIR)

Positive revenue development in PIR

Revenue and EBITDA

NOK million



Fourth quarter 2019

- Revenues of NOK 67 million
- EBITDA of 5% for the quarter
 - A high share of revenues from contract manufacturing

Full year 2019

- Revenues of NOK 260 million, 18% growth
- EBITDA of 9% for 2019

Other

- Expansion of facilities at Røros progressing as planned, enabling improved logistics, flexibility and capacity

NORBIT

- explore more -

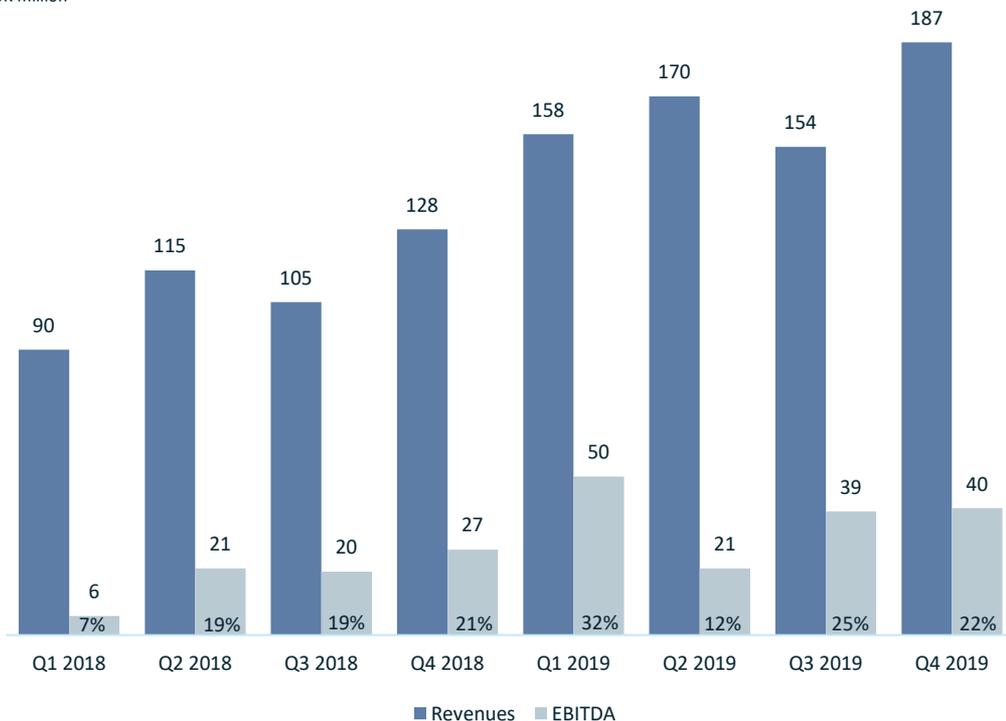
Group financials



Financials – P&L

Revenue and EBITDA by quarter

NOK million



Fourth quarter 2019

- Revenues of NOK 186.5 million, 46% growth
 - Quarterly fluctuations normal
- EBITDA NOK 40.2 million

Full year 2019

- Revenues of NOK 668 million, 52% growth
 - All segments contributes to the growth
- EBITDA of NOK 149.7 million
- EBIT of NOK 103 million
- Tax expense of NOK 18.2 million
 - No payable taxes due to losses carried forward from previous acquisitions
- EPS of NOK 1.45 per share

Financials – Balance sheet: Assets

<i>Amounts in NOK 000's</i>	<i>Note</i>	31.12.2019	30.09.2019	31.12.2018
ASSETS				
Property, plant and equipment		78 653	73 540	70 963
Intangible assets	3	135 318	128 654	104 279
Deferred tax asset		25 623	30 930	33 130
Investments accounted for using the equity method		2 872	1 402	1 402
Shares in other companies		100	626	626
Other loans and receivables			147	
Total non-current assets		242 567	235 299	210 400
Inventories		167 801	164 170	122 890
Trade receivables		149 877	136 416	101 976
Other receivables and prepayments		18 086	20 758	26 120
Derivative financial instruments	6		107	
Bank deposits		21 680	5 737	9 091
Total current assets		357 443	327 188	260 077
Total assets		600 010	562 487	470 477

- Intangible assets of NOK 135.3 million
 - Increase of NOK 6.7 million in Q4 and 31.0 million in 2019
- Inventories of NOK 167.8 million
 - Up by NOK 3.6 million in Q4 and NOK 44.9 million in 2019
 - Higher activity and security stock/ extra electronic components
- Trade receivables of NOK 149.9
 - Increase following higher activity and revenues
- Bank deposits of NOK 21.7 million
 - Increase of NOK 15.9 million in Q4

Financials – Balance sheet: Equity and Liabilities

<i>Amounts in NOK 000's</i>	<i>Note</i>	31.12.2019	30.09.2019	31.12.2018
LIABILITIES				
Borrowings		15 843	16 892	84 827
Lease liabilities		3 954	4 919	5 863
Other liabilities		341	374	155
Total non-current liabilities		20 138	22 185	90 845
Trade payables		89 161	78 457	75 591
Other payables		39 262	28 967	52 757
Borrowings		3 429	10 439	85 152
Lease liabilities		4 441	5 159	7 004
Derivative financial instruments	6			1 213
Total current liabilities		136 294	123 022	221 717
Total liabilities		156 431	145 207	312 562
Share capital	5	5 679	5 679	434
Share premium		275 433	275 397	43 820
Retained earnings		161 923	135 664	103 939
Non-controlling interests	3	544	540	9 722
Total equity		443 579	417 280	157 915
Total equity and liabilities		600 010	562 487	470 477

- Borrowings significantly reduced in 2019
 - Undrawn short-term facilities of NOK 130 million
 - Undrawn long-term facilities of NOK 150 million
- Trade payables of NOK 89.2 million
- Equity of NOK 443.6 million, representing an equity ratio of 73.9%

Financials – Cash Flow

Amounts in NOK 000's

	2019	2018	Q4 2019	Q4 2018
Profit for the period	77 274	47 951	24 611	7 482
Adjustments for:				
Income tax expense recognised in profit or loss	18 158	7 036	6 339	3 772
Share of profit of associates	-1 470	-287	-1 470	-287
Investment income recognised in profit or loss	-10 865	-25 974		-25 974
Net gain on sale of equity instruments through OCI	1 385		1 385	
Depreciation and amortization	46 836	36 714	12 390	8 470
Movements in working capital:				
(Increase)/decrease in trade and other receivables	-47 901	-46 004	-13 461	-20 840
(Increase)/decrease in inventories	-44 910	-41 866	-3 631	-7 870
Increase/(decrease) in trade and other payables	13 570	30 044	10 704	18 143
Increase/(decrease) in accruals	-10 857	8 329	12 264	8 060
(Decrease)/increase in other liabilities		-87		-87
Net cash generated by operating activities	41 219	15 855	49 131	-9 131
Cash flows from investing activities				
Payments to acquire financial assets		-26		-26
Proceeds on sale of financial assets		29 389		29 389
Payments for property, plant and equipment	-23 352	-37 294	-10 186	-17 539
Payments for intangible assets	-58 957	-38 226	-13 335	-7 520
Net cash inflow on acquisition of subsidiaries	422			
Net cash (used in)/generated by investing activities	-81 887	-46 157	-23 521	4 304
Cash flows from financing activities				
Proceeds from issue of equity instruments of the company	250 000	10 500		
Payment for services related to issue of equity instruments	-16 850			
Transactions with non-controlling interests	-19 254		0	
Proceeds from borrowings	106 306	13 067	191	-16 488
Repayment of borrowings	-189 862		-2 849	19 891
Net change in overdraft facility	-71 082	17 014	-7 009	4 184
Dividends paid	-6 000	-16 000		
Net cash (used in)/generated by financing activities	53 257	24 581	-9 667	7 587

Fourth quarter of 2019

- Operating cash flow of NOK 49.1 million
 - Net decrease in working capital of NOK 5.9 million
- Investing activities of NOK 23.5 million
 - Property plant and equipment of NOK 10.2 million
 - R&D investments of NOK 13.3 million
- Financing activities of NOK -9.7 million

Full year of 2019

- Operating cash flow of NOK 41.2 million
 - Net increase in working capital of NOK 90.1 million
- Investing activities of NOK 81.9 million
 - R&D investments of NOK 59.0
- Financing activities of NOK 53.3 million
 - Incl. net proceeds from equity issue of NOK 233.2 million
 - Reduction of long-term debt and overdraft facility

NORBIT

- explore more -

Outlook



Outlook

- Maintains long-term financial targets
- Large untapped potential for technology in Oceans in expanding to new sub-markets
 - Significant part of R&D investments allocated to broadening the product offering in Oceans
 - Expects R&D investments for 2020 to be approx. 8 to 10% of revenues
 - Quarterly revenues expected to fluctuate, segment margin vary based on product mix
- Strong position in automotive & satellite-based tolling, attractive long-term outlook for ITS
 - Expect lower visibility in orders from automotive short term, due to expected decline in demand for heavy trucks for 2020
 - Positive growth outlook for satellite-based tolling underpinned by intensified interest for road pricing and distance-based taxation
- Board of Directors proposes a dividend of NOK 0.6 per share



Diversified and robust business model - well positioned for future growth



NORBIT

- explore more -

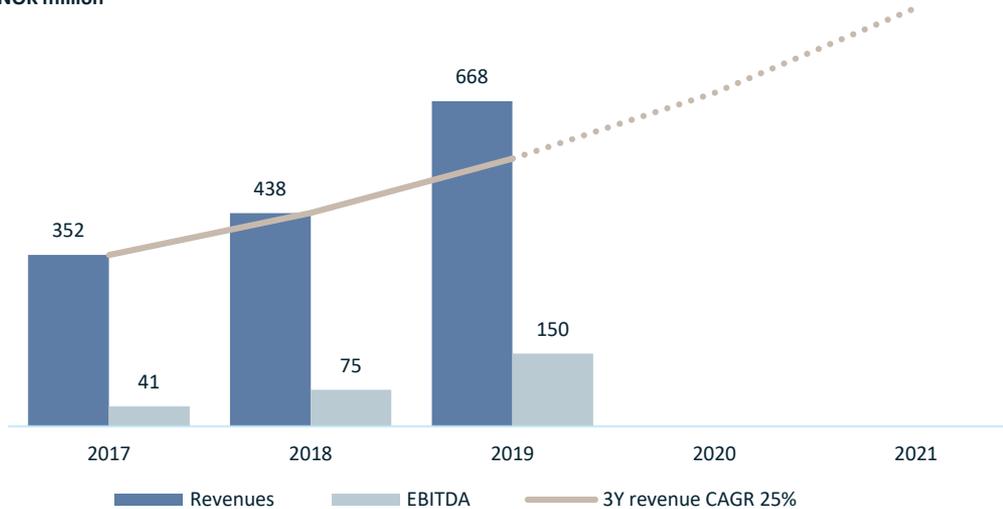
EXPLORING IS FINDING OPPORTUNITIES WHERE OTHERS FIND LIMITS

Shareholder overview, updated 12 February 2020

#	Investor	#shares	%
1	VHF INVEST AS - founder Steffen Kirknes	8 686 495	15.30
2	PETORS AS - CEO Per Jørgen Weisethaunet	6 645 695	11.70
3	DRAUPNIR INVEST AS - family of founder Steffen Kirknes	5 702 949	10.04
4	EIDCO A/S	3 732 286	6.57
5	HANDELSBANKEN Nordiska Smabolag	3 348 135	5.90
6	ESMAR AS	2 993 740	5.27
7	Morgan Stanley & Co. Int. Plc.	2 745 187	4.83
8	ARCTIC FUNDS PLC	2 692 374	4.74
9	Dan Sten Olsson and family (thru SEB S.A.)	2 391 000	4.21
10	Citibank. N.A.	1 200 000	2.11
11	Danske Invest Norge Vekst	1 050 000	1.85
12	RACCE AS	738 546	1.30
13	Danske Bank A/S - MD Oceans Peter K. Eriksen	726 476	1.28
14	USEGI AS - CTO Arild Sjøraunet	721 989	1.27
15	T.D. VEEN AS	715 000	1.26
16	ARCTIC FUNDS PLC	686 806	1.21
17	Carnegie Investment Bank AB	627 216	1.10
18	Taaleri Nordic Value Equity Fund	525 000	0.92
19	J.P. Morgan Bank Luxembourg S.A.	430 392	0.76
20	Nordea Bank Abp	425 000	0.75
	Total 20 largest	46 784 286	82.39
	Other	10 002 632	17.61
	Total	56 786 918	100.00

Financial targets

NOK million



Long term financial targets:



3Y revenue CAGR from 2017 > 25%



EBITDA margin > 20%



Invest ~5% of revenue in R&D

Corporate management



Per Jørgen Weisethaunet | CEO

- 18 years as CEO of NORBIT Group
- Joined NORBIT in 2001
- MSc in Electronics from NTNU. Business Economy and Management from BI and Trondheim Economic High School



Stian Lønvik | CFO

- Prior experience from FESIL and EY
- Joined NORBIT as CFO in 2013
- MSc in Auditing and Accounting from NHH and BI



Peter K. Eriksen | Business Unit Director NORBIT Oceans

- Prior experience as CTO/CEO including RESON (Teledyne)
- Joined NORBIT as CEO of Oceans in 2011
- MBA from Kellogg School of Management and MSc in Active Vibration Control from Aalborg University



Arild Sjøraunet | CTO / Business Unit Director PIR (ODM)

- Prior experience from Kongsberg Defence & Aerospace
- Joined NORBIT as project manager in 2002
- CEO of NORBIT PIR (ODM)
- MSc in Applied physics from University of Tromsø



Peter Tschulik | Business Unit Director ITS

- 19 years at Siemens focusing on global product management and marketing
- Joined NORBIT as Business Development Director in 2015
- PhD degree in Electronics from Technical University of Vienna



Stein Martin Beyer | COO / Business Unit Director PIR (EMS)

- 28 years with industrial management and leadership experience
- Group COO and CEO of NORBIT PIR (EMS)
- MSc in Metallurgy (Material Technology) from NTNU

Vast domain knowledge and unique ability to spot and create new market opportunities