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HIGHLIGHTS AND KEY FIGURES

SUMMARY OF THE FIRST QUARTER 2022

- Revenues for the first quarter of 2022 amounted to NOK 235.2 million, representing an increase of 58 per cent from the corresponding period of 2021.
- EBITDA amounted to NOK 43.9 million, representing a margin of 19 per cent. This compares to NOK 17.6 million in the same period of 2021 and a margin of 12 per cent.
- Segment Oceans delivered NOK 80.8 million in revenues in a seasonally slow quarter, up 18 per cent from the corresponding period of 2021. The EBITDA margin was 32 per cent.
- Segment Connectivity delivered revenues of NOK 63.7 million, up from NOK 19.4 million in first quarter 2021, supported by strong demand for ITS products and the iData acquisition. The EBITDA margin was 22 per cent.
- Segment Product Innovation & Realization reported NOK 98.8 million in revenues, up 47 per cent from the corresponding period of 2021, primarily explained by higher activity in contract manufacturing. Profitability improved where the EBITDA margin for the quarter was 12 per cent.
- Oceans was awarded a NOK 15 million order for several Winghead i80s sonars and a NOK 20 million order for multiple Guardpoint underwater surveillance sonars, to be delivered in the second quarter.
- PIR was awarded a four-year NOK 120 million frame agreement with an undisclosed European industrial company for delivery of electronic modules for electromobility charging products.
- Connectivity secured several important contracts, including a NOK 30 million order from Toll Collect, two On-Board Unit (‘OBU’) contracts to two European customers with a combined value of NOK 40 million, and an agreement with Flyt AS was entered into for delivery of OBUs.
- NORBIT strengthened its liquidity with NOK 120 million by refinancing its overdraft facility, and entered into a NOK 110 million non-recourse factoring agreement.

SUBSEQUENT EVENTS

- NORBIT ASA held its annual general meeting 4 May 2022. All proposed resolutions were approved including the annual accounts for 2021 and the board’s proposal to distribute a dividend of NOK 0.30 per share

CONSOLIDATED KEY FIGURES*

Amounts in NOK million (except percentages and EPS)	Q1 2022	Q1 2021
Revenues	235.2	148.7
EBITDA	43.9	17.6
EBITDA margin (%)	19%	12%
EBIT	23.6	2.7
EBIT margin (%)	10%	2%
Profit for the period	12.5	(1.6)
Earnings per share (EPS)	0.21	(0.03)

* Definitions included on page 8.

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FIRST QUARTER 2022

FINANCIAL REVIEW

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

PROFIT AND LOSS

Revenues for the first quarter of 2022 amounted to NOK 235.2 million, representing a 58 per cent increase compared to the corresponding quarter of 2021 (NOK 148.7 million). When adjusted for the iData acquisition, organic growth was 44 per cent year over year. All segments contributed with revenue growth. Further details are provided in the segment results.

Raw material expenses and inventory changes were NOK 100.4 million for the first quarter (NOK 72.6 million). The increase from the same period last year is primarily explained by the increased activity. The gross margin was 57 per cent, compared to 51 per cent in the first quarter of 2021. The margin improvement is primarily explained by segments Oceans' and Connectivity. See the segment highlights for further information.

Employee benefit expenses amounted to NOK 60.0 million for the first quarter (NOK 41.5 million). The increase is explained by NOK 5.8 million in payroll expenses related to iData and strengthening of the organisation due to the higher activity level.

Other operating expenses amounted to NOK 30.9 million (NOK 18.2 million). The increase from the first quarter last year is largely explained by NOK 9.4 million in operating expenses in iData, increased expenses on external consultants, provisions for loss on trade receivables and increased freight and electricity cost.

EBITDA amounted to NOK 43.9 million in the quarter (NOK 17.6 million), corresponding to a margin of 19 per cent (12 per cent). All segments delivered growth in EBITDA compared to the first quarter of 2021.

Operating profit came in at NOK 23.6 million for the first quarter (NOK 2.7 million).

Net financial items amounted to negative NOK 6.4 million for the quarter (negative NOK 4.2 million). The increase is primarily explained by higher interest expenses.

Income tax expenses amounted to NOK 4.7 million for the quarter, while tax expenses were close to zero in the corresponding quarter of 2021.

Profit for the period was NOK 12.5 million for the first quarter of 2022 (negative NOK 1.6 million). Earnings per share were NOK 0.21 (negative NOK 0.03).

SEGMENTS

NORBIT ASA operates across three segments; Oceans, Connectivity and Product Innovation & Realization (PIR).

The Oceans segment delivers tailored technology solutions to global maritime markets, and the Connectivity segment is a leading supplier of solutions for asset identification, monitoring and tracking. The third segment, PIR, provides R&D products and services and contract manufacturing to key customers.

OCEANS

Targeting the global maritime market, the Oceans segment encompasses all of NORBIT's knowledge and competence, including proprietary technology and solutions. The segment offers ultra-compact sonars for a range of special applications, including seabed mapping and hydrography. In addition, Oceans has developed proprietary solutions and software for maritime and environmental monitoring. NORBIT is continuously working towards expansion in selected niche areas within the segment.

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

Financial figures – Oceans

Amounts in NOK million	First quarter		Full year
	2022	2021	2021
Revenues	80.8	68.5	378.5
Raw materials	21.4	25.4	139.2
Gross profit	59.4	43.0	239.3
Operating expenses	33.7	22.1	105.6
EBITDA	25.7	20.9	133.6
Depreciation and amortisation	7.6	4.9	24.7
EBIT	18.1	16.0	108.9
Gross margin (%)	73%	63%	63%
EBITDA margin (%)	32%	31%	35%
EBIT margin (%)	22%	23%	29%

Revenues amounted to NOK 80.8 million for the first quarter of 2022. The segment delivered 18 per cent revenue growth from the first quarter last year (NOK 68.5 million). Growth was mainly attributed to increased sonar sales where March was a particularly strong month after a seasonally slow January and February. NORBIT recognised NOK 7.5 million in revenues related to the Guardpoint underwater surveillance sonar project in the quarter.

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The gross margin was 73 per cent compared with 63 per cent in first quarter last year. The increase is primarily explained by a higher share of direct sales without commission, a favourable product mix, higher share of revenues from services, as well as revenue recognition on projects with low share of raw materials in the quarter.

Operating expenses, including employee expenses and other operating costs, amounted to NOK 33.7 million for the first quarter of 2022 (NOK 22.1 million). The increase is primarily explained by a strengthening of the organisation throughout last year.

EBITDA amounted to NOK 25.7 million for the quarter (NOK 20.9 million), representing a margin of 32 per cent (31 per cent).

Main events

- Received order for delivery of several WINGHEAD i80S sonar systems. The value of the order is approximately NOK 15 million and the systems are expected to be delivered in the second quarter of 2022.

■ Contract awarded for multiple Guardpoint surveillance sonar systems for a total value of NOK 20 million with delivery in the second quarter. The Guardpoint surveillance sonar is a product which was developed last year.

CONNECTIVITY

The Connectivity segment is a leading technology solution provider for asset identification, monitoring and tracking. Connectivity consists of the two sub-segments ITS and Smart Data.

Financial figures – Connectivity

<i>Amounts in NOK million</i>	First quarter		Full year
	2022	2021	2021
Revenues	63.7	19.4	146.3
Raw materials	19.7	10.8	50.5
Gross profit	44.0	8.6	95.7
Operating expenses	30.3	9.3	72.0
EBITDA	13.7	(0.7)	23.8
Depreciation and amortisation	8.7	4.3	22.8
EBIT	5.0	(5.0)	0.9
Gross margin (%)	69%	44%	65%
EBITDA margin (%)	22%	(4%)	16%
EBIT margin (%)	8%	(26%)	1%

Revenues amounted to NOK 63.7 million for the first quarter of 2022 (NOK 19.4 million). The growth from last year was driven by increased product sales from sub-segment ITS, in addition to the iData acquisition (completed July 2021). iData reported NOK 20.6 million in revenues in the quarter.

The gross margin was 69 per cent, compared to 44 per cent in first quarter 2021. The increase is explained by a more favourable product mix within sub-segment ITS, as well as the inclusion of iData which generates revenues from sale of subscriptions with a low share of raw material costs.

Operating expenses for Connectivity amounted to NOK 30.3 million for the quarter compared to NOK 9.3 million in the first quarter of 2021. The increase is primarily related to NOK 15.2 million in operating expenses in iData, increased use of consultants, higher freight cost and an increase in provisions for loss on trade receivables.

EBITDA for the first quarter of 2022 amounted to NOK 13.7 million (negative NOK 0.7 million), representing a margin of 22 per cent (negative 4 per cent). The increase in margin is explained by operational leverage following the higher revenue base for sub-segment ITS and profit contribution from the iData acquisition.

Main events

- Order received from Toll Collect for delivery of units for satellite-based toll collection. The value of the order is approximately NOK 30 million and is scheduled for delivery in 2023.

■ Awarded a NOK 25 million extension order from UnipolTech S.p.A, a subsidiary of the market leading Italian insurance company Unipolsai, for delivery of OBUs. Delivery is scheduled for the second half of 2022.

■ Order secured from a French customer for delivery of OBUs. The order represents a value of NOK 15 million and delivery is scheduled throughout 2022.

■ Agreement secured to deliver OBUs to the Flyt, a company owned by the Norwegian insurance group Gjensidige ASA.

PRODUCT INNOVATION & REALIZATION (PIR)

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

Financial figures – PIR

<i>Amounts in NOK million</i>	First quarter		Full year
	2022	2021	2021
Revenues	98.8	67.2	291.0
Raw materials	61.5	38.4	181.0
Gross profit	37.4	28.8	110.0
Operating expenses	26.0	25.4	93.6
EBITDA	11.4	3.4	16.4
Depreciation and amortisation	3.3	5.8	20.3
EBIT	8.1	(2.4)	(3.8)
Gross margin (%)	38%	43%	38%
EBITDA margin (%)	12%	5%	6%
EBIT margin (%)	8%	(4%)	(1%)

Revenues amounted to NOK 98.8 million for the first quarter, a 47 per cent increase from the corresponding period last year (NOK 67.2 million). Revenue growth in the quarter was primarily driven by increased sales in contract manufacturing. R&D product and services delivered 24 per cent growth year over year.

Within contract manufacturing, PIR is experiencing strong and increasing demand from existing clients, particularly within the automotive sector, but also in other industry verticals. In addition, PIR has succeeded in capturing new clients, which is starting to impact the revenue generation.

The gross margin in the quarter was 38 per cent, down from 43 per cent in first quarter last year. The decline is mainly due to continued pass-through invoicing of extraordinary material cost, where NORBIT recognised NOK 13.7 million in the quarter compared to no pass-through invoicing in the first quarter of 2021. Adjusted for this effect, the gross margin was 44 per cent. Cost inflation on components persists and PIR is actively adjusting its prices to compensate for the increased raw material costs.



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Operating expenses for the PIR segment amounted to NOK 26.0 million for the quarter, on par with corresponding quarter last year (NOK 25.4 million).

EBITDA for the PIR segment amounted to NOK 11.4 million for the first quarter of 2022 (NOK 3.4 million), representing a margin of 12 per cent (5 per cent). The increase in EBITDA is primarily driven by economies of scale following the higher revenue base while maintaining cost discipline.

Main events

- PIR 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. This award confirms that NORBIT is well positioned for the electrification megatrend.

FINANCIAL POSITION AND LIQUIDITY

Consolidated financial position

Assets amounted to NOK 1 069.6 million at 31 March 2022 compared to NOK 976.9 million at year-end 2021.

Intangible assets amounted to NOK 248.3 million at the end of March 2022, up from NOK 242.3 million at the end of 2021. NORBIT invested NOK 16.0 million in R&D in the quarter.

Goodwill stood at NOK 82.1 million as of 31 March 2022, unchanged from year-end 2021. Goodwill is primarily related to the acquisition of iData.

Inventories were NOK 334.9 million at the end of the first quarter of 2022, up from NOK 263.2 million at the end of the fourth quarter of 2021. The increase in the inventory level is primarily related to NORBIT purchasing components to safeguard deliveries due to the continued challenging situation in the market for the supply of raw material components and the expectation of increased activity in 2022.

Trade receivables were NOK 163.3 million at 31 March 2022, up from NOK 154.9 million at 31 December 2021. The increase from the prior quarter was primarily driven by intra-quarter effects with revenues skewed towards March.

RISKS AND UNCERTAINTIES

NORBIT is exposed to various risk factors, including, but not limited to, operational, market and financial risks. For a more detailed description of the risk factors, please see an overview in the annual report for 2021.

NORBIT considers its most significant risk to be related to the supply shortage of components. NORBIT relies on a significant supply of components to produce and deliver its equipment and systems. A large portion of the components are bought in a global market, including from China. The Chinese government continues to remain committed to its policy of eliminating all outbreaks of covid, creating a risk of production being halted among suppliers in the regions exposed. In turn, this could lead to unplanned delays and component shortages.

Overall, the current supply environment for raw material components continues to be challenging, particularly within the semiconductor industry. The supply market is characterised by low visibility as lead times have increased and remain

Cash and cash equivalents amounted to NOK 22.3 million at the end of March 2022, on par with the balance as of year-end 2021.

Total interest-bearing borrowings stood at NOK 300.6 million at the end of the first quarter compared to NOK 288.2 million three months earlier. The increase from prior quarter is primarily explained by working capital fluctuations. See the cash flow statement for further details.

The company had NOK 288.4 million in undrawn committed credit facilities as of 31 March 2022.

NORBIT refinanced its overdraft facility in the first quarter, increasing the credit limit to NOK 250 million from NOK 130 million. The margin remains unchanged at NIBOR + 1.4 per cent. In addition, NORBIT entered into a NOK 110 million non-recourse factoring agreement on some of its larger clients, all else equal expected to gradually improve the cash flow.

Total equity was NOK 512.3 million at 31 March 2022, representing an equity ratio of 48 per cent, compared to NOK 497.9 million at the end of December 2021. The increase in the quarter is primarily explained by a positive net profit.

Consolidated cash flow

Operating activities generated a cash inflow of NOK 18.2 million for the first quarter of 2022 (NOK 9.7 million), including a net increase in the working capital of NOK 18.5 million (increase of NOK 2.4 million), mainly related to purchase of inventory and an increase in trade receivables, partly offset by an increase in trade payables.

Investing activities generated a cash outflow of NOK 27.5 million for the first quarter of 2022 (NOK 26.6 million). This includes NOK 16.0 million in investments in R&D, and NOK 10.0 million investments in machinery, equipment and capitalisation of assets. The R&D investments represented 7 per cent of the revenues in the quarter. As in previous quarters, the R&D investments primarily relate to broadening the product offering in the Oceans and Connectivity segments.

Financing activities led to a cash inflow of NOK 10.0 million this quarter (cash inflow of NOK 20.3 million), mainly explained by a net increase in interest-bearing borrowings.

unreliable due to capacity constraints, both on manufacturing as well as transportation and freight. This impacts the scheduling of planned deliveries leading to delays and, in worst case, cancellation of planned orders. There is also a risk that customers may cancel orders due to challenges in their own supply chain beyond the scope of NORBIT.

NORBIT is actively working to mitigate the risk of supply shortages by increasing inventory levels, evaluating the use of component equivalents in close dialogue with customers, as well as working with suppliers to secure the raw material components needed to deliver according to plan.

Following the war in Ukraine, geopolitical risk has increased. While NORBIT has almost no direct exposure to Ukraine, Belarus or Russia, the war could have indirect effects on NORBIT through the supply chain, which may lead to inflationary pressure, disruptions and shortage of components.

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OUTLOOK

NORBIT is progressing towards its target for 2022, which is to deliver revenues in excess of NOK 1.0 billion. While first quarter is typically a slow period due to seasonality in segment Oceans, NORBIT was able to deliver its second highest quarterly revenues in the company’s history. Compared to first quarter last year, revenues grew by 58 per cent, of which mostly organically, and profitability increased.

NORBIT has over the past years remained firm to its strategy of maintaining a safety stock of components. This strategy has served the company well in the current challenging market for supply of raw materials, both as a risk mitigating action and as an enabler for continued growth. In addition, by having in-house R&D engineers who thrive on challenges, NORBIT has also been able to resolve some of the component shortage issues faced by providing design adaptations to make use of alternative components. Thanks to these actions, the negative impact from the supply market has largely been limited to PIR’s ability to ramp up production towards new clients.

Oceans continues on its growth path and reported 18 per cent growth compared to the same quarter last year, driven by a strong sonar sale. Second quarter has historically been a seasonally strong period for Oceans due to the survey season. The quarter has started out well with high activity and performance in April was solid within the subsea business. NORBIT expects revenues in the second quarter to increase compared to the second quarter of last year. The guidance is supported by the backlog and recent contracts won, such as the WINGHEAD i80s sonar order and the order for the Guardpoint surveillance sonar systems, two examples of market-driven innovation in Oceans..

Connectivity delivered revenues as expected in the first quarter and has gained momentum with several contracts won within sub-segment ITS. Smart Data continues its positive development with iData growing its subscription-based revenues and investing in technology to broaden the product offering. NORBIT reiterates guidance for Connectivity 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.

PIR is experiencing solid growth driven by increased demand from both automotive and industrial customers within contract manufacturing. Heading into the second quarter, demand continues to be strong and revenues for the quarter is expected to be in line with the first quarter. The directional guidance is subject to PIR receiving the necessary components to deliver as planned. The supply market for components is still challenging. Cost inflation still persists and supply constraints are also leading to delays in starting up production towards new customers.

The board of directors remains optimistic about NORBIT’s long-term outlook. The company has set out an ambition to deliver organic revenues of NOK 1.5 billion and an EBITDA margin above 25 per cent in 2024. In addition, NORBIT will continue to explore value-accretive acquisitions through its defined criteria to accelerate further growth.

Trondheim, Norway, 12 May 2022
The board of directors and CEO
NORBIT ASA

Finn Haugan
Chair of the board

Bente Avnung Landsnes
Deputy chair of the board

Christina Hallin
Director

Trond Tuvstein
Director

Magnus Reitan
Director

Per Jørgen Weisethaunet
Chief executive officer



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DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

EBITDA Short for earnings before interest, tax, depreciation and amortisation. EBITDA corresponds to operating profit before depreciation and amortisation expenses, as reported in the consolidated statement of profit and loss. EBITDA is a key performance indicator that the company considers relevant for understanding the generation of profits.

EBITDA margin EBITDA as a percentage of revenues. The EBITDA margin is a key performance indicator that the company considers relevant for understanding the profitability of the business and for making comparisons with other companies.

EBIT Short for earnings before interest and tax and corresponds to operating profit in the consolidated statement of profit and loss. EBIT is a key performance indicator that the company considers relevant, as it facilitates comparisons of profitability over time independent of corporate tax rates and financing structures.

EBIT margin EBIT as a percentage of revenues. The EBIT margin is a key performance indicator that the company considers relevant for understanding the profitability of the business and for making comparisons with other companies.

Equity ratio Total equity divided by total assets. The equity ratio is a key performance indicator that the company considers relevant for assessing its financial leverage.

Net interest-bearing debt Net interest-bearing debt is defined as total interest-bearing borrowings less cash and cash equivalents.

Gross profit Gross profit is revenues less cost for raw materials and change in inventories, as reported in the consolidated statement of profit and loss. Gross profit is a key performance indicator that the company considers relevant for measuring the profitability before its employee benefit expenses, other operating expenses and depreciation and amortisation expenses.

Gross margin Gross margin is defined as gross profit divided by revenues. The gross margin is a key performance indicator that the company considers relevant for understanding the profitability of the business and for making comparisons with other companies.



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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Amounts in NOK million	Note	Q1 2022	Q1 2021
Revenue	4	235.2	148.7
Other gains and losses	11	-	1.2
Raw materials and change in inventories		100.4	72.6
Employee benefit expenses		60.0	41.5
Depreciation and amortisation expenses	7, 9	20.2	15.0
Other operating expenses		30.9	18.2
Operating profit		23.6	2.7
Net financial items	6	(6.4)	(4.2)
Profit before tax		17.2	(1.6)
Income tax expense		(4.7)	0.0
Profit for the period		12.5	(1.6)
Attributable to:			
Owners of the Company		12.5	(1.6)
Non-controlling interests		-	-
Total		12.5	(1.6)
Average no. of shares outstanding basic and diluted			
	10	58 459 302	56 786 918
Earnings per share			
Basic (NOK per share)	10	0.21	(0.03)
Diluted (NOK per share)	10	0.21	(0.03)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK million	Q1 2022	Q1 2021
Profit for the period	12.5	(1.6)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	1.8	(0.1)
Items that will not be reclassified to profit or loss		
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-
Other comprehensive income for the period, net of tax	1.8	(0.1)
Total comprehensive income for the period	14.4	(1.7)
Total comprehensive income for the period is attributable to:		
Owners of the Company	14.4	(1.7)
Non-controlling interests	-	0.0
Total	14.4	(1.7)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in NOK million	Note	31.03.2022	31.12.2021
ASSETS			
Non-current assets			
Property, plant and equipment	7, 9	164.9	164.9
Intangible assets	7	248.3	242.3
Goodwill	11	82.1	82.1
Deferred tax asset		11.1	13.3
Equity-accounted investees		0.8	0.9
Shares in other companies		0.6	0.2
Other non-current assets		0.0	0.0
Total non-current assets		507.8	503.8
Current assets			
Inventories		334.9	263.2
Trade receivables		163.3	154.9
Other receivables and prepayments		41.2	33.3
Cash and cash equivalents		22.3	21.7
Total current assets		561.7	473.2
Total assets		1 069.6	976.9
EQUITY AND LIABILITIES			
Liabilities			
Interest-bearing borrowings	8	159.4	162.6
Lease liabilities	9	4.6	6.5
Other non-current liabilities		7.0	7.2
Total non-current liabilities		170.9	176.3
Current liabilities			
Trade payables		153.2	100.2
Other current liabilities		74.9	59.7
Tax liabilities		8.5	8.8
Interest-bearing borrowings	8	141.3	125.6
Lease liabilities	9	8.4	8.5
Total current liabilities		386.3	302.7
Total liabilities		557.3	479.1
Equity			
Share capital	10	5.8	5.8
Share premium		308.8	308.8
Retained earnings		197.6	183.3
Non-controlling interests		-	0.0
Total equity		512.3	497.9
Total equity and liabilities		1 069.6	976.9



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners				Non-controlling interests	Total equity
Amounts in NOK thousand	Share capital	Share premium	Retained earnings	Total		
Balance at 31 December 2021	5.8	308.8	183.3	497.9	-	497.9
Profit for the period	-	-	12.5	12.5	-	12.5
Other comprehensive income	-	-	1.8	1.8	-	1.8
Total comprehensive income for the period	0.0	0.0	14.4	14.4	-	14.4
Balance at 31 March 2022	5.8	308.8	197.6	512.3	-	512.3

	Attributable to owners				Non-controlling interests	Total equity
Amounts in NOK thousand	Share capital	Share premium	Retained earnings	Total		
Balance at 31 December 2020	5.7	275.4	155.2	436.3	0.5	436.8
Profit for the period	-	-	47.9	47.9	-	47.9
Other comprehensive income	-	-	(3.2)	(3.2)	(0.0)	(3.3)
Other changes in equity	-	-	0.4	0.4	(0.4)	-
Total comprehensive income for the period	-	-	45.1	45.1	(0.5)	44.6
Share issue	0.2	33.3	-	33.5	-	33.5
Dividends paid	-	-	(17.0)	(17.0)	-	(17.0)
Total transactions with owners	0.2	33.3	(17.0)	16.5	-	16.5
Balance at 31 December 2021	5.8	308.8	183.3	497.9	-	497.9

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in NOK million	Note	Q1 2022	Q1 2021
Profit for the period		12.5	(1.6)
Adjustments for:			
Income tax expense recognised in profit or loss		4.7	0.1
Income taxes paid		(0.9)	-
Share of profit of associates		0.1	-
Gain on disposal of interest in former associate		-	(1.2)
Net (gain)/loss arising on financial liabilities designated as at fair value through profit or loss		-	-
Depreciation and amortisation	7, 9	20.2	15.0
Movements in working capital:			
(Increase)/decrease in trade receivables		(8.3)	13.7
(Increase)/decrease in inventories		(71.6)	(5.7)
Increase/(decrease) in trade payables		52.7	9.4
Increase/(decrease) in accruals		8.8	(19.8)
Net cash generated by operating activities		18.2	9.7
Cash flows from investing activities			
Payments for property, plant and equipment	7	(10.0)	(7.9)
Reclassified from inventory to property, plant and equip.		-	-
Payments for intangible assets	7	(16.0)	(15.4)
Net cash outflow from acquisition of subsidiaries and other shares	11	(1.5)	(3.2)
Net cash (used in)/generated by investing activities		(27.5)	(26.6)
Cash flows from financing activities			
Proceeds from issuance of common shares	10	-	-
Proceeds from borrowings	8	-	-
Repayment of borrowings	8	(3.0)	(2.4)
Repayment of lease liabilities	9	(2.1)	(2.1)
Net change in overdraft facility	8	15.1	24.8
Dividends paid	10	-	-
Net cash (used in)/generated by financing activities		10.0	20.3
Net increase in cash and cash equivalents		0.6	3.5
Cash and cash equivalents at the beginning of the period		21.7	15.0
Cash and cash equivalents at the end of the period		22.3	18.4



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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 GENERAL

<p>NORBIT is a global provider of tailored technology solutions to selected niches. NORBIT’s vision is to be recognised as world class, enabling people to explore more.</p> <p>NORBIT is headquartered in Trondheim, with manufacturing in Norway. In addition, in Q1 2022 NORBIT also had operations through its foreign subsidiaries in Denmark, Czech Republic, Poland, Austria, Hungary, Italy, Singapore, China, Sweden,</p>	<p>Croatia, Slovakia, Brazil, United Kingdom and United States.</p> <p>The business includes development, manufacturing and delivery of products, systems and services based on electronics. NORBIT ASA is organised in three operating segments: Oceans, Connectivity and Product Innovation & Realization (PIR).</p>	<p>The consolidated financial statements of NORBIT ASA for the first quarter and thre months ending 31 March 2022 incorporate the financial statements of the company and its subsidiaries (collectively referred to as the “Group”).</p>
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NOTE 2 STATEMENT OF COMPLIANCE

<p>The interim consolidated statements for the first quarter 2022, ending 31 March 2022, were prepared in accordance with IAS 34 Interim Financial Reporting and are unaudited. The interim consolidated financial statements do not include all information and disclosures required</p>	<p>in the annual financial statements, and should be read in conjunction with the Group’s annual report for 2021. The consolidated financial statements of the Group at and for the year ended 31 December 2021 are available at www.norbit.com.</p>	<p>The new standards and interpretations effective from 1 January 2022 do not have a significant impact on the Group’s consolidated interim financial statements.</p>
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NOTE 3 SIGNIFICANT ACCOUNTING PRINCIPLES

<p>The accounting principles applied in the interim financial statements are consistent with the standards and interpretations followed by the preparation of the Group’s annual financial statements for the year ended 31 December 2021. The Groups accounting principles are described in the annual report for 2021.</p> <p>The preparation of accounts in accordance with IFRS requires the use of estimates. Furthermore, the application of the company’s accounting</p>	<p>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.</p> <p>The significant judgements, estimates and assumptions communicated in the consolidated financial statements as of 31 December 2021 also apply to these interim financial statements. In preparing these interim financial statements,</p>	<p>NORBIT has focused on estimates and assumptions related to impairment assessment of intangible assets, loss allowance for expected credit losses on accounts receivables and guarantee provisions. Based on the assessment, no impairment of intangible assets was recognised in the first quarter of 2022. In the first quater of 2022 NORBIT made a NOK 0.8 million provision on expected loss on accounts receivables.</p>
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NOTE 4 SEGMENT INFORMATION

<p>The operating segments are aligned with the internal reporting and the operating segments are components of the Group that are evaluated</p>	<p>regularly by the management team. The operating segments are Oceans, Connectivity and Product Innovation and Relization (PIR).</p>
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Q1 2022

<i>Amounts in NOK million</i>	Oceans	Connectivity	PIR	Eliminations	Total
Revenues	80.8	63.7	98.8	(8.2)	235.2
Other gains and losses	-	-	-	-	-
Raw materials and change in inventories	21.4	19.7	61.5	(2.2)	100.4
Operating expenses	33.7	30.3	26.0	0.9	90.9
EBITDA	25.7	13.7	11.4	(6.9)	43.9
EBITDA margin	32%	22%	12%	-	19%
Depreciation	4.0	1.5	3.4	0.6	9.5
Amortisation and impairment	3.6	7.2	(0.1)	-	10.7
EBIT	18.1	5.0	8.1	(7.5)	23.6
Total financial items (not allocated)	-	-	-	-	(6.4)
Profit before tax	-	-	-	-	17.2
Taxes (not allocated)	-	-	-	-	(4.7)
Profit after tax	-	-	-	-	12.5

Timing of revenues

- At point in time	67.2	55.4	91.9	(8.2)	206.4
- Over time	13.6	8.3	6.9	0.0	28.7
Total	80.8	63.7	98.8	(8.2)	235.2

Q1 2021

<i>Amounts in NOK million</i>	Oceans	Connectivity	PIR	Eliminations	Total
Revenues	68.5	19.4	67.2	(6.4)	148.7
Other gains and losses	-	-	-	1.2	1.2
Raw materials and change in inventories	25.4	10.8	38.4	(2.1)	72.6
Operating expenses	22.1	9.3	25.4	2.9	59.7
EBITDA	20.9	(0.7)	3.4	(6.0)	17.6
EBITDA margin	31%	(4%)	5%	-	12%
Depreciation	2.3	0.9	4.4	0.3	7.8
Amortisation and impairment	2.6	3.5	1.4	(0.3)	7.1
EBIT	16.0	(5.0)	(2.4)	(5.9)	2.7
Total financial items (not allocated)	-	-	-	-	(4.2)
Profit before tax	-	-	-	-	(1.6)
Taxes (not allocated)	-	-	-	-	(0.0)
Profit after tax	-	-	-	-	(1.6)

Timing of revenues

- At point in time	39.9	19.4	44.0	(6.4)	96.9
- Over time	28.6	0.0	23.3	0.0	51.8
Total	68.5	19.4	67.2	(6.4)	148.7

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NOTE 5DERIVATIVE FINANCIAL INSTRUMENTS

The group has the following derivative financial instruments:

	31.03.2022	31.12.2021
Foreign currency forwards NOK/EUR (amounts in currency '000)	-	-
Foreign currency forwards USD/EUR (amounts in currency '000)	-	-
Average FX rate in contract (NOK/EUR)	-	-
Average FX rate in contract (USD/EUR)	-	-
Fair value of contracts based om MTM reports from counterpart banks	-	-

NOTE 6NET FINANCIAL ITEMS

Net financial items consist of:

<i>Amounts in NOK million</i>	YTD 2022	YTD 2021	Q1 2022	Q1 2021
Share of profit of associates	(0.1)	0.0	(0.1)	0.0
Net interest income / (expense)	(3.2)	(1.2)	(3.2)	(1.2)
Agio/disagio and other financial expenses	(3.1)	(3.1)	(3.1)	(3.1)
Net financial items	(6.4)	(4.2)	(6.4)	(4.2)

NOTE 7PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

<i>Amounts in NOK million</i>	Land and properties	Machinery, fixtures and fittings	Intangible assets
Balance at 31 December 2021	68.6	81.5	242.3
Additions from acquisition of companies	-	-	1.0
Additions	2.1	7.9	16.0
Depreciation	(1.5)	(6.1)	-
Amortisation	-	-	(10.7)
Currency effects	(0.1)	(0.5)	(0.3)
Balance at 31 March 2022	69.2	82.9	248.3

The Group invested NOK 16.0 million in intangible assets in Q1 2022. The capital expenditures were primarily related to broadening the product offering in the Oceans and Connectivity segments. The development projects progressed as planned during the first quarter.

At the end of each reporting period, the Group assess whether there are indications that any tangible or intangible asset has been impaired. If such indications are present, an estimate to the recoverable amount of the asset is calculated. No indications of impairment were identified as of 31 March 2022.

Total investments in property, plant and equipment was NOK 10.0 million in Q1 2022 and primarily realted to machinery and equipment.

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NOTE 8INTEREST-BEARING BORROWINGS

Amounts in NOK million	31.03.2022	31.12.2021
Revolving credit facility	60.0	60.0
Overdraft facility	101.6	86.5
Term loan	53.2	54.1
Seller's credit	59.0	60.2
Other borrowings	26.8	27.4
Total interest-bearing borrowings	300.6	288.2
Non-current borrowings	159.4	162.6
Current borrowings	141.3	125.6
Total interest-bearing borrowings	300.6	288.2

The Group had three main loan facilities per end of Q1 2022, comprising of a long-term revolving credit facility (RCF), a short-term overdraft facility and a term loan. In the first quarter, NORBIT entered into an agreement to increase the credit limit on its overdraft facility to NOK 250 million from previously NOK 130 million. The margin and covenants remain unchanged. The maturity date for the RCF is February 2025 and July 2024 for the term loan. The term loan amortises over 15 years.

NORBIT had drawn NOK 101.6 million on the overdraft facility as of 31 March 2022, while NOK 60.0 million was drawn on the RCF. NOK 53.2 million was outstanding on the term loan. The RCF and term loan are priced at 3M NIBOR + 1.8

per cent margin p.a., while the overdraft facility is priced at 1M NIBOR + 1.4 per cent margin p.a.

The financial covenants are as follows:

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

As of 31 March 2022, NORBIT was in compliance with both financial covenants.

In connection with the acquisition of iData Kft. completed in July 2021, the transaction was partly settled through issuance of a EUR 6.0 million sellers' credit. The seller's credit bears an interest of 3 per cent p.a and accrues on the loan. Half of the seller's credit is to be repaid in July 2022, while the remainder is due in July 2023.

NOTE 9RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

NORBIT leases a number of offices in addition to machinery and vehicles. Right-of-use assets are reported under Property, plant and equipment

in the balance sheet. The movement in the right-of-use assets and lease liabilities during 2022 is summarised below:

Amounts in NOK million	Right of use assets		Total	Lease liabilities
	Office rent	Machinery and vehicles		
Balance at 31 December 2021	14.7	0.0	14.8	15.0
Additions	-	-	-	-
Depreciation expense	(2.0)	0.0	(2.0)	-
Interest expense	-	-	-	0.1
Lease payments	-	-	-	(2.1)
Balance at 31 March 2022	12.7	0.1	12.8	13.0

NOTE 10SHARE CAPITAL AND EQUITY

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

As of 31 March 2022, NORBIT had issued a 58 459 302 ordinary shares at a par value of NOK 0.10 per share. All issued shares are fully paid. NORBIT holds no treasury shares and no options

are outstanding. Average outstanding number of shares is used in the calculation of earnings per share in all periods in 2021 and 2022.

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NOTE 11 BUSINESS COMBINATIONS

Kilmore Marine Limited

In February 2021, NORBIT ASA acquired a 65 per cent ownership interest in Kilmore Marine Ltd for a total consideration of GBP 0.5 million. Kilmore Marine Ltd. acts as segment Oceans’s distributor in the UK and Middle East. Prior to the acquisition, NORBIT ASA held a 35 per cent ownership

interest, which was reported as an equity-accounted investee in the consolidated accounts. As part of the transaction, NORBIT recognised a preliminary goodwill of NOK 6.0 million and a gain on existing ownership of NOK 1.2 million, reported as other gains and losses in the profit

and loss accounts. Capitalised goodwill related to acquisitions comprises synergies, assets related to employees, other intangible assets that do not qualify for separate capitalisation, future excess earnings and the fact that deferred tax in accordance with IFRS is not discounted.

Amounts in NOK million	Purchase price
Cash consideration	5.3
Fair value of previous equity interests	2.9
Total considerations	8.2

Total identifiable net assets	2.1
Goodwill	6.0
Cash and cash equivalents in acquired business	2.1
Total cash outflow from acquisition of business	3.2

Nicarnica Aviation AS

In March 2022, NORBIT ASA acquired 100 per cent ownership in Nicarnica Aviation AS, a Norwegian technology company that has developed remote sensing solutions for detecting

hazardous emissions. The technology broadens and complements the existing environmental monitoring solutions developed by segment Oceans. The total consideration for the company

was NOK 0.9 million, paid in cash to the sellers. The purchase price and fair value of assets and liabilities acquired are presented in the table below.

Amounts in NOK million	Purchase price
Cash consideration	0.9
Total	0.9

Recognised amount of identifiable assets and acquired liabilities assumed*	
Intangible assets	1.0
Deferred tax asset	2.0
Cash and cash equivalents	0.0
Interest-bearing borrowings	(1.6)
Trade payables	(0.4)
Other current liabilities	(0.1)
Total identifiable net assets	0.9
Cash and cash equivalents	0.0
Total cash outflow from acquisition of business	0.9

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



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iData Kft.

On 30 July 2021, NORBIT completed the acquisition of iData, a Hungarian technology company specialised in vehicle tracking and fleet mangement related services. iData has three subsidiaries in Hungary (Beta Blue Kft.), Croatia (iData Fleet Management d.o.o.) and Slovakia (iData Slovakia s.r.o.), collectively with iData Kft. referred to as “iData”. iData is reported under

segment Connectivity in the segment reporting. Through the acquisition, the Connectivity segment is creating a broader platform for growth into the asset and vehicle tracking market, where iData has a strong position in its home markets. The total consideration for the shares was EUR 14.5 million and was paid through a combination of cash, seller’s credit and issuance of consideration

shares. The purchase price and fair value of assets and liabilities acquired are presented in the table below. The main fair value adjustments were related to customer relationships and trademark. The company was consolidated from the date of acquisition and the preliminary acquisition analysis gave rise to goodwill of NOK 76.1 million. Goodwill is not tax deductible.

Amounts in NOK million	Purchase price
Considerations shares	26.1
Cash consideration	62.7
Seller's credit	62.2
Total	151.0

Recognised amount of identifiable assets and acquired liabilities assumed*	
Trademark	2.2
Customer relationships	43.9
Other intangible assets	10.1
Property, plant and equipment	9.3
Inventories	7.4
Trade receivables	8.7
Other current assets	3.8
Cash and cash equivalents	1.2
Deferred tax	(4.1)
Non-current liabilities	(1.3)
Trade payables	(1.8)
Other current liabilities	(4.5)
Total identifiable net assets	74.8
Goodwill	76.1
Cash and cash equivalents in acquired business	1.2
Total cash outflow from acquisition of business	123.7

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

NOTE 12 RELATED PARTY TRANSACTIONS

NORBIT held until February 2021 a 35 per cent ownership interest Kilmore Marine Ltd. For further details, see note 11.

NOTE 13 SUBSEQUENT EVENTS

NORBIT ASA held its annual general meeting 4 May 2022. All proposed resolutions were approved including the annual result for 2021 and the board’s proposal to distribute a dividend of NOK 0.30 per share.



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