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Presentation of the third quarter 2020 results

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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 14 countries
- Listed on Oslo Børs, ticker **NORBIT**

A global provider of tailored technology to carefully selected niches

Diversified and robust business model



Oceans is offering tailored technology solutions to global maritime markets



Intelligent Traffic Systems (ITS) is offering tailored connectivity solutions for traffic systems and truck applications

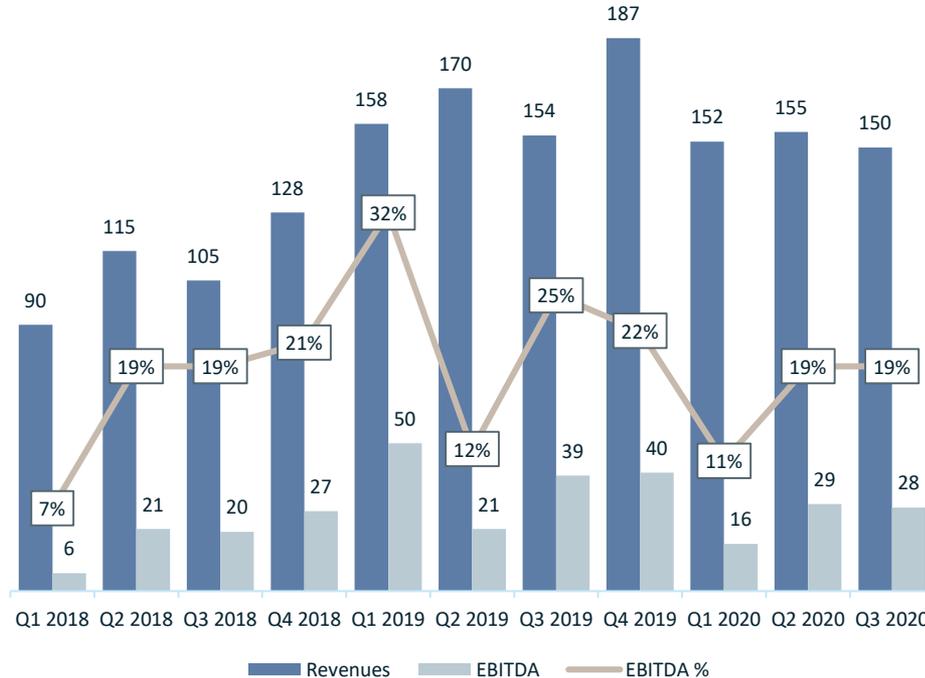


Product Innovation & Realization (PIR) is offering R&D services and contract manufacturing to key customers

Highlights for the third quarter of 2020

Revenues and EBITDA

NOK million



Third quarter of 2020

- Revenues of NOK 150 million, 3% down from Q319
 - Strong quarter for Oceans, delivering all-time high revenues
 - Segment ITS had a challenging quarter as expected
 - PIR delivered in line with Q319
- EBITDA of NOK 28 million, margin of 19%
- Contract award for multiple sonar systems from governmental customer in North America
- Contract award for SeaCOP, system for surveillance and environmental monitoring from customer in Asia

Subsequent events

- Board resolved dividend of NOK 0.30 per share
 - Approved at AGM in May
 - Total dividend for fiscal year 2019 NOK 0.60 per share
- Acquisition of SeaDarQ radar processing Software
- Expansion of production facilities at Røros completed



DSRC solutions for satellite-based truck tolling



Connectivity devices for smart tachograph

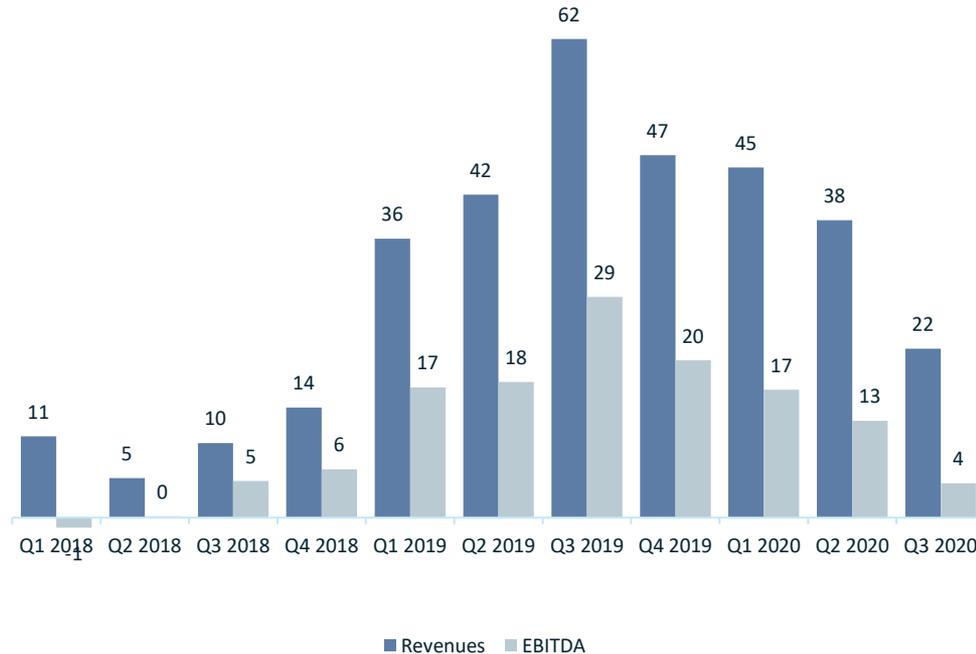
Intelligent Traffic Systems (ITS)



Challenging quarter for ITS

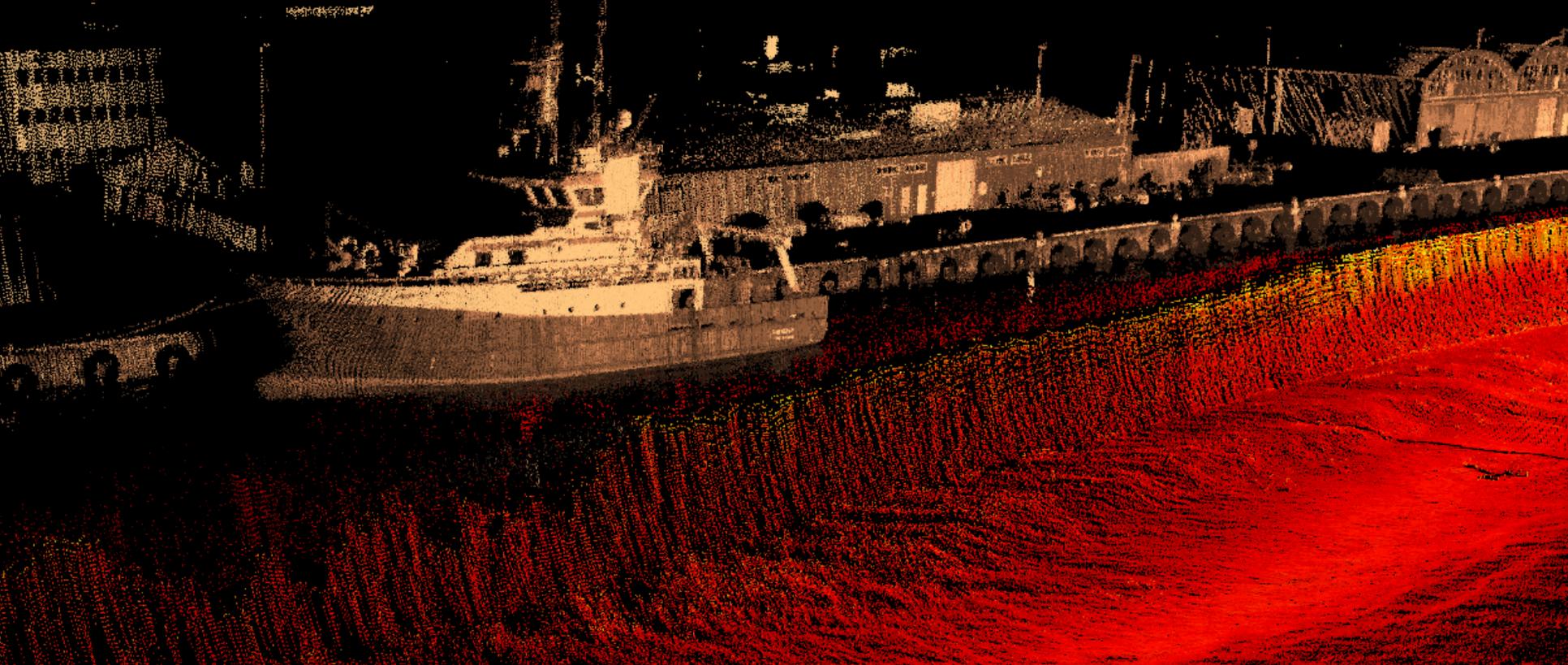
Revenues and EBITDA

NOK million



Third quarter of 2020

- Revenues of NOK 21.8 million, 65% decline from Q319
 - Segment continue to remain affected by pandemic
 - Volumes negatively affected by inventory build-up at some customers during 1H20
 - Certain deliveries of On-Board Units (OBUs) postponed to Q4, negatively impacting Q3 revenues
- EBITDA of NOK 4 million, margin of 20%

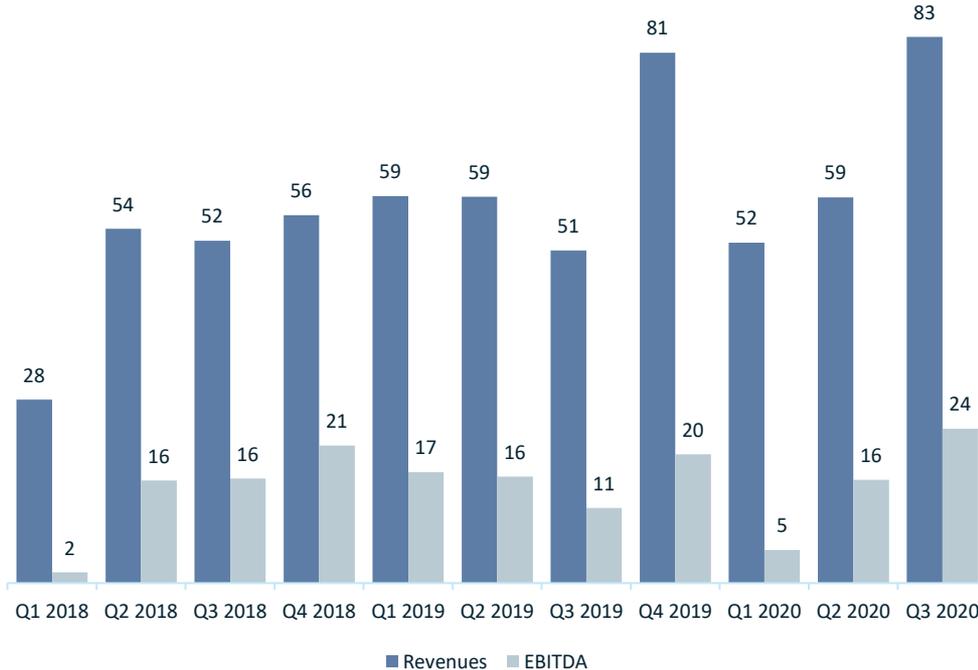


Oceans

Strong results from Oceans delivering all-time high revenues

Revenues and EBITDA

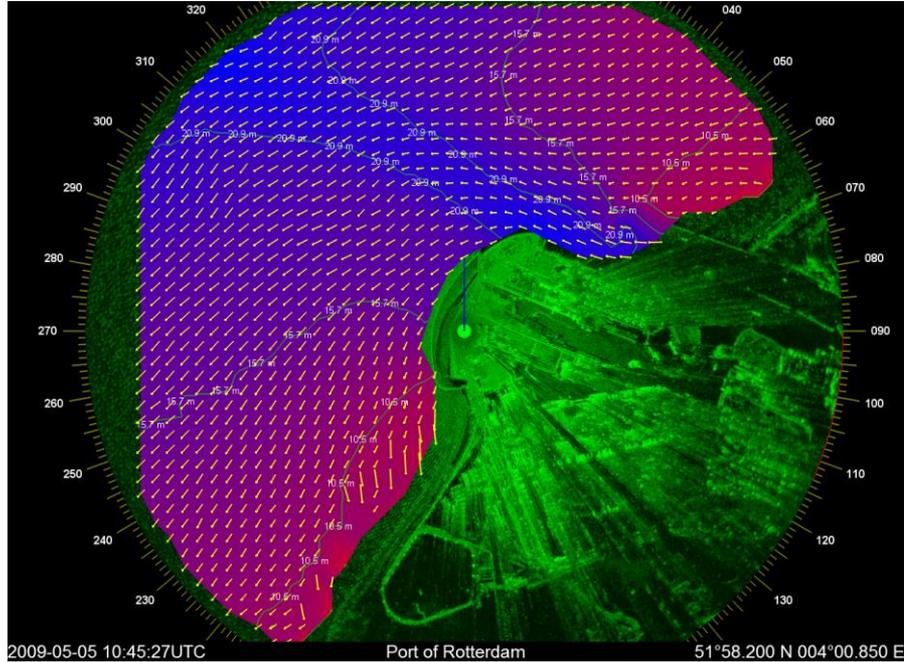
NOK million



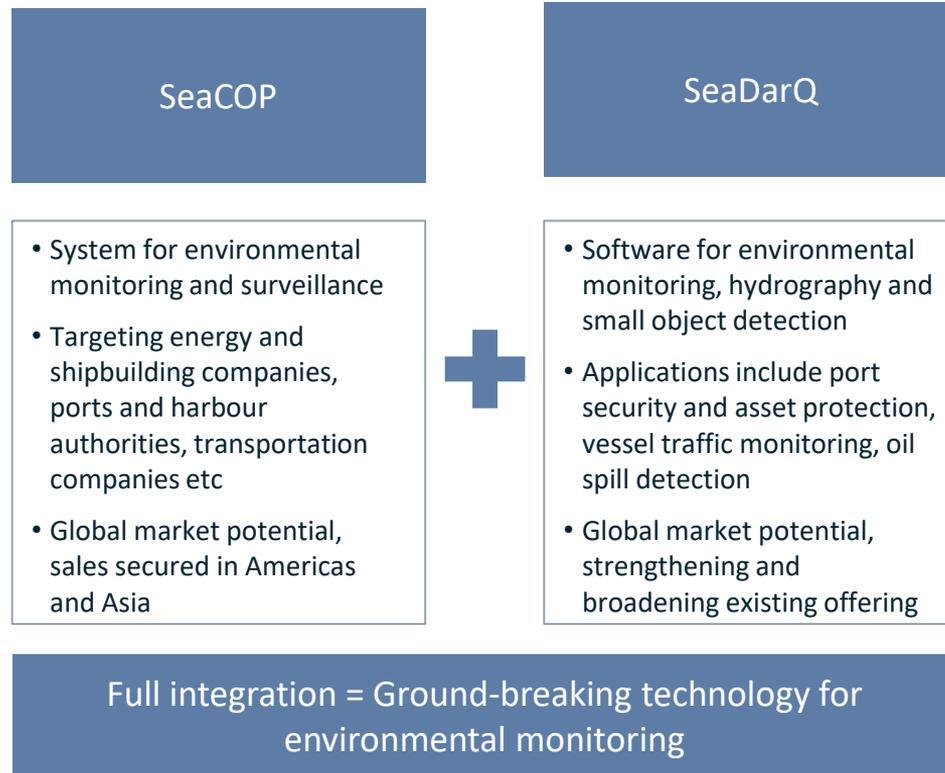
Third quarter of 2020

- Revenues of NOK 83.1 million, 64% growth from Q319 and 42% growth from Q220
 - Americas region particularly strong, including delivery of award from governmental customer for multiple sonar system
 - Successful launch of new high-resolution sonar system WINGHEAD® contributed positively
 - Sales activities still impacted by travel restrictions
- EBITDA of NOK 23.5 million, margin of 28%
- Awarded contract in Asia for delivery of SeaCOP, a system for environmental monitoring and surveillance worth ~NOK 20 million

SeaDarQ software strengthens position in maritime environmental monitoring

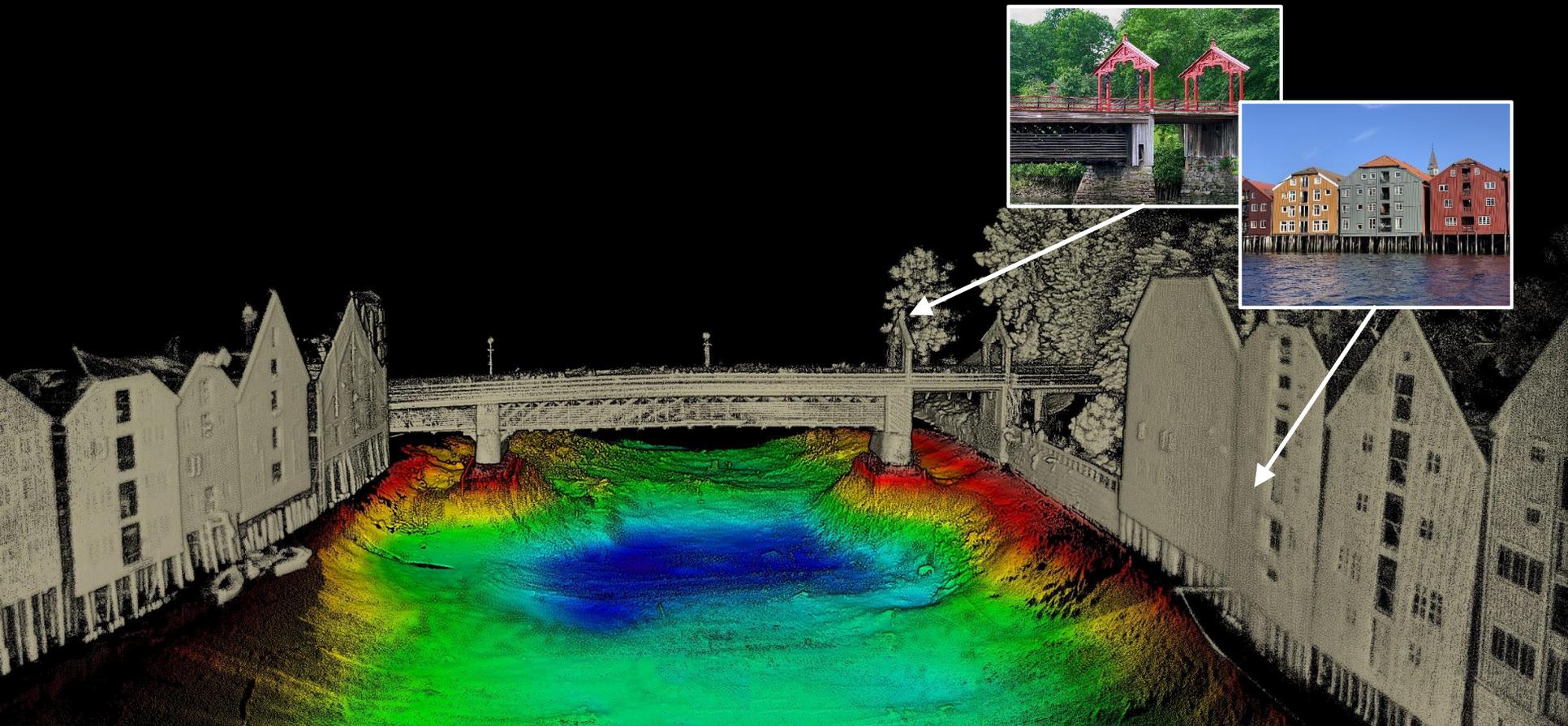


Acquisition of SeaDarQ software



- Acquisition of SeaDarQ software from Nortek Group
- Software includes radar raw data processing algorithms
- System to be integrated with NORBIT's SeaCOP solution, strengthening the existing offering

Launch of WINGHEAD® - a new ultra-high resolution sonar



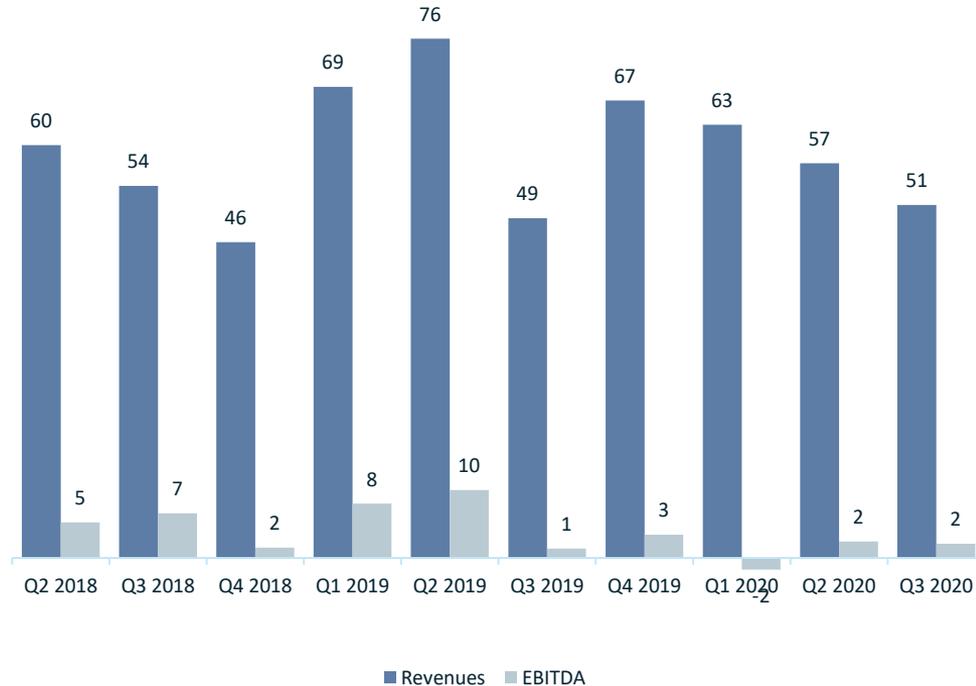


Product Innovation & Realization (PIR)

PIR delivers revenues in line with Q319

Revenues and EBITDA

NOK million



Third quarter of 2020

- Revenues of NOK 51.3 million, in line with Q319
 - Revenues from both contract manufacturing and sales of R&D services were stable compared to Q319
- EBITDA of NOK 2.1 million, a margin of 4%
 - Improved EBITDA margin from Q319
 - Margins fluctuates based on product mix sold

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Group financials



Financials – P&L

Amounts in NOK 000's

	Q3 2020	Q2 2020	Q3 2019	YTD 2020	YTD 2019
Revenues	149 966	155 152	154 359	456 688	481 708
Other gains and losses	-	-	-	-	10 865
Raw materials and change in inventories	69 113	77 298	68 741	214 605	217 403
Employee benefit expenses	37 198	32 113	36 383	111 009	120 497
Depreciation and amortization expenses	11 882	11 764	11 986	34 964	34 446
Other operating expenses	15 484	16 267	10 730	57 441	45 108
Operating profit	16 288	17 710	26 518	38 669	75 120
Net financial items	1 430	(2 822)	(3 309)	(160)	(10 638)
Profit before tax	17 718	14 888	23 209	38 508	64 482
Income tax expense	(4 154)	(3 283)	(5 106)	(8 470)	(11 819)
Profit for the period	13 564	11 605	18 103	30 038	52 663

Third quarter of 2020

- Revenues of NOK 150.0 million, 3% down from Q319 and previous quarter
 - Strong quarter for Oceans, solid contribution from Americas
 - Offset by weak quarter for ITS

- Total OPEX of NOK 133.7 million, compared to a total of NOK 127.8 million in Q319 and NOK 137.4 million the previous quarter

- EBITDA of NOK 28.2 million, 19% margin
 - Strong margin in Oceans, but profitability offset by lower contribution from ITS

- Profit for the period of NOK 13.5 million

Financials – Balance sheet

Amounts in NOK 000's

	30.09.20	30.06.20	31.12.19
ASSETS			
Land and property, plant and equipment	124 004	114 058	78 653
Intangible assets	168 488	162 990	135 318
Deferred tax asset	18 540	21 848	25 623
Inventories	175 402	175 605	167 801
Trade receivables	131 191	111 944	149 877
Other receivables and prepayments	22 442	21 657	18 086
Other assets	3 145	2 782	2 972
Bank deposits	25 208	4 656	21 680
Total assets	668 420	615 539	600 010
LIABILITIES			
Borrowings	106 766	50 056	19 273
Lease liabilities	5 101	6 102	8 395
Trade payables	66 179	72 188	89 161
Other payables	32 185	43 398	39 262
Other liabilities	1 644	919	341
Total liabilities	211 874	172 663	156 431
Total equity	456 546	442 876	443 579
Total liabilities and equity	668 420	615 539	600 010

Fixed and intangible assets

- Land and PPE: Increase of NOK 9.9 million related to investments in machinery and equipment and expansion capex at Røros
- Intangible assets: Increase of NOK 5.5 million from end of Q220 explained by investments in R&D, partly offset by amortization

Working capital

- Inventories: NOK 175.4 million, in line with end of Q220
 - Maintaining security stock of critical components
- Trade receivables: NOK 131.2 million, up by NOK 19.2 million
 - Increase from previous quarter mainly explained by higher sales from Oceans and intra quarter revenue effects impacting segment ITS and PIR receivable balance at quarter end
- Trade payables: NOK 66.2 million, down from NOK 72.2 million per end of the second quarter

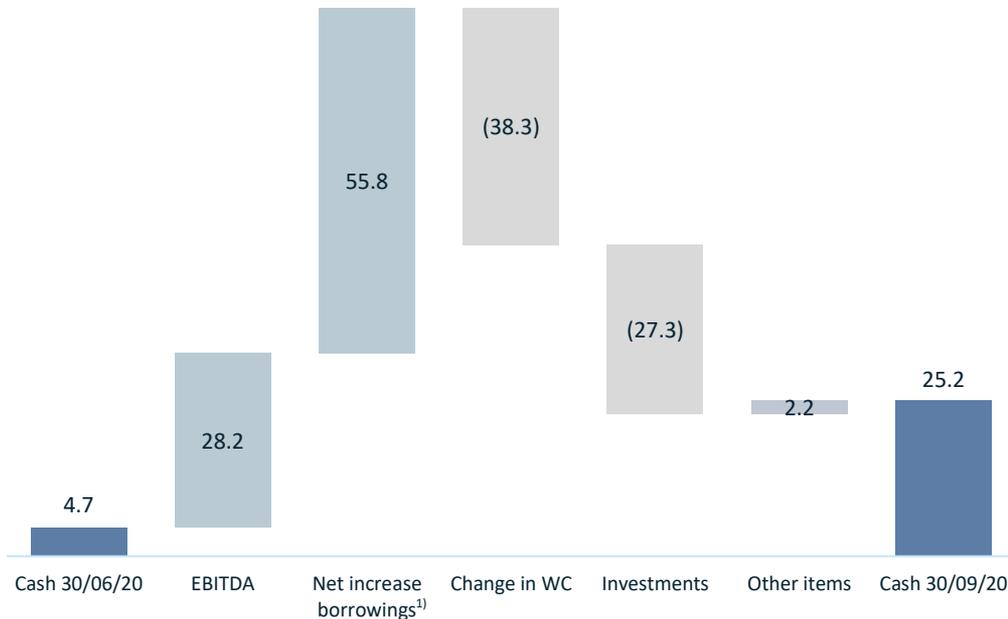
Net-interest bearing debt and equity

- Total borrowings of NOK 106.8 million
- Net-interest bearing debt (excl. lease liabilities) of NOK 81.6 million, up from NOK 45.4 million end of second quarter
- Equity of NOK 456.5 million, representing an equity ratio of 68%

Financials – Cash Flow

Cash flow development

NOK million



1) Including lease payments

Third quarter of 2020

- Operating cash flow of NOK -7.9 million
 - Net increase in working capital of NOK 37.1 million, mainly explained by increase in accounts receivables
- Investing activities generated cash outflow of NOK 27.3 million
 - NOK 15.2 million related to Røros plant expansion and investments in machinery and equipment
 - NOK 12.2 million investment in R&D
- Financing activities led to a cash inflow of NOK 55.8 million
 - Explained by increase of borrowings
- Solid liquidity position with NOK 189.4 million in undrawn committed credit facilities at 30 September

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Outlook



Outlook

- Continuous uncertainty related to the pandemic
 - Level of impact varies across segments and regions
 - Travel restrictions impact global sales activities

- Oceans' market outlook looks promising for Q4
 - Sales of new sonar WINGHEAD® and delivery of SeaCOP expected to contribute positively to the results for the segment

- Revenues for segment ITS expected to show an uplift in Q4 compared to Q3
 - More deliveries scheduled

- Q4 revenues for segment PIR are expected to be on par with Q3

- Remains positive about long-term market outlook
 - Expects revenues, EBITDA and R&D investment rate to deviate from long-term targets as long as challenges related to pandemic persist



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EXPLORING IS FINDING OPPORTUNITIES WHERE OTHERS FIND LIMITS

Shareholder overview updated 23 October 2020

#	Investor	#shares	%
1	VHF INVEST AS – founder Steffen Kirknes	8 686 495	15.30
2	PETORS AS – CEO Per Jørgen Weisethaunet	6 925 695	12.20
3	DRAUPNIR INVEST AS – family of founder Steffen Kirknes	5 702 949	10.04
4	EIDCO A/S	3 832 286	6.75
5	Taiga Investment Funds (through Morgan Stanley)	3 745 187	6.60
6	Handelsbanken Nordiska smabolag (through J.P. Morgan Bank)	3 698 135	6.51
7	ESMAR AS	3 093 740	5.45
8	ARCTIC FUNDS PLC	2 692 374	4.74
9	Citibank, N.A.	1 200 000	2.11
10	Danske Invest Norge Vekst	1 050 000	1.85
11	RACCE AS	738 546	1.30
12	Danske Bank A/S – MD Oceans Peter K. Eriksen	725 076	1.28
13	USEGI AS – CTO Arild Sjøraunet	721 989	1.27
14	T.D. VEEN AS	715 000	1.26
15	Carnegie Investment Bank AB	627 216	1.10
16	Nordea Bank Abp	600 000	1.06
17	SONSTAD AS	570 000	1.00
18	Taaleri Nordic Value Equity Fund	525 000	0.92
19	Handelsbanken Mikrocap Norden (through J.P. Morgan Bank)	430 392	0.76
20	GH HOLDING AS	421 000	0.74
	Total 20 largest	46 701 080	82.24
	Other	10 085 838	17.76
	Total	56 786 918	100.00