

# NORBIT

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## First quarter 2022 presentation

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13 May 2022

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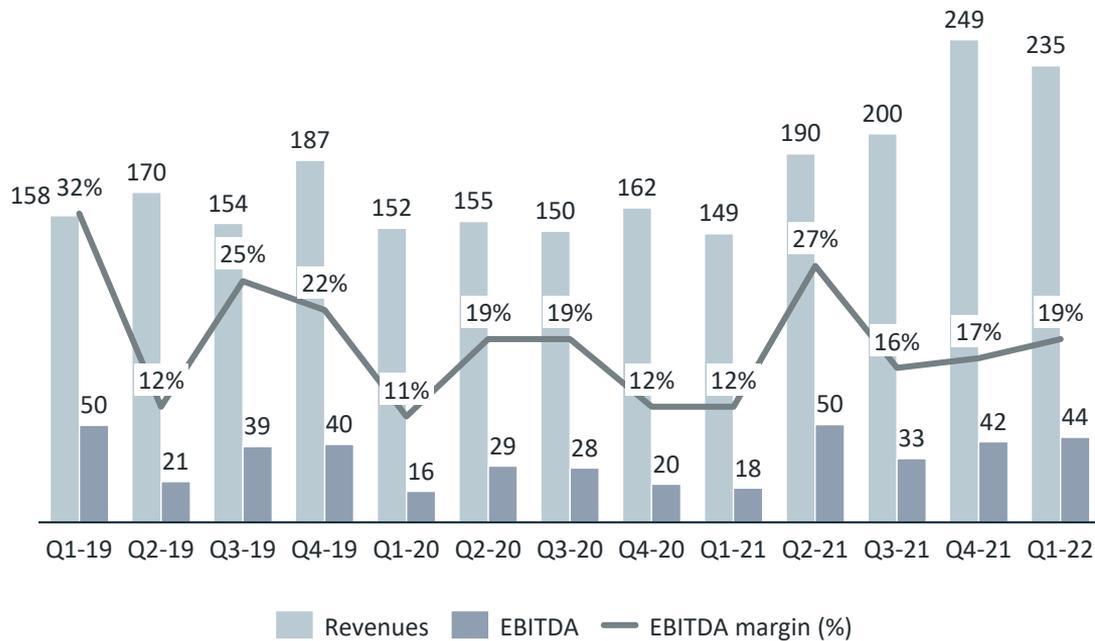
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# 58 per cent revenue growth and improved profitability

## Revenues and EBITDA

NOK million



## First quarter 2022

- Revenue increased by 58 per cent, driven by solid growth in all segments
- Improved profitability driven by higher revenue base and operational leverage, despite cost inflation on raw materials
- Good progress towards the target for 2022 to deliver revenues in excess of NOK 1.0 billion
- In May, the Annual General Meeting decided to distribute a dividend of NOK 0.30 per share for the financial year 2021

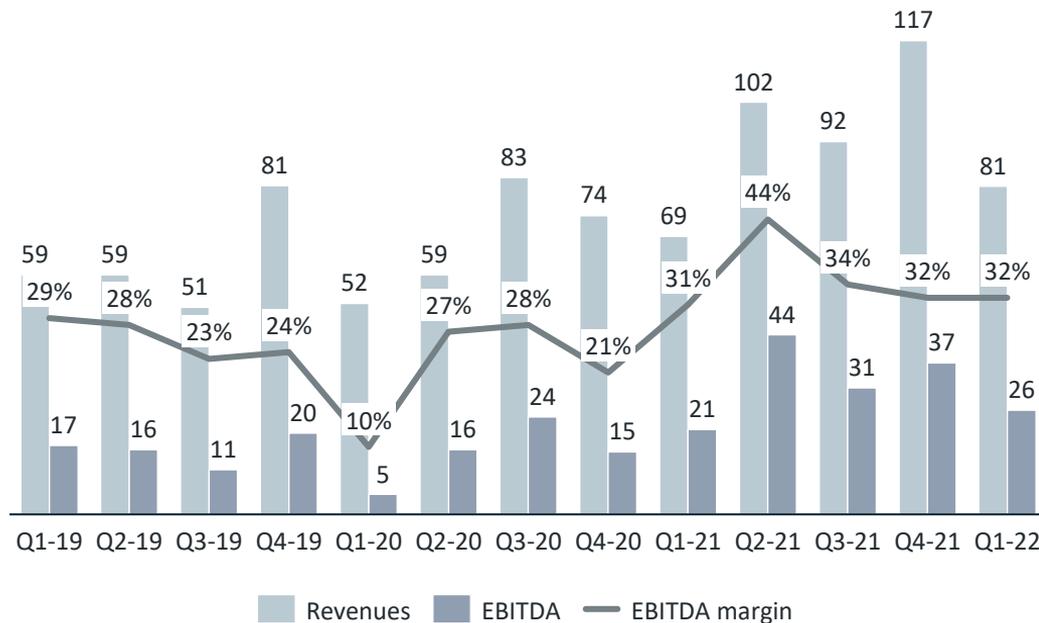


**OCEANS**

# Continued strong sonar sales in Oceans

## Revenues and EBITDA

NOK million



## First quarter 2022

- Revenues of NOK 81 million, an increase of 18 per cent from Q1-21
- Revenue growth was mainly attributed to increased sonar sales and revenue recognition on Guardpoint contract
- EBITDA margin of 32%, slightly up year over year

## Main events

- NOK 15 million order secured to deliver several WINGHEAD i80S sonar systems. Delivery in Q2-22
- NOK 20 million contract awarded for delivery of multiple Guardpoint surveillance sonar systems for delivery in Q2-22.

*Broadening product offering;  
Winghead i80s*



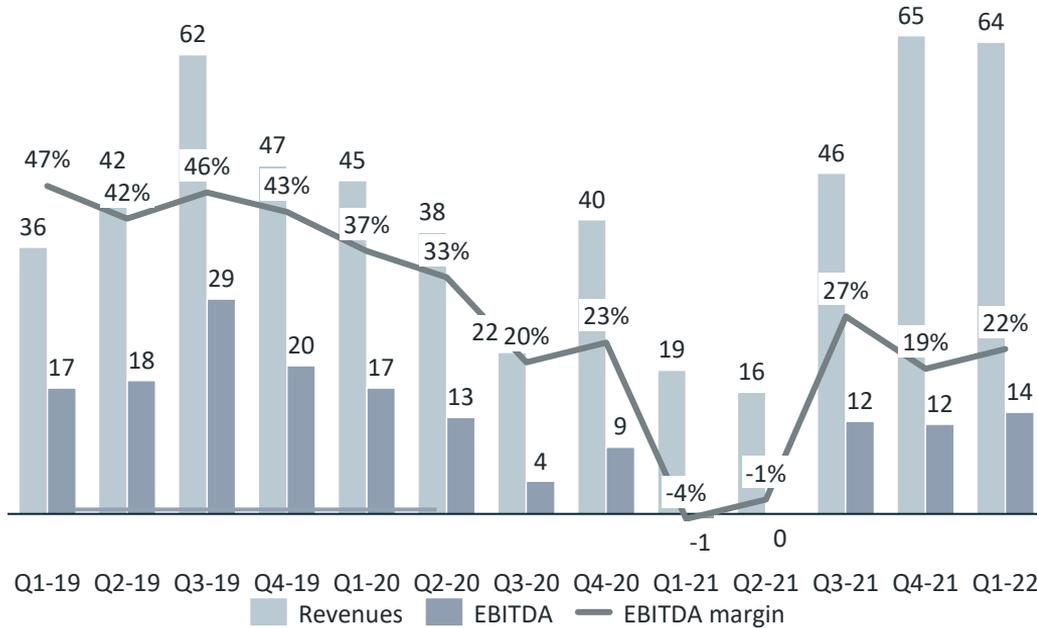


**CONNECTIVITY**

# Improved profitability from increased sales and value accretive acquisition

## Revenues and EBITDA

NOK million



## First quarter 2022

- Strong revenue growth driven by increased sales from sub-segment ITS and NOK 21 million in revenues from iData (acquisition completed July 31, 2021)
- Strong growth in both delivery of On-Board Units and satellite-based tolling products
- EBITDA margin improvement from operational leverage following the higher revenue base within sub-segment ITS and result contribution from the iData acquisition

## Main events

- Received NOK 30 million order from Toll Collect for delivery in 2023
- NOK 40 million orders for On-Board Units ('OBUs') to French and Italian customers, delivery in 2022
- Agreement to deliver OBUs to Flyt

# Partnering with insurance companies



**UnipolSai**  
ASSICURAZIONI



- One of Italy's largest insurance companies
- Launched Unipolmove OBU market campaign in April
- > 50 MNOK in orders for Q2-Q4'22



Fremtind  
Service

- Part of the insurance group Fremtind
- Norway's largest OBU issuer with 1.2 million AutoPASS clients



**flyt**

- Part of the insurance group Gjensidige
- Norway's second largest OBU issuer with approximately 800,000 AutoPASS clients

***Migration of On-Board Units sales from public tendering to B2B with focus on innovation***

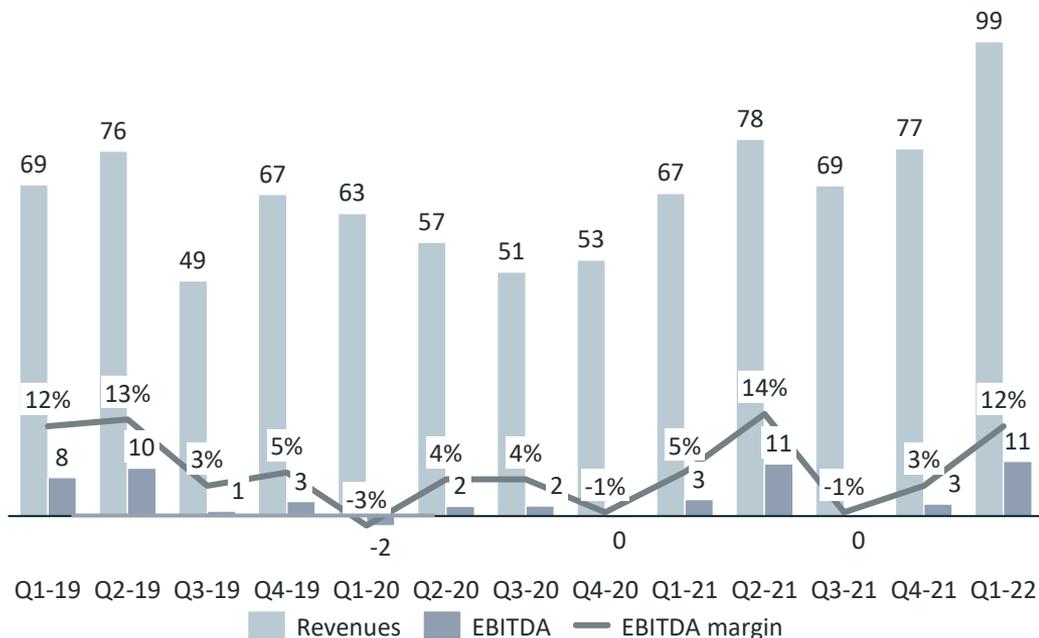


PIR

# Strong growth and improved profitability

## Revenues and EBITDA

NOK million



## First quarter 2022

- 47 per cent revenue growth year over year
  - Strong and increasing demand from new and existing clients within contract manufacturing
  - R&D product and services delivered 24 per cent growth year over year
- EBITDA came in at NOK 11 million,
- Improved EBITDA result driven by economies of scale following the higher revenue base and PIR maintaining cost discipline

## Increasing demand for “Made in Norway”

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Trondheim, 23 February 2022: *NORBIT today announces that segment Product, Innovation and Realization (PIR) has entered into a frame agreement with an undisclosed European industrial customer for delivery of electronic modules for electromobility charging products. The agreement has a value of approximately NOK 120 million over a four-year period.*

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Group financials



# Financials – P&L

<i>Amounts in NOK million</i>	Q1 2022	Q1 2021
Revenues	235.2	148.7
Other gains and losses	-	1.2
Raw materials and change in inventories	100.4	72.6
Employee benefit expenses	60.0	41.5
Other operating expenses	30.9	18.2
<b>EBITDA</b>	<b>43.9</b>	<b>17.6</b>
Depreciation and amortization expenses	20.2	15.0
<b>Operating profit / EBIT</b>	<b>23.6</b>	<b>2.7</b>
Net financial items	(6.4)	(4.2)
<b>Profit before tax</b>	<b>17.2</b>	<b>(1.6)</b>
Income tax expense	(4.7)	0.0
<b>Profit for the period</b>	<b>12.5</b>	<b>(1.6)</b>

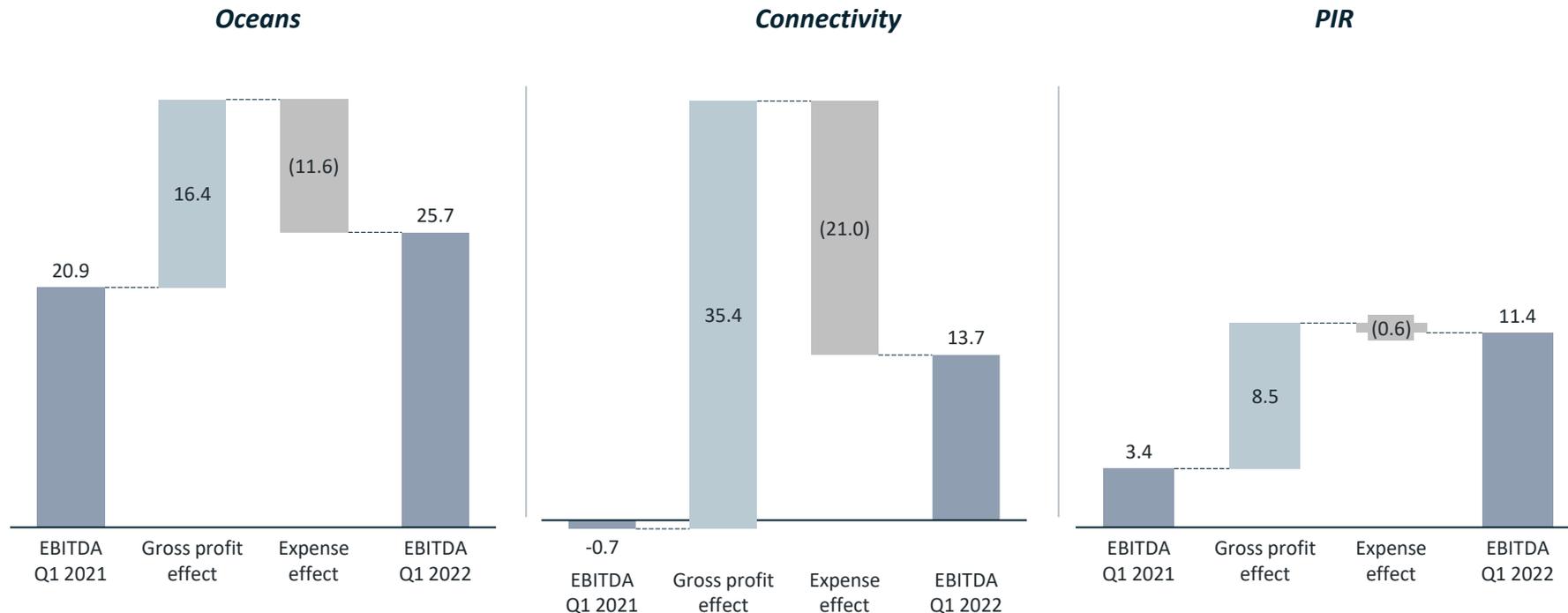
## First quarter of 2022

- Revenues of NOK 235.2 million, up 58 per cent from Q1 2021
  - 44 per cent growth year over year adjusted for iData acquisition
  - All segments delivered revenue growth compared to Q1 2021
- Contribution margin of 57 per cent, up from 51 per cent in Q1 2021, primarily driven by Oceans and Connectivity
- Employee benefit expenses of NOK 60.0 million versus NOK 41.5 million in Q1 2021, increase mainly due to iData acquisition (NOK 5.8 million) and a general strengthening of the organization throughout 2021
- EBITDA of NOK 43.9 million (19 per cent margin), up from NOK 17.6 million in Q1 2021
- Net financial items of negative NOK 6.4 million primarily due to net interest expenses and currency movements
- Net profit for the period of NOK 12.5 million after NOK 4.7 million in tax expenses

# All segments contributing to increased profitability year over year

## Segment EBITDA development Q1 2022 vs. Q1 2021

NOK million



# Financials – Balance sheet

Amounts in NOK 000's

	31.03.22	31.12.21
<b>ASSETS</b>		
Property, plant and equipment	164.9	164.9
Intangible assets	248.3	242.3
Goodwill	82.1	82.1
Deferred tax asset	11.1	13.3
Inventories	334.9	263.2
Trade receivables	163.3	154.9
Other receivables and prepayments	41.2	33.3
Other assets	1.5	1.2
Cash and cash equivalents	22.3	21.7
<b>Total assets</b>	<b>1,069.6</b>	<b>976.9</b>
<b>LIABILITIES</b>		
Interest-bearing borrowings	300.6	288.2
Lease liabilities	13.0	15.0
Trade payables	153.2	100.2
Other current liabilities	74.9	59.7
Other liabilities	15.5	16.0
<b>Total liabilities</b>	<b>557.3</b>	<b>479.1</b>
<b>Total equity</b>	<b>512.3</b>	<b>497.9</b>
<b>Total liabilities and equity</b>	<b>1,069.6</b>	<b>976.9</b>

## Fixed and intangible assets

- Land and PPE: On par with prior quarter as depreciation offset investments
- Intangible assets: Increase of NOK 6.0 million driven by R&D investments, partly offset by amortisation

## Working capital

- Inventories: Increased NOK 71.6 million, primarily related to purchase of components to safeguard deliveries due to a challenging supply market for components, and the general activity increase expected in 2022
- Trade receivables: Increased 8.3 million primarily explained by sales skewed towards March
- Trade payables: NOK 153.2 million, up from NOK 100.2 million in Q4 2021

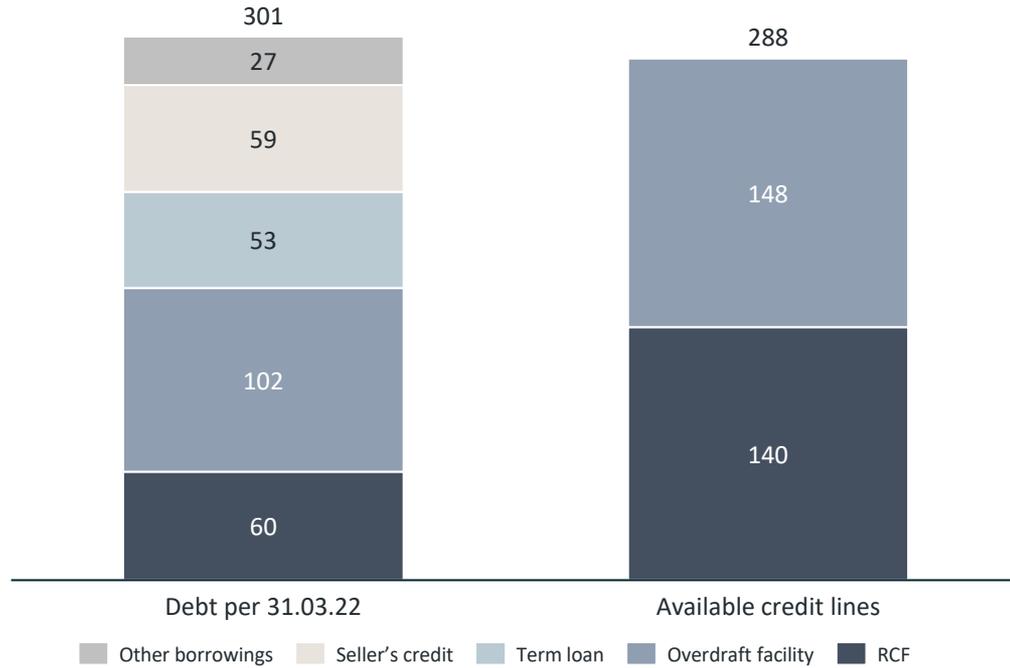
## Net-interest bearing debt, lease liabilities and equity

- Total borrowings of NOK 300.6 million, increase of NOK 12.4 million from prior quarter
- Net-interest bearing debt (excl. lease liabilities) of NOK 278.3 million, up from NOK 266.5 million in Q4 2021
- Equity of NOK 512.3 million, representing an equity ratio of 48%

# Liquidity further strengthened in the quarter

## Debt facilities and available credit lines

NOK million



## Refinanced multicurrency overdraft facility

- Refinancing of the overdraft facility to NOK 250 million, strengthening liquidity by NOK 120 million
  - 140bps p.a. margin
  - Rolling one year facility
  - Covenants similar to revolving credit facility

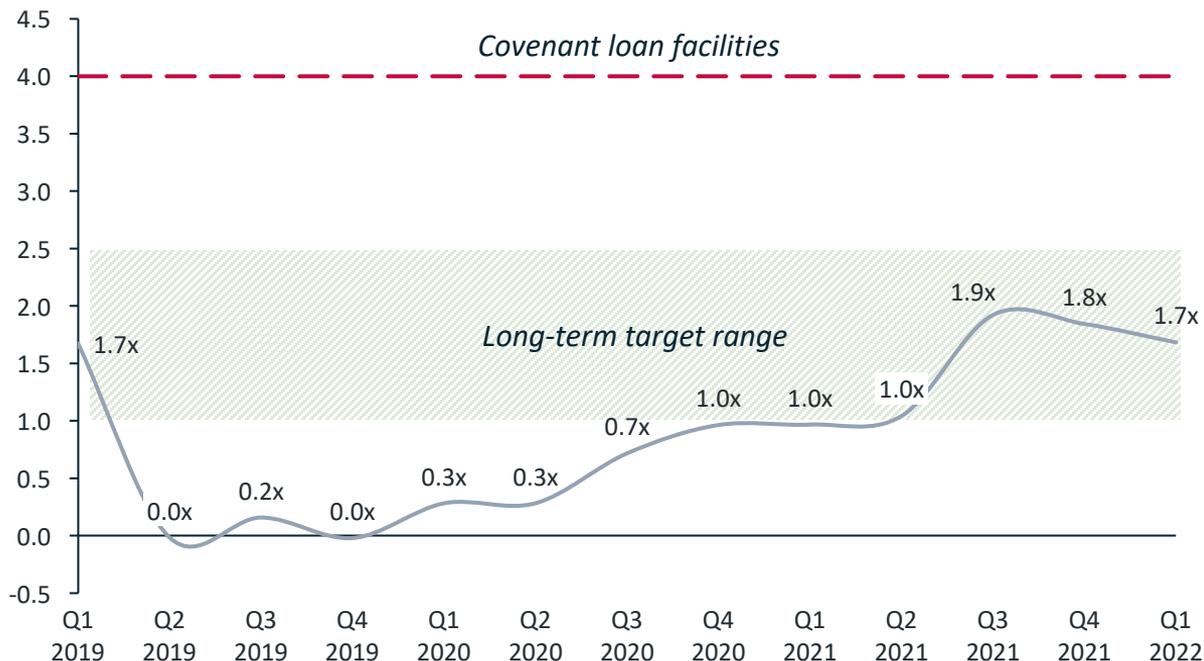
## Non-recourse factoring agreement

- A new agreement entered into with Nordea with credit limit of NOK 110 million
- Sale of receivables with longer credit periods
- Gradually phased in from February, improving working capital efficiency

# Maintaining a solid balance sheet

## NIBD/EBITDA

EBITDA 12 month rolling



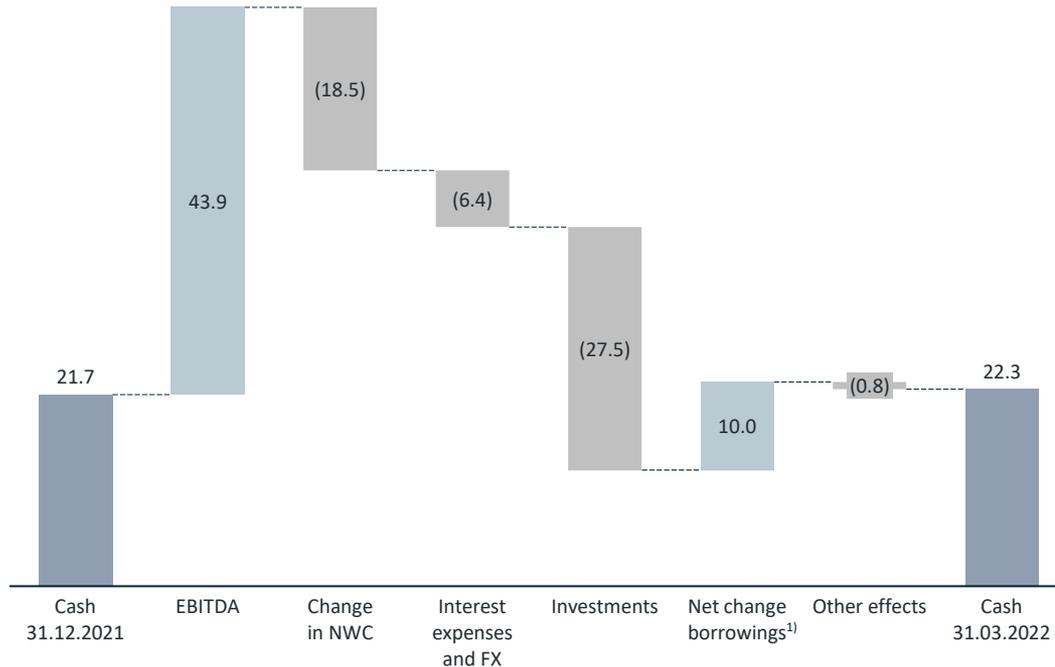
- Maintaining a strong balance sheet and liquidity position are first priorities for capital allocation:
  - Provide for financial flexibility
  - Prudent risk management
  - Operating well within covenants
  - Maintain customer confidence
  - Available financing for working capital in growth phase
- Long-term target level between 1.0 – 2.5x NIBD<sup>1</sup>/EBITDA over the cycle
- Covenants in loan facilities at 4.0x NIBD/EBITDA and equity ratio > 30%
  - 48% equity ratio at Q1 2022

1) NIBD defined as total interest bearing borrowings less cash and cash equivalents (including leasing liabilities starting Q3 2021). EBITDA on a 12 month rolling basis

# Financials – Cash Flow

## Cash flow development first quarter 2022

NOK million



1) Including repayment of leases

## First quarter of 2022

- Operating cash flow of positive NOK 18.2 million
  - Net increase in working capital of NOK 18.5 million, primarily driven by increase in inventories and receivables
- Investing activities generated cash outflow of NOK 27.5 million
  - NOK 16.0 million invested in R&D. Full year guidance is NOK 50 – 60 million
  - NOK 10.0 million invested in machinery and equipment. Full year guidance is NOK 40 – 50 million
- Financing activities led to a cash inflow of NOK 10.0 million
  - Explained by an increase in the overdraft facility, net of repayment of loans and leases

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## Outlook



# Risk mitigating actions to manage the challenging component market

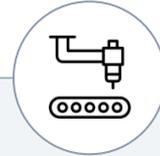
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***Security stock of  
components***



***R&D design  
adaptations***



***Flexibility with  
in-house production***

# Short-term outlook

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- Second quarter is seasonally strong due to the survey season
- NORBIT expects revenues in the second quarter to increase compared with the same period of last year
- Guidance is supported by a strong April, backlog and recent contracts won



- NORBIT reiterates guidance to deliver revenues in excess of NOK 130 million in the first half of 2022, implying revenues of more than NOK 70 million in the second quarter
- Guidance is supported by the backlog in sub-segment ITS and the outlook for Smart Data

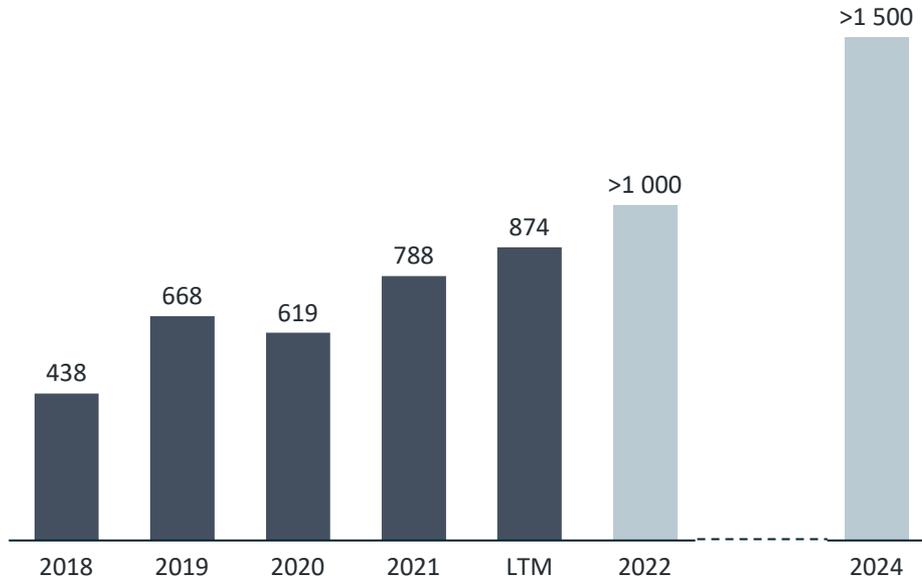


- Experiencing solid growth driven by increased demand from contract manufacturing
- Revenues for the second quarter is expected to be in line with the first quarter, implying strong growth from second quarter last year
- The directional guidance is subject to PIR receiving the needed components to deliver as planned

# On the path to reach the target levels set

## Organic revenue growth target

NOK million



- Maintaining revenue target for 2022 is in excess of NOK 1.0 billion, supported by growth in all three business segments
- Quarterly seasonal fluctuations are expected, along with the impact of currency movements
- Ambition is to deliver organic revenues in excess of NOK 1.5 billion and an EBITDA margin above 25 per cent in 2024
- Value-accretive acquisitions to add to organic growth target and ambition, although remaining disciplined

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**TECHNOLOGY**  
**IS PART OF THE SOLUTION**

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



EXPLORING  
SINCE 1995



~400 EMPLOYEES



~ 16 COUNTRIES

**NORBIT**

EURONEXT  
OSLO BØRS



*Victory awaits him who has everything in order. Luck people call it...  
Defeat is certain for him who has neglected to take necessary precaution in time. This is called bad luck"*

**Roald Amundsen 1912**

# Technology is part of the solution

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## *Diversified and robust business model*



Oceans is offering tailored technology solutions to global maritime markets



Connectivity encompasses NORBIT's technology within low power wireless solutions



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

# Shareholder overview, updated 11 May 2022

#	Investor	# of shares	%
1	VHF INVEST AS	7,686,495	13.15
2	PETORS AS	6,971,695	11.93
3	REITAN KAPITAL AS	5,829,083	9.97
4	DRAUPNIR INVEST AS	5,102,949	8.73
5	J.P. Morgan SE	3,179,708	5.44
6	ESMAR AS	3,162,286	5.41
7	EIDCO AS	3,062,286	5.24
8	CLEARSTREAM BANKING S.A.	3,044,895	5.21
9	The Bank of New York Mellon SA/NV	2,731,329	4.67
10	J.P. Morgan SE	1,271,670	2.18
11	Citibank	1,056,409	1.81
12	Danske Invest Norge Vekst	971,400	1.66
13	Danske Bank A/S - BU Director Oceans Peter Eriksen	758,039	1.30
14	USEGI AS - CTO Arild Sjøraunet	721,989	1.24
15	J.P. Morgan SE	720,392	1.23
16	SONSTAD AS	682,000	1.17
17	Carnegie Investment Bank AB	627,216	1.07
18	Danske Bank A/S	525,000	0.90
19	Nordea Bank Abp	395,610	0.68
20	MIDDELBOE AS	361,444	0.62
<b>Total 20 largest shareholders</b>		<b>48,861,895</b>	<b>83.58</b>
Other shareholders		9,597,407	16.42
<b>Total</b>		<b>58,459,302</b>	<b>100.00</b>