Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	979 867 654
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	ARRIBATEC GROUP ASA
Forretningsadresse:	Lørenfaret 1B 0585 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	bente Brocks
Dato for fastsettelse av årsregnskapet:	29.06.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert

År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 10.07.2022

Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt		456 001	
Sum inntekter		**456 001**	
Kostnader			
Lønnskostnad	2	165 150	
Annen driftskostnad	3	8 560 794	
Sum kostnader		**8 725 944**	
Driftsresultat		**-8 269 943**	
Finansinntekter og finanskostnader			
Annen finansinntekt	2	63 867	
Sum finansinntekter		**63 867**	
Annen rentekostnad		2 438	
Annen finanskostnad	4	2 309 534	
Sum finanskostnader		**2 311 972**	
Netto finans		**-2 248 105**	
Ordinært resultat før skattekostnad		**-10 518 048**	**0**
Ordinært resultat etter skattekostnad		**-10 518 048**	**0**
Årsresultat		**-10 518 048**	**0**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-10 518 048	
Sum overføringer og disponeringer		**-10 518 048**	

Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	5	343 554 200	
Sum finansielle anleggsmidler		**343 554 200**	
Sum anleggsmidler		**343 554 200**	**0**
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		215 329	
Sum fordringer		**215 329**	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	8	168 248 710	
Sum bankinnskudd, kontanter og lignende		**168 248 710**	
Sum omløpsmidler		**168 464 039**	**0**
SUM EIENDELER		**512 018 239**	**0**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	6	117 203 333	
Overkurs		493 716 136	
Sum innskutt egenkapital		**610 919 469**	
Opptjent egenkapital			
Udekket tap		224 946 417	

Balanse

Beløp i: NOK	Note	2020	2019
Sum opptjent egenkapital		**-224 946 417**	
Sum egenkapital		**385 973 052**	**0**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld		4 050 524	
Annen kortsiktig gjeld		121 994 663	
Sum kortsiktig gjeld		**126 045 187**	
Sum gjeld		**126 045 187**	**0**
SUM EGENKAPITAL OG GJELD		**512 018 239**	**0**

Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue	5	154 024 028	113 660 433
Sum inntekter		**154 024 028**	**113 660 433**
Kostnader			
Material, software and services	8	17 608 557	6 969 352
Salary and personnel expense	6, 7	99 142 572	85 317 709
Avskrivning på varige driftsmidler og immaterielle eiendeler	9,13,14	7 239 838	4 985 602
Cost from reverse take over	8	56 822 000	
Other operating expenses	8,9	25 709 656	11 639 688
Sum kostnader		**206 522 623**	**108 912 351**
Driftsresultat		**-52 498 595**	**4 748 082**
Finansinntekter og finanskostnader			
Annen finansinntekt	10	1 246 686	183 596
Sum finansinntekter		**1 246 686**	**183 596**
Annen finanskostnad	10	2 944 728	1 660 072
Sum finanskostnader		**2 944 728**	**1 660 072**
Netto finans		**-1 698 042**	**-1 476 476**
Ordinært resultat før skattekostnad		**-54 196 637**	**3 271 606**
Skattekostnad på ordinært resultat	11	1 423 642	82 857
Ordinært resultat etter skattekostnad		**-55 620 279**	**3 188 749**
Årsresultat		**-55 620 279**	**3 188 749**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-55 620 279	3 188 749
Sum overføringer og disponeringer		**-55 620 279**	**3 188 749**

Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Right to use asset	9	20 768 080	9 347 569
other intangible assets	14	18 310 357	7 682 648
Customer relation	14,15	13 144 506	6 300 000
Utsatt skattefordel	11	2 436 302	2 449 308
Goodwill	14,15, 16	93 826 762	2 576 645
Sum immaterielle eiendeler		**148 486 007**	**28 356 170**
Varige driftsmidler			
Property, plant and equipment	13	3 257 559	1 561 437
Sum varige driftsmidler		**3 257 559**	**1 561 437**
Finansielle anleggsmidler			
other non current assets		945 128	190 454
Sum finansielle anleggsmidler		**945 128**	**190 454**
Sum anleggsmidler		**152 688 694**	**30 108 061**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	17	32 955 775	24 080 406
Other receivables	18	22 089 675	
Contract assets	17	12 387 276	4 911 576
Other current assets	18	2 745 736	4 988 251
Sum fordringer		**70 178 462**	**33 980 233**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	19	188 269 789	6 120 754
Sum bankinnskudd, kontanter og lignende		**188 269 789**	**6 120 754**
Sum omløpsmidler		**258 448 251**	**40 100 987**

Konsernets balanse

Beløp i: NOK	Note	2020	2019
SUM EIENDELER		**411 136 945**	**70 209 048**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	25	117 203 334	2 588 838
Beholdning av egne aksjer			-312 039
Annen innskutt egenkapital		194 509 842	16 285 906
Sum innskutt egenkapital		**311 713 176**	**18 562 705**
Opptjent egenkapital			
Other reserves		7 912	-51 846
Other equity		4 492 964	3 291 243
Sum opptjent egenkapital		**4 500 876**	**3 239 397**
Sum egenkapital		**316 214 052**	**21 802 102**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	22	1 343 608	1 976 352
Leasing forpliktelser	9	15 499 690	7 432 312
Sum annen langsiktig gjeld		**16 843 298**	**9 408 664**
Sum langsiktig gjeld		**16 843 298**	**9 408 664**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	22	7 045 554	5 443 411
Leverandørgjeld	23	23 966 492	7 633 487
Betalbar skatt	11	3 595 659	1 195 781
Current lease liability	9	7 124 908	2 522 381
Contracts liabilities	17	1 282 501	5 047 682
Other current liabilities	23	35 064 481	17 155 540
Sum kortsiktig gjeld		**78 079 595**	**38 998 282**

Konsernets balanse

Beløp i: NOK	Note	2020	2019
Sum gjeld		**94 922 893**	**48 406 946**
SUM EGENKAPITAL OG GJELD		**411 136 945**	**70 209 048**

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	08.08.2017	14.08.2017
Telefon	Deres referanse	Vår referanse
90076012	Hege Anfindsen	2017/836527

HIDDN SOLUTIONS ASA
Nedre Vollgate 4
0158 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Hiddn Solutions ASA, org.nr. 979 867 654

Vi viser til brev av 8.august 2017 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Hiddn Solutions ASA.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Hiddn Solutions ASA tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysninger som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Fra søknaden gjengis:

> *Hiddn Solutions ASA (org. nr. 979 867 654) med datterselskapers virksomhet knytter seg til hardwarebaserte sikkerhets- og krypteringsløsninger som i hovedsak distribueres utenfor Norge. Selskapet er således en internasjonal aktør med virksomhetsforbindelser i Europa, USA og Asia.(..)*
>
> *(..) Selskapets internasjonale nedslagsfelt medfører at all dokumentasjon og kommunikasjon i forbindelse med kvalitetssikring, må foregå på engelsk. Selskapets hovedspråk for skriftlig planverk er også engelsk. Den operative ledelse benytter engelsk som arbeidsspråk hva gjelder dokumentasjon for produktutvikling, kunde- og leverandøravtaler samt all kommunikasjon til markedet gjennom både digitale og tradisjonelle kanaler. Selskapet er således avhengig av å gi selskapsinformasjon på engelsk. Selskapet har i dag ca. 2 967 aksjonærer. Av disse er 123 aksjonærer registrert med utenlandsk postadresse. Dette representerer ca. 4.0% av det totale antallet aksjonærer. Videre eier disse aksjonærene ca. 15% av antall utestående aksjer i Selskapet. Det er heller ingen forhold rundt Selskapets finansiering som skulle tilsi behov for regnskap på norsk.*

Selskapet er notert på Oslo Børs og har tillatelse til å bruke engelsk språk på pliktig informasjon til børsen. En norsk oversettelse vil kun ha til formål å oppfylle lovens språkkrav.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal "*årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.*"

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post: skatteetaten.no/sendepost	22 17 08 60

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> *Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at eierkretsen er internasjonal og at det allerede er gitt tillatelse fra Oslo Børs til å bruke engelsk språk på pliktig informasjon . Videre er det lagt vekt på at konsernets arbeidsspråk er engelsk og at selskapet opererer i en internasjonal bransje der engelsk er det naturlige arbeidsspråket. Det anses at øvrige brukere av regnskapsinformasjonen ikke blir negativt berørt av at årsregnskapet og årsberetningen utarbeides på engelsk språk.

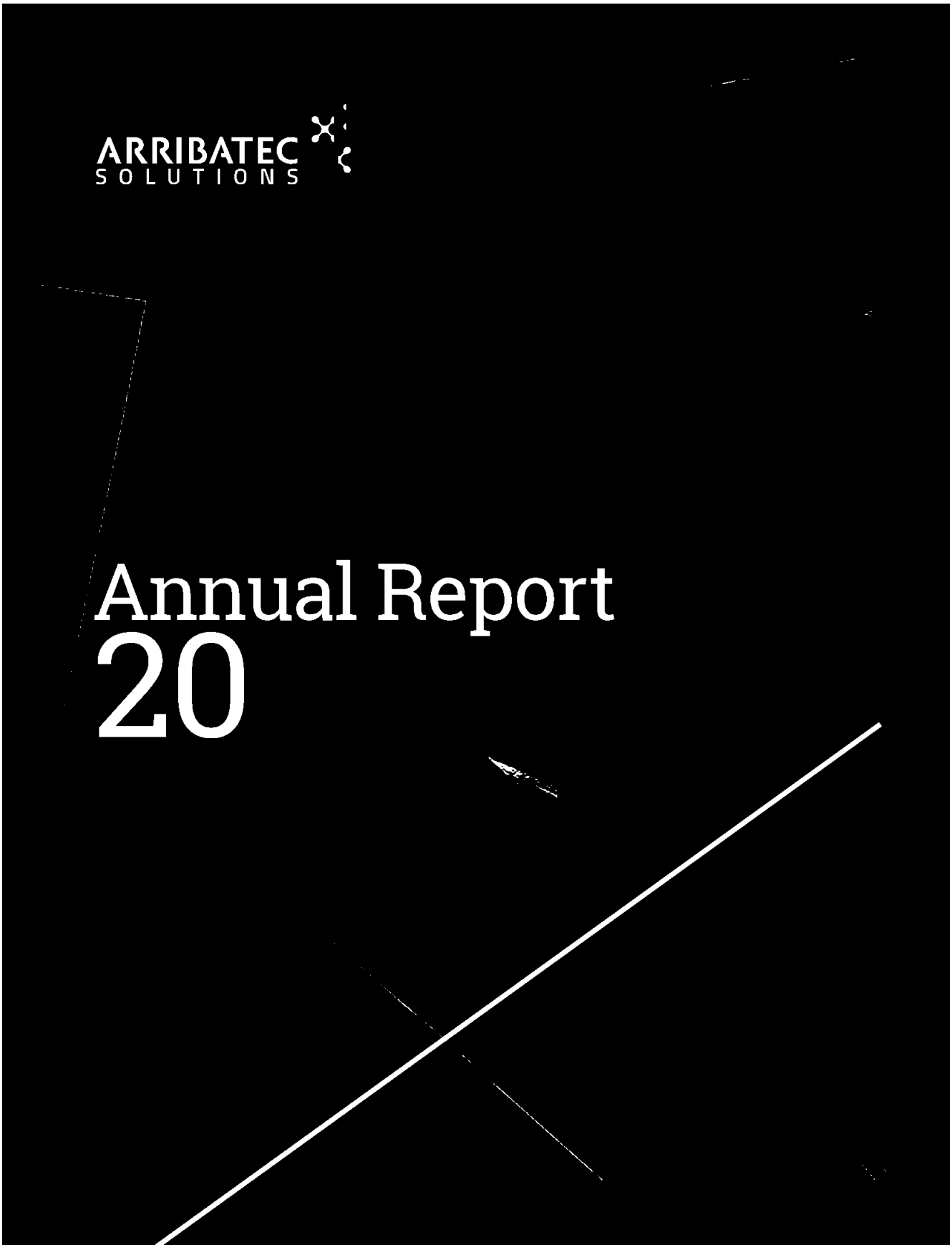
Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer


ARRIBATEC
SOLUTIONS
Annual Report
20

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Arribatec at a glance

Arribatec is a global provider of digital business solutions supporting our customers in gaining competitive advantage through innovative use of IT. Driven by creating superior digital experiences for our customers, our ambition is to deliver holistic solutions covering everything from IT infrastructure to complex digital solutions. This gives us a unique foothold in the market and allows us to serve our clients from a perspective few others can offer.

We take an active role in transforming generic software into solutions by leveraging our competence and industry knowledge and building strategic partnerships with our customers. We develop, implement, integrate, and maintain software solutions delivered by leading providers combined with our own solutions, all deployed in cloud and delivered as a service.

Arribatec enters 2021 with 3 new acquisitions closed in late 2020 and even more to come, providing an even broader service spectrum and enabling us to deliver more holistic and more competitive solutions to our clients. With more than 350 employees and offices in 14 countries, the company is currently serving 800+ customers in both private and public sector in a large variety of industries including but not limited to, consulting, shipping engineering, utility, hospitality, governmental agencies, universities, research institutes.

Arribatec Solutions is a global software and consulting company headquartered in Oslo, Norway and is listed on the Oslo Stock Exchange under the ticker code ARR.

NUMBER OF OFFICES AT YEAR END

16

NUMBER OF EMPLOYEES AT YEAR END

171

NUMBER OF CUSTOMERS AT YEAR END

450+

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Company history

A lot has changed since CEO Per Ronny Stav and some former colleagues from Unit4 founded Arribatec in 2015. With strategic partnerships, acquisitions and continuous development of solutions and services, Arribatec has been able to grow and expand vertically and geographically in a unique way. The company's portfolio has expanded through a combination of internally developed solutions, accretive acquisitions and strategic partnerships with companies including Hypergene, Xledger, Rambase and a global partnership with Unit4.

Historically, Arribatec has focused on selling partner's ERP software and providing advisory services related to software implementation, integration, and support. Own product development and recent acquisitions have enabled us to expand our solution offerings to include our own integration platform, additional administrative and operational software as well as cloud platform and -infrastructure services. This enables Arribatec to offer tailored and integrated Solutions as a Service.

Arribatec's key focus area is to deliver solutions in the cloud - Solution as a Service (SolaaS). Delivering fully integrated and implemented solutions at a fixed monthly price allows Arribatec to reduce the customer's project risk and frees the customer from high set-up costs. We take full responsibility for monitoring, support, and management of the customers entire system landscape so they can focus on core business. By moving towards the concept of Solution-as-a-Service (SolaaS) our intention is to drive the portion of annual recurring revenue (ARR) up as percentage of total revenue. At the end of 2020, total ARR stood at approximately MNOK 50 or 33% of total revenue for the group. The comparable ratio for 2019 was approximately 11%.

Acquisitions

An important contributor to Arribatecs strong and rapid growth is the several acquisitions we have conducted since 2015. The acquisitions have expanded our solution- and service portfolio and enabled us to rapidly expand globally.

Going public on the Oslo Stock Exchange through a reverse takeover of the public company Hiddn Solutions ASA in Q3 of 2020 accelerated our organic growth and bolstered our ability to deliver on our strategy.

Following this, Arribatec pursued further M&A initiatives in Q4 of 2020 and acquired 3 Norwegian companies:

Innit

Through a combination of Hybrid and Public Cloud, Innit offers a well proven IT and development platform to deliver high quality services to more than 100 customers in Norway. The core capabilities of Innit includes IT operation, Cloud, security, backup, support, SLA, SPoC, Azure/AWS/Google and interdisciplinary work with development (DevOps).

Arribatec and Innit will jointly deliver a unique set of software and infrastructure, implemented and integrated as a service generating long-term recurring revenue for the company.

The platform and organization in Innit will serve as our international Cloud platform, allowing us to deliver Cloud solutions according to local demand and requirements globally.

Facil

Facil is a certified Oracle partner and has developed an industry leading check-in, check-out, and guest engagement solution for the international hotel industry. This accretive acquisition strengthens our existing offering for the digitization of the global hospitality industry, including the rapidly growing segment for contactless customer engagement.

Microsky

Through a combination of Azure Public and Hybrid Cloud solutions, Microsky offers an innovative IT platform for small to medium size companies and adds complementary services and solutions to Innit. Microsky is a tier-1 Microsoft Partner and has extensive competence in Azure Cloud, Office 365 and GDPR. The Microsky Azure based cloud platform includes an own Azure Stack platform built and operated in a datacentre in Bergen. The Microsky acquisition strengthens Arribatec's cloud and Azure competence and capacity and have been integrated with Innit, in order to deliver Cloud Solutions and a stronger platform for international growth.

Additionally, during Q4 of 2020, Arribatec announced our intention to acquire the following companies:

- Qualisoft AS, a Norwegian based leader in Enterprise Architecture (EA) and Business Process Management (BPM) solutions,
- Maksit AS, a Norwegian based specialist in Unit4 based HR and payroll solutions with a strong position in the Norwegian enterprise market,
- IB Marine Group, an Italian based leading provider of cloud-based Enterprise Asset Management solutions within the maritime sector.

At the time of publishing this annual report, the above three transaction have all been finalized and closed, thus we have in the new year further expanded Arribatec's solution and service portfolio and delivering on our strategy of creating a leading international SolaaS company through organic growth and accretive acquisitions.

TIMELINE

2015	Founded
	Expansion to Denmark
2016	Expansion to Sweden
	Partnership Qlik
	Partnership Unit4 in DACHs region
2017	New HQ in Oslo
	Expansion to Spain
	Partnership Hypergene
2018	Expansion to Poland
	Expansion to Belgium
	Expansion to Italy
	Expansion to USA
	Acquisition S4G Consulting - Spanish consulting company
2019	Partnership Xledger
	Nominated to Deloitte Norway Technology Fast 50
	Acquisition Levo 2 - Norwegian software company
	Acquisition Instidata - Norwegian software company
2020	Partnership New Global Partner agreement with Unit4
	Partnership Rambase
	Reverse takeover of Hiddn Solutions ASA
	Acquisition Facil
	Acquisition Innit
	Acquisition Microsky
Q1 2021	Acquisition IB Marine Group
	Acquisition Qualisoft
	Acquisition Maksit

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Letter from the CEO

Unusual seems to be the most fitting description of 2020 in more ways than one. The global pandemic hit the entire world in the middle of Q1-2020 creating a lot of uncertainties and changed our way of working globally. In the midst of the pandemic we went public on the Oslo Stock Exchange through a reverse takeover of the public company Hiddn Solutions ASA. We have doubled our workforce, expanded our solution offerings, established a partnership with Rambase and become a Global Partner of Unit4, all while continuing our growth path with the acquisition of Microsky, Innit and Fácil.

As our company name alludes to, we strive to deliver solutions to our clients that brings them up and forward through innovative use of technology. Even though the IT industry has had to adopt to changing demands, it does not change the importance of technology to business success, and digital solutions will more than likely be a key component to rebuild the setbacks of the pandemic.

Now is the time to work even harder to prove our capabilities. The latest acquisitions complete our team as we execute our Solution as a Service strategy to deliver on our ambitious international growth ambitions.
We have been fortunate in these unusual times having the resources to continue our operations, and above all, employees who keep working hard to ensure continuous success.

We step into 2021 with high ambitions. In late 2020 we announced our intention to acquire Norwegian Qualisoft AS, a leader in Enterprise Architecture (EA) and Business Process Management (BPM) solutions, Italian IB Marine Group, a leading provider of cloud-based Enterprise Asset Management solutions within the maritime sector and Maksit AS, specialists in Unit4 HR and Payroll solutions and with an impressive customer list. With these acquisitions we have now more than tripled our workforce and pro-forma revenue for 2021 compared to 2020. Our extended solutions and customer base derived from these acquisitions, combined with organic growth and activities have proven to fuel our growth significantly. Integrating the recent acquisitions is ongoing and the group is realizing synergies on a continuing basis. New contracts, public tenders and direct sales have shown that all acquisitions are contributing isolated as well through cross sales and will fuel future growth.

A new leadership team has been established and now consists of 9 highly accomplished people with international experience and proven execution skills – all needed to continue the growth and fortifying our position as a true global IT-provider.

Additionally, our finance team has been augmented with seasoned people that bring extensive experience from publicly listed companies and complex international operations.

My commitment to the company, belief in our strategy and ability to continue developing the company and create shareholder value, are stronger than ever.

I would like to take the opportunity to sincerely thank our employees, our customers, our partners, our shareholders, and all other stakeholders for the support during 2020 and your contribution to Arribatec's accomplishments so far. I look forward to continued collaboration in 2021 and continuation of our exciting journey.

Per Ronny Stav
CEO

> As our company name alludes to, we strive to deliver solutions to our clients that brings them up and forward through innovative use of technology.

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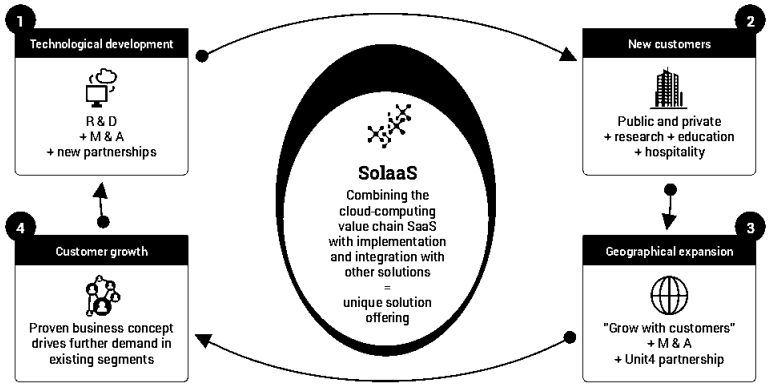
Report of the Board of Directors

Background and operations
On the 4 of September Arribatec Solutions ASA (former named Hiddn Solutions ASA) announced that it had entered into a share exchange agreement with Arribatec AS and the majority of Arribatec AS's shareholders to acquire all of the shares in Arribatec AS. The transaction has been analyzed and determined to be a business combination within the scope of IFRS 3 as a Reverse take-over.

This means that despite Arribatec Solutions ASA is the legal acquirer and Arribatec AS the legally acquired company, Arribatec Solutions will be accounted for as the acquiree and Arribatec AS the acquirer for accounting purposes. Hence, the basis for the preparation of the consolidated financial statement follows a reverse acquisition approach in full.

Strategy
Solution as a Service - SolaaS
Through a combination of internally developed software, strong partnerships, and talented people, Arribatec offers a complete solution to its customers comprising relevant services to turn software into solutions. Solution as a Service is a new approach to cloud computing that delivers all aspects of an IT solution implemented, integrated, and offered as a service. Among other benefits SolaaS supports customers to deliver on a Postmodern ERP Cloud strategy.

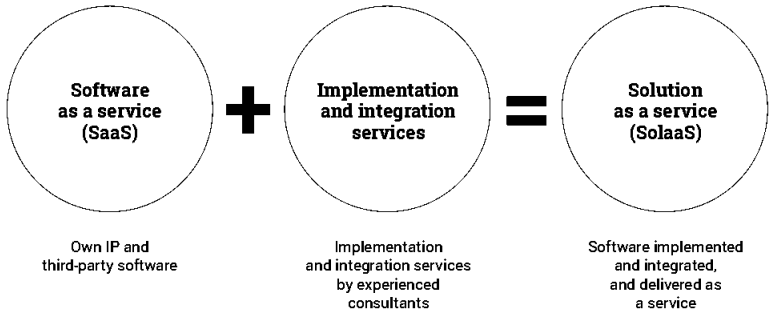


SolaaS allows Arribatec to reduce the customer's risk during implementation and frees the customer from high start-up costs. With fully integrated and implemented solutions with the possibility of integration with other niche solutions at a fixed monthly price, we challenge how business solutions should be delivered and enable our customers to focus on their core business. We take full responsibility for implementing, integrating, and monitoring our client's entire system landscape.

Our business model adds value to software through extensive services and complementary solutions. By delivering this as a service, we aim to deliver a future proof platform of business applications in a unique and scalable way. The way Arribatec deploys and delivers the solutions, creates the platform for our recurring revenue and potential margin expansion over time.

Staff, management and the Board
During 2020 Arribatec grew from a company of 90 employees, to being 171 employees (FTEs) whereof 136 men and 35 women at year end. The growth mainly comes from acquisitions of Innit, Mikrosky and Facil, all Norwegain based companies. Additionally the company has experienced growth staff count in its existing business units during the year. Arribatec has during this growth period been working continuously to ensure implementation of a common corporate culture and values. The company practices a policy of equal treatment pertaining to assignments and promotions, and regards the promotion of a positive working environment as key to the company's future. No accidents or injuries were recorded in 2020. The absentee ratio for 2020 was 2,6%.

As a global provider of digital business solutions, we have a diverse workforce spread through our 16 offices in 10 countries.



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Made up of 20,5% women and 79,5% men, with an average age of 38, Arribatec continously work towards closing the gap in a rather male-dominated industry. We embrace diversity in terms of age, gender, nationality and experience within our workforce, as we believe diverse teams has the best means to uncover opportunities and ensure customer success.

To ensure our employees reach their full potential and stays updated and inspired we encourage personal development and continuous learning by offering continuous training and education, and allowing competence building within working hours. Through e-learning courses a variety of topics are covered, from introduction to Arribatec and our solutions to more complex solution specific and professionally heavy courses.

A new board of directors was elected at an extraordinary general meeting held in October, 2020. The Board of Directors now consists of the following members:

Martin Nes (Chairman of the Board) has served on the Board since February 2020.
Øystein Stray Spetalen (Board member) has served the Board since February 2020.
Yvonne Litsheim Sandvold (Board member) has served the Board since February 2020.
Henrik Lie-Nielsen (Board member) has served the Board since October 2020.
Kristin Hellebust (Board member) has served the Board since October 2020.

Directors & Officers Insurance
Arribatec has insurance which covers directors and officers of the company against potential claims of liability from third parties or from Arribatec.

Environment
Arribatec's business model is non-polluting. The company is committed to ensuring that its operations are safe and do not harm either its staff or the natural environment. The company also strives to provide all employees with a healthy and safe working environment. Quality, health, safety and the environment are integral aspects of the company's business, and systems are in place to monitor and follow up any accident or incident.

Corporate governance
The board and management of Arribatec are committed to promoting good corporate governance. The company believes that good corporate governance builds confidence among shareholders, customers and other stakeholders, and thereby supports maximal value creation over time. Being a listed company on the Euronext Oslo Exchange, and considering that Arribatec wishes to place emphasis on sound corporate governance, the Company has a policy document on the basis of the Norwegian Code of Practice for Corporate Governance dated 17 October 2018. With new Board and management in place since Q4 2020, the policy document is under revisions and is expected to be completed and adopted by the Board in Q3 2021. Arribatec's current policy regarding corporate governance can be found on pages 90-95 of this annual report and on the company's website.

Corporate social responsibility
The board and management of Arribatec have implemented guidelines on values and ethics. The objective is to create a sound corporate culture and preserve Arribatec's integrity by helping employees to follow good business standards. Raising awareness of the guidelines has been the company's main action in this area. The company is not aware of any breach of the guidelines. Arribatec's current policy regarding corporate Social Responsibility can be found on pages 86-88 of this annual report and on the company's website.

Going concern assumptions
The company estimates that it has sufficient working capital for the 12 months following the balance sheet date. The board of directors therefore confirms that the going-concern assumption is met and that the annual accounts have been prepared in accordance with this assumption.

Financial performance
(Numbers in brackets refer to the corresponding figure in 2019 for Arribatec AS including its subsidiaries).

Revenue
Annual revenue for 2020 increased by 36% to MNOK 154.0 (113.7). This reflects an organic growth from the Arribatec group of 18.2 % or MNOK 20.7, while the three companies acquired in Q4 2020, Innit, Facil and Microsky accounted for MNOK 19.5 of the growth.

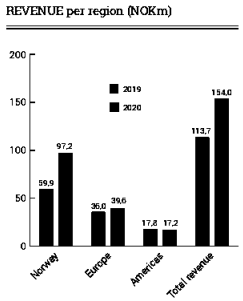
Revenue per region shows that Norway in 2020 accounts for total revenue of MNOK 97.2, which is a 63% increase compared to 2019. MNOK 19.5 comes from the three acquisitions done in Norway in Q4 2020. Europe, which includes Sweden, Denmark, Italy, Spain, Belgium and Poland had a total revenue of MNOK 40.0 which represents a 10.0% growth compared to last year. Lastly, Americas had MNOK 17.2 in total revenue, down 3,4% compared to previous year.

Operating Cost
Total operating cost, when excluding depreciation and amortization as well as the above mentioned RTO and M&A cost amounted to MNOK 142.5 (MNOK 103.9).

Personnel cost for 2020 was MNOK 99.1 up 16.2% compared to 2019 and MNOK 9.4 of this was from companies acquired in 2020, thus organic increase in personnel cost for the Arribatec group excluding acquired companies was MNOK 4.4 or 5.2%, while organic revenue growth was 18.2%. Measured as percentage of total revenue for the entire group, personnel expenses declined from 75.2% in 2019 to 64.4% in 2020.

Other operating cost excluding RTO cost increased from MNOK 11.6 to MNOK 25.8 in 2020. Travel cost was down 73% to MNOK 1.3 of while cost for external services such as legal, accounting, audit and interim management was MNOK 9.0 (MNOK 1.7).

EBITDA
EBITDA for 2020, when excluding IFRS calculated cost related to the reverse take-over (RTO) and direct M&A cost, was MNOK 14.8, which gives an EBITDA margin



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of 9,6%, an improvement compared to a margin of 8,6% achieved in 2019. The two months of the year that the tree companies acquired during 2020 was a part of Arribatec group, they contributed MNOK 2.5 to the EBITDA.

The calculated cost related to the RTO was MNOK 56.8 while M&A cost related to the three acquisitions in Q4 2020 was MNOK 3.4, thus EBITDA for 2020 was negative MNOK 45.3 compared to a positive MNOK 9.7 in 2019.

Net financial items

Net financial items for 2020 were negative MNOK 1.7 (MNOK -1.5). The 2020 number is comprised of MNOK 1.5 (MNOK 1.4) in net interest and calculated lease interest expenses and a negative unrealized and realized currency effect of MNOK 0.2 (MNOK 0.1).

Profit and tax

Loss before tax was MNOK 54.2 in 2020 compared to profit of MNOK 3.3 in 2019, with a net loss of MNOK 55.6 versus net profit of 3.2 in 2019. Tax expenses was MNOK 1.4 in 2020 compared to of MNOK 0.1 in 2019. Total comprehensive loss for the year was MNOK 55.6 (profit MNOK 3.1). Earnings per share totaled NOK -0.17 (1.39) on an ordinary basis as well as fully diluted basis.

Cash flow and financing

Arribatec had positive cash flow of MNOK 182.1 during the 12-month period January–December 2020 (MNOK 3.8). Cash flow from operating activities was negative MNOK 1.0 (positive MNOK 3.2).

Net cash flow from investing last year was MNOK -37.5 (MNOK -4.9). Arribatec acquired 3 companies in Q4 for a combined purchase price of MNOK 105.5 whereof MNOK 59.9 was settled in cash and the remaining amount settled in Arribatec Solutions ASA shares (see note 15 for a detailed PPA for each of the acquisitions). The acquired companies had a combined cash balance of MNOK 7,6 at the time of closing the acquisition transactions and the cash balance in the "old" Hiddn Solutions ASA was MNOK 27.1 at the closing of the RTO transaction.

Arribatec invested MNOK 3.7 in software and hardware and additionally capitalized a total of MNOK 8.8 of time and material used to develop internal systems and software, and this is reflected in Capitalized Development costs in the Cash flow statement.

Net cash flow from financing activities in 2020 was MNOK 220.7 (MNOK 5.4). Arribatec conducted a total of four shares issues with a total gross proceeds of MNOK 234.9. Net proceeds from borrowings, including interest paid during the year amounted to MNOK 0.5, which pertained to overdraft facilities. Lastly, cost related to shares issues totaled MNOK 12.9.

Total cash and cash equivalents available at the end of 2020 was MNOK 188.3 (MNOK 6.1)

Financial position

At the end of December 2020 total assets for Arribatec equaled MNOK 411.1 (MNOK 70.2). Non-current assets amounted to MNOK 152.7 (MNOK 30.1) where MNOK 93.8 (MNOK 2.6) is goodwill emanating from the company acquisitions made during Q4 2020. Other intangible assets and customer relationships has a combined value at the end of 2020 of MNOK 31.5 (MNOK 14.0) Right of use assets according to IFRS 16 is valued at MNOK 20.8 (MNOK 9.3) whereof MNOK 16.5 stems from lease contracts for office space.

Current assets represent a total value of MNOK 258.4 (MNOK 40.1) whereof MNOK 188.3 (MNOK 6.1) is cash and cash equivalents. Trade receivables is MNOK 33.0 (MNOK 24.1) and the company has reserved MNOK 0.5 for possible loss from trade receivables.

As of 31 December 2020, the Company had Non-current liabilities of MNOK 16.8 (MNOK 9.4). Of this, MNOK 15.5 (MNOK 7.4) was lease obligations calculated in accordance with IFRS 16. Non-current interest bearing loans was MNOK 1.3 (MNOK 2.0) and was drawn under a NOK 7 million Revolving Credit Facility with DNB.

Current liabilities as of end 2020 was MNOK 78.1 (MNOK39.0). Trade payables accounted for MNOK 24.1 (MNOK 7.6) while short portion of financial liabilities and lease contracts accounted for MNOK 14.2 (MNOK 8.0). Other current liabilities at the end of the year was MNOK 35.1 (MNOK 17.2) whereof accrued payroll related expense account for MNOK 19.1 (MNOK 13.7).

Equity

Total equity amounted to MNOK 316.2 (MNOK 21.8). Of this restricted share capital amounts to MNOK 117.2 (MNOK 2.6) while other non-restricted capital is MNOK 194.6 (MNOK 16.3). Included in the non-restricted equity is MNOK 45.6 representing the value of the considerations shares owed to the sellers of the three companies that were acquired in Q4 2020. The equity ratio hence is 76.9% which is a 46% points improvement compared to end of 2019.

Parent company

The Group's publicly listed Parent Company, Arribatec Solutions ASA, owns the subsidiaries, provides the Group's head office functions and provides services and marketing on behalf of the entire group. Arribatec Solutions ASA had an Operating Income of MNOK 0.5 (MNOK 0.6). Operating loss for the year was MNOK 8.3 (MNOK 16.5). Net financial items were negative by MNOK 2.2 (MNOK 114.2), while full-year loss before and after tax were of MNOK 10.5 (MNOK 130.6). At the end of 2020 total assets were MNOK 512.0 where of MNOK 168.3 (MNOK 3.0) where cash and short term deposits. Investments in shares in daughter companies accounted for the remaining MNOK 343.6. Total equity by the end of the year was MNOK 386.0 (MNOK 7.4)

The parent company had a net loss after tax of MNOK 10.5 (MNOK 130.6), thus no amount is available for disposal by the 2020 Annual General Meeting.

Dividend

Arribatec is in a expansion phase where investments in product, services and geographical expansions coupled with acquisition of new technology platforms take priority, thus the Board therefore proposes that no dividend be paid for 2020.

Risk profile

Arribatec's regular business activities entail exposure to various types of risk. The company manages such risks proactively, and the board of directors regularly analyses its operations and potential risk factors and takes steps to reduce risk exposure. Arribatec gives strong emphasis to quality assurance, and has quality systems implemented, or under implementation, in line with the requirements applicable to its business operations. A range of risk factors are discussed in detail in Note 3.

The Board receives regular reports regarding financial performance from the company. The Board considers that risk management and internal control of the company is adequate considering the size and the nature of the operation. The Board plans during 2021 to establish an audit committee that will oversee these activities on a regular basis. The Board has met with the external auditor to discuss the internal control environment.

Research and Development

The company is on a continuous basis developing own software and solutions which can be deployed across customer segments in all industries.

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The development is essential to ensure that Arribatec can continue to grown its software portfolio, expand its service offering with cloud infrastructure services and gained a larger customer base. This is done in order to drive sales growth via cross-selling and upselling, where the intention is to improve EBITDA margins by increasing the share of own IP in future solutions, thus improving EBITDA margin by selling more of our own software and services through subscription models such as SaaS and SolaaS.

At the end of 2020 Arribatec had capitalized a total of MNOK 8.8 of time and material used to develop internal systems and software. The company has no ongoing research activities.

Outlook

This forward-looking statement reflects our current view on the future outlook based on how we see current operational performance. The outlook is subject to risks and uncertainty as the views expressed relate to future events and circumstances.
The company continues its growth journey and demonstrates its potential as a global provider of digital solutions. The 6 acquisitions done over the last two previous quarters have given the company a good platform to drive further organic growth as a complement to our continued M&A track.

We are strategically positioned as a provider of next generation Solution as a Service and this has proven important in our efforts to successfully attract the best professional in the market and to be regarded among other global IT companies as an interesting partner to join forces with. The potential in our current organization is large and further investments to enlarge the sales capacity will fuel organic growth and help us take advantage of our full potential. In the M&A area we will continue to pursue interesting opportunities to strengthen our geographical presence and widen our solution offering.

We experience a high degree of available project with existing and new customers and several strategic projects within the Cloud Solution are now available for us to compete for, and we are going head-to-head with other large global service providers.
We will continue to focus on developing own innovative solutions, adding value to our SolaaS offerings which can disrupt how business solutions are implemented, integrated, and deployed.

Covid-19 Impact

2020 has been extraordinary, not only in terms of our own expansion and growth, but the global pandemic forced us all to rapidly change our day-to-day life, both at home and at work. Even though Covid-19 has had little impact on Arribatec's operations and performance, our employees have been introduced to a very different workday and ensuring employee safety has been one of our main concerns during 2020.

Our US operations were significantly impacted by the COVID pandemic. Even though this temporarily affected our overall performance, our American colleagues rapidly found ways to work around the situation and continue their work.

To ensure we do our part to decrease the physical and psychological impact of the pandemic for our employees we have had a clear strategy throughout 2020 to take necessary actions to avoid redundancies and downsizing. Being a global software company meant we already had the digital solutions required to continue our operations integrated and implemented when the pandemic hit but working remotely highlighted the shared need of adequate workspace and common arenas, as well as the need for social interaction with our colleagues. To meet these needs Arribatec has hosted online social events throughout 2020, and facilitated home offices by assisting with equipment.
In late 2020 we started the work of incorporating a common digital workplace to better integrate and welcome our new colleagues from our various acquisitions, and to keep our employees connected.

No people have been temporarily laid off during COVID, which has been very important for us as a company. We did not want to create uncertainty, but rather strengthen our commitment and show how we value our most valuable resources – our employees.

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Responsibility Statement

We confirm that, to the best of our knowledge, the Financial Statements 2020, which have been prepared in accordance with IFRS as adopted by EU, gives a true and fair view of the Company's assets, liabilities, financial position and results of operations, and that the management report includes a fair review of the information required under the Norwegian Accounting act.

Oslo, 28 April 2021

Martin Nes
Chairman of the board

Øystein Stray Spetalen
Board member

Yvonne Litsheim Sandvold
Board member

Kristin Hellebust
Board member

Henrik Lie-Nielsen
Board member

Per Ronny Stav
CEO

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Shareholder information

The company's total capitalisation at 31 December 2020 was NOK 854 million, based on a closing share price of that day of NOK 2,04.

Dividend policy
Arribatec is growing fast, both organically and through M&A activities. Both these avenues for growth require liquidity and availability of sufficient funding as well as a healthy equity ratio. While the company is in an expansion phase, the Board is not planning for regular dividends to be paid to the shareholders. There has not been given, nor proposed to give, a mandate to the Board of Directors to approve a distribution of dividends.

Shares and share capital
At 31 December 2020, Arribatec Solutions had 418.583.331 ordinary shares outstanding with a par value of NOK 0,28 per share (see Note 25 to the financial statement). The company has one share class, with each share conferring equal dividend rights and votes. At 31 December 2020 the company had 5.104 shareholders.

Listing
The Company's shares are quoted and traded in NOK at the Oslo Stock Exchange (Ticker: ARR). The shares are registered in the Norwegian Central Securities Depository (VPS), with Nordea Issuer Service Registrar. The shares carry the security number ISIN NO0003108102.

Principal shareholders
The 20 largest shareholders of Arribatec are predominantly Norwegian investors. A table of the 20 largest shareholders is included in this chapter.

Investor relations
Arribatec will maintain an open dialogue with the capital market. Regular information is therefore published through the annual report, interim reports and presentations and stock exchange announcements. The company distributes all information relevant to the share price to Oslo Børs. Such information is distributed without delay and simultaneously to the capital market and the media and published on the company website.

The CEO and CFO are responsible for the company's investor relations activities and for all communication with the capital markets. All information is communicated within the framework established by security and accounting legislation and rules and regulations of Oslo Børs.

All information regarding Arribatec is available on the company's website at www.arribatec.com

Annual General Meeting
The annual general meeting of Arribatec is normally held in May each year. Written notice and additional relevant material are sent to all shareholders individually or to their custodian bank at least three weeks before the AGM is to take place. The notice is also made available on the company's website. Shareholders are encouraged to participate and to vote at the AGM. To vote, shareholder must either be physically present or be represented by a proxy.

TOTAL NUMBER OF SHARES LISTED IN VPS 31.03.2021

Name	Holding	Stake
Tycoon Industrier AS	116 554 032	26 %
Arriba Invest AS	80 387 234	18 %
Dallas Asset Management AS	26 809 916	6 %
Torstein Tvenge	20 000 000	5 %
Srk Consulting AS	17 121 277	4 %
Tigerstaden AS	10 000 000	2 %
Lani Invest AS	8 588 647	2 %
Datum AS	8 542 908	2 %
Hanekamb Invest AS	7 553 463	2 %
LCS AS	5 518 001	1 %
Cantavit Holding AS	3 875 000	1 %
AWR AS	3 875 000	1 %
Muhlbradt Eiendom AS	3 520 000	1 %
Finance Resources GJ AS	3 079 574	1 %
WKUP AS	2 959 574	1 %
Nordnet Livsforsikring AS	2 790 391	1 %
Nordnet Bank AB	2 224 351	1 %
Pirol AS	2 000 000	0 %
Tvenge	2 000 000	0 %
Reaktor Returns AS	1 738 830	0 %
Total 20 largest shareholders	**329 138 198**	**75 %**
Other shareholders	**110 974 731**	**25 %**
Total	**440 112 929**	**100 %**

GEOGRAPHIC RESIDENCE SHAREHOLDERS AS REGISTERED IN VPS AT 31.03.2021

	Holding	Stake
Norway	430 144 242	97,7 %
Sweden	4 426 437	1,0 %
United Kingdom	1 912 975	0,4 %
France	707 372	0,2 %
Belgium	695 344	0,2 %
Øvrige	2 226 559	0,5 %
Total	**440 112 929**	**100,0 %**

OWNERSHIP STRUCTURE BY SIZE OF HOLDING AS REGISTERED IN VPS AT 31.03.2021

Number of shareholders	Name	Holding	Stake
6	Above 10,000,000 shares	270 872 459	62 %
22	1,000,001-10,000,000 shares	68 745 449	16 %
221	100.001 - 1,000,000 shares	57 882 448	13 %
172	50,001 - 100,000 shares	12 762 619	3 %
894	10,001 -50.000 shares	22 186 230	5 %
4615	1-10,000 shares	7 663 724	2 %
	Total	**440 112 929**	**100 %**

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Subsequent Events

On 11 January 2021 Arribatec called the option to acquire IB Marine Group, a leading international provider of cloud-based Enterprise Asset Management (EAM) solutions within the maritime sectors. The acquisition was completed on 27 January 2021.

On 22 January, 2021 the company announced that 12,423,200 new shares had been issued in connection with the acquisition of Fácil AS. The new registered share capital of the Company after this issue was NOK 120 681 828,68 divided by 431 006 531 shares, each with a par value of NOK 0.28.

On 2 February, 2021 the company announced that 3,499,998 new shares had been issued in connection with the acquisition of Microsky AS. The new registered share capital of the Company after this issue was NOK 121,661,828.12 divided by 434 506 529 shares, each with a par value of NOK 0.28.

On 24 February 2021 the company announced that the acquisition of Qualisoft AS was signed and closed.

On 18 March, 2021 the company announced that 5,606,400 new shares had been issued in connection with the acquisition of Innit AS AS. The new registered share capital of the Company after this issue was NOK 123,231,620.12 divided by 440,112,929 shares, each with a par value of NOK 0.28.

On 18 March, 2021 the company announced that Geir Johansen was appointed Chief Financial Officer for the Arribatec Group.

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Board of Directors

Martin Nes
Chairman

Martin Nes has been CEO in Ferncliff since 2010. He holds a law degree from the University of Oslo, and also holds a Master of Laws degree from University of Southampton, England. Prior to joining Ferncliff, he spent several years with the Norwegian law firm Wikborg Rein, working in both the Oslo and London offices, and with the shipping law firm Evensen & Co. Mr Nes has extensive corporate experience and is/has been chairman and/or a member of the boards of several listed companies, including SD Standard Drilling Plc, Aqualis ASA, Nickel Mountain Group AB, Saga Tankers ASA, NEL ASA and Weifa ASA. He is a Norwegian citizen, and resides in Norway.

Mr. Nes has served the Board in Arribatec Solutions ASA since February 2020.

Øystein Stray Spetalen
Board member

Mr. Spetalen is Chairman and owner of investment firm Ferncliff II TIH AS. He is an independent investor. He has worked in the Kistefos Group as an investment manager, as corporate advisor in different investment banks and as a portfolio manager in Gjensidige Forsikring. Mr. Spetalen is a chartered petroleum's engineer from NTNU. Mr. Spetalen is a Norwegian citizen and resides in Norway.

Mr. Spetalen has served the Board in Arribatec Solutions ASA since February 2020.

Yvonne Litsheim Sandvold
Board member

Ms. Sandvold is the founder and CEO of YLS Næringseiendom and the marketing manager of Frognerbygg AS. She has extensive experience from the Norwegian real estate industry. Ms. Sandvold currently serves on the Board of several public and private companies. Ms. Sandvold holds a cand. Psychol. degree from the University of Oslo. Ms Sandvold is a Norwegian citizen, and resides in Norway.

Ms. Sandvold has served the Board in Arribatec Solutions since February 2020.

Henrik Lie-Nielsen
Board member

Henrik Lie-Nielsen is an experienced entrepreneur, private investor, leader, advisor and serves on the board of several companies in Norway and Sweden. He has founded several tech and tech enabled companies in Norway, and has spent most of his career in the intersection between business development and technology in financial services. Mr. Lie-Nielsen has studied at Stanford University Graduate School of Business Executive Education and Harvard Business School Executive Education.

Henrik Lie-Nielsen has served the Board in Arribatec Solutions ASA since October 2020.

Kristin Hellebust
Board member

Kristin Hellebust is the CEO of Nordisk Film Shortcut AS and has previously served several years as CEO of Storm Studios AS and as lawyer at Advokatfirmaet Selmer DA. Ms. Hellebust currently serves on the board of several listed companies. She holds a Master of Laws degree from University of Oslo, an Executive Master of Management from BI Norwegian School of Management, and an Executive MBA from the Norwegian School of Economics.

Kristin Hellebust has served the Board in Arribatec Solutions ASA since October 2020.

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Arribatec Solution ASA
Group And Parent Company

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Consolidated statement of Profit and Loss

For the year ended 31 December 2020

(NOK)	Notes	2020	2019
Revenue	5	154 024 028	113 660 433
Materials, software and services	8	-17 608 557	-6 969 352
Salary and personell costs	6,7	-99 142 572	-85 317 709
Cost from reverse take over	8	-56 822 000	0
Other operating expenses	8,9	-25 709 656	-11 639 688
Depreciation and amortizations	9,13,14	-7 239 838	-4 985 602
Operating profit		**-52 498 595**	**4 748 082**
Finance income	10	1 246 686	183 596
Finance costs	10	-2 944 728	-1 660 072
Profit before tax		**-54 196 637**	**3 271 606**
Income tax expense	11	-1 423 642	-82 857
Profit after tax		**-55 620 279**	**3 188 749**
Attributable to:			
Equity holders of the parent company		-55 620 279	3 188 749
Earnings per share: basic	12	-0.18	0.01
Earnings per share: diluted	12	-0.18	0.01

Consolidated statement of other comprehensive income

For the year ended 31 December 2020

(NOK)	2020	2019
Net profit/(loss) after tax	**-55 620 279**	**3 188 749**
Items that may be classified subsequently to profit and loss		
Foreign currency translation differences - foreign operations	59 758	-51 846
Other comprehensive income/(loss) afer tax	**59 758**	**-51 846**
Total comprehensive income for the period	**-55 560 521**	**3 136 903**
Attributable to:		
Equity holders of the parent company	-55 560 521	3 136 903

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Consolidated statement of financial position

For the year ended 31 December 2020

(NOK)	Notes	31.12.2020	31.12.2019	01.01.2019
ASSETS				
Non-current assets				
Property, plant and equipment	13	3 257 559	1 561 437	-
Right-of-use assets	9	20 768 080	9 347 569	11 234 567
Goodwill	14,15,16	93 826 762	2 576 645	-
Customer relations	14,15	13 144 506	6 300 000	-
Other Intangible assets	14	18 310 357	7 682 648	3 375 782
Other non-current assets		945 128	190 454	3 294 618
Deferred tax assets	11	2 436 302	2 449 308	2 033 886
Total non-current assets		**152 688 694**	**30 108 061**	**19 938 853**
Current assets				
Trade receivables	17	32 955 775	24 080 406	11 693 791
Other recivables	18	22 089 675	-	6 427 694
Contract assets	17	12 387 276	4 911 576	
Other current assets	18	2 745 736	4 988 251	
Cash and cash equivalents	19	188 269 789	6 120 754	2 350 844
Total current assets		**258 448 251**	**40 100 987**	**20 472 329**
TOTAL ASSETS		**411 136 945**	**70 209 048**	**40 411 182**

Consolidated statement of financial position

For the year ended 31 December 2020

(NOK)	Notes	31.12.2020	31.12.2019	01.01.2019
EQUITY AND LIABILITIES				
Equity				
Paid in capital				
Issued capital	25	117 203 334	2 588 838	2 322 447
Treasury shares		-	-312 039	-
Other paid in capital		194 509 842	16 285 906	-
Total paid in capital		**311 713 176**	**18 562 705**	**2 322 447**
Other equity				
Other reserves		7 912	-51 846	
Other equity		4 492 964	3 291 243	5 016 611
Total other equity		**4 500 876**	**3 239 397**	**5 016 611**
Total equity		**316 214 052**	**21 802 102**	**7 339 058**
Non-current liabilities				
Interest-bearing loans	22	1 343 608	1 976 352	2 177 509
Lease liabilities	9	15 499 690	7 432 312	8 818 965
Total non-current liabilities		**16 843 298**	**9 408 664**	**10 996 474**
Current liabilities				
Short term financial liabilities	22	7 045 554	5 443 411	422 369
Current lease liabilities	9	7 124 908	2 522 381	2 415 601
Accounts payable and other current liabilities	23	23 966 492	7 633 487	2 512 470
Contract liabilities	17	1 282 501	5 047 682	1 328 681
Current tax payable	11	3 595 659	1 195 781	214 182
Other current liabilities	23	35 064 481	17 155 540	15 182 347
Total current liabilities		**78 079 595**	**38 998 282**	**22 075 650**
Total liabilities		**94 922 893**	**48 406 946**	**33 072 124**
TOTAL EQUITY AND LIABILITIES		**411 136 945**	**70 209 048**	**40 411 182**

Oslo, 28 April 2021

Martin Nes
Chairman of the board

Øystein Stray Spetalen
Board member

Yvonne Litsheim Sandvold
Board member

Kristin Hellebust
Board member

Henrik Lie-Nielsen
Board member

Per Ronny Stav
CEO

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Consolidated statement of changes in equity

For the year ended 31 December 2020

	Equity related to the shareholders of the parent company					
	Restricted					
	Share capital	Treasury shares	Other paid in capital	Exchange differences	Retained earnings and profit for the year	Total Equity
Closing balance on 1 January 2019	**2 322 447**	**-**	**4 885 944**	**-**	**130 667**	**7 339 059**
Result of the period					3 188 750	3 188 750
Foreign currency translation differences - foreign operations				-51 846		-51 846
Total comprehensive income for the period	**-**	**-**	**-**	**-51 846**	**3 188 750**	**3 136 904**
Merger Instidata	266 391		11 399 962			11 666 353
Treasury shares acquired		-312 040				-312 040
Other					-28 173	-28 173
Closing balance on 31 Dec 2019	**2 588 838**	**-312 040**	**16 285 906**	**-51 846**	**3 291 244**	**21 802 103**
Total comprehensive income for the period	-	-	-	59 758	-55 620 278	-55 560 520
Treasury shares acquired		-275 957				-275 957
Other equity transactions			-833 732			-833 732
Issue of share capital in Arribatec AS	846 704		83 823 696			84 670 400
Reverse take over reclassification of Arribatec AS	-3 435 542	587 997	2 847 545			-
Reverse take over Arribatec Solutions ASA	91 203 933		-64 613 933		56 822 000	83 412 000
Capital Increase employees offer, Nov	2 800 000		6 600 000			9 400 000
Capital increase repair issue, Nov	9 199 400		21 684 300			30 883 700
Capital increase, Private placement Dec	14 000 000		96 000 000			110 000 000
Cost of share issue			-12 891 014			-12 891 014
Share consideration relating business combinations – shares to be issued in 2021, ref Note 15			45 607 072			45 607 072
Closing balance on 31 Dec 2020	**117 203 334**	**-**	**194 509 842**	**7 912**	**4 492 964**	**316 214 052**

Consolidated statement of cash flows

For the year ended 31 December 2020

		Year to date	
(NOK)	Note	31 Dec 2020	31 Dec 2019
Operating actitvities			
Profit/(loss) before tax		-55 620 279	3 271 606
Taxes paid	11	-1 195 781	-214 182
Adjustments for:			
+ Calculated cost from reverse takeover	8	56 822 000	-
+ Finance income and expense	10	1 698 042	1 476 476
- (Increase)/decrease in trade receivables	17	1 327 606	-14 939 116
- (decrease)/increase in trade payables		6 088 877	12 643 596
+ Depreciation and amortization	13, 14	7 239 838	4 985 601
Change in Working capital		-17 368 839	-4 032 642
Net cash flows operating activities		**-1 008 536**	**3 191 339**
Investing actitvities			
Cash received through business combination	15	34 740 974	5 239 602
Cash consideration Investment in subsidiaries	15	-59 942 129	-
Capitalized development costs and tangible assets	13, 14	-12 548 283	-10 279 771
Interest received	10	235 690	183 596
Net cash flows investing activities		**-37 513 748**	**-4 856 573**
Financing actitvities			
Proceeds from borrowings	22	5 472 435	4 335 572
Proceeds from overdrafts	22	-3 820 910	2 759 644
Repayment of debt	22	-1 178 847	-
Interest paid	10	-754 756	-1 660 072
Other changes in equity		-1 109 689	-
New Share issues		234 954 100	-
Costs related to share issues		-12 891 014	-
Net cash flows financing activities		**220 671 319**	**5 435 144**
Net change in cash and cash equivalents		182 149 034	3 769 910
Cash and cash equivalents at the beginning of period		6 120 754	2 350 844
Cash and cash equivalents at end of period, incl. restricted funds		**188 269 788**	**6 120 754**

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Note 1 / Corporate Information

The Parent Company Arribatec Solutions ASA (publ) ("Arribatec"), with Norwegian corporate identity number 979 867 654 is a joint stock company, incorporated in Norway. The registered address is Sjølyst plass 2, NO-0278 Oslo. The company's shares are traded in Norway on the Oslo Stock Exchange.

The principal activities of the Company and its subsidiaries (the Group) are to be a software and consulting company. With a customer centric engagement model, combined with a deep system, integration and domain competence, Arribatec builds long term strategic partnership with a broad customer base. Arribatec serves more than 800 large entities spread over 20 countries and various industries, both in the private and public sector. The activities are further described in Note (Segment reporting note 5).

The Annual Report and Parent Company Report for Arribatec Solutions ASA (publ) were adopted by the Board of Directors on 29 April 2021 and will be submitted for approval to the Annual General Meeting during Q2 2021.

Note 2 / Summary of significant Accounting Principles

2.1 Basis for preparation

The financial accounts for Arribatec Solutions ASA as "the Parent company" together with its controlled subsidiaries, together called "the Group" have been prepared in accordance with International Financial Reporting Standards as adopted by the EU(IFRS), relevant interpretations, and the Norwegian Accounting Act. For all periods up to and including the year ended 31 December 2019, the Group prepared its financial statements in accordance with Norwegian generally accepted accounting principles for small companies (GRS 8). These financial statements for the year ended 31 December 2020 are the first the Group has prepared in accordance with IFRS. Refer to Note 27 for information on how the Group adopted IFRS. The consolidated financial statements have been prepared on a historical cost basis, except where IFRS explicitly requires use of other values. As the Parent company has NOK as its functional currency, the financial accounts are presented in NOK.

On the 4 of September Arribatec Solutions ASA (former named Hiddn ASA entered into a share exchange agreement with Arribatec AS and the majority of Arribatec's shareholders to acquire all of the shares in Arribatec. The transaction has been analyzed and determined to be a Reverse take-over. This means that despite Arribatec Solutions ASA is the legal acquirer and Arribatec AS the legally acquired company, Arribatec Solutions will be accounted for as the acquiree and Arribatec AS the acquirer for accounting purposes. Hence, the basis for the preparation of the consolidated financial statement follows a reverse acquisition approach in full.

All the comparable figures (2019 figures) are Arribatec AS. The group financial statements are based on Arribatec AS as the parent in the Group and that Arribatec Solutions ASA is consolidated as part of the Group from the 28 of October 2020, which was the date of transaction. The deemed acquisition cost that exceeds the fair value of the listed company's identifiable assets and liabilities has been treated as the cost of obtaining a listing and is presented as such in the profit and loss statement. Furthermore, from the date of transaction, the incorporation of Arribatec Solutions ASA will appear in the equity statement to be the Groups continuing paid in capital. The consideration transferred for the acquisition of Arribatec Solutions ASA is estimated to be 83.4 million. The fair value of identifiable assets and liabilities was 26.6 million at the acquisition date, hence an estimated cost is 56.8 million.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of 31 December 2020.

Control is established when the Parent Company 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 over the entity.

Business combinations are accounted for by using the acquisition method. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The consolidation stops when the control ceases. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

There is a presumption that if the Group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the entity. Including ownership interests, voting rights, ownership structure and relative power, as well as options controlled by the Group and shareholder's agreement or other contractual agreements.

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The assessments are done for each individual investment. The Group re-assesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

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.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company.

Loss of control:
If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Functional currencies and Presentation currency
The financial statements are presented in NOK, which is the functional currency of the Parent company, as well as being the presentation currency for the Group. For the purposes of presenting this consolidated financial statement, the assets and liabilities of the Group's non-NOK operations are translated into NOK using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year. All group transactions and group unsettled matters, and profit and losses for transactions between group companies that are put into effect, are eliminated at the consolidation.

2.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition accounting method. Acquisition costs incurred are expensed and included in operating expenses. When the Group acquires a business, it assesses the identifiable assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and relevant conditions as at the acquisition date. The acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair values at the acquisition date, except for non-current assets that are classified as held for sale and recognized at fair value less cost to sell, and deferred tax assets and liabilities which are recognized at nominal value.

Goodwill arising on acquisition is recognized as an asset measured at the excess of the sum of the consideration transferred, the fair value of any previously held equity interests and the amount of any non-controlling interests in the acquire over the net amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities exceeds the total consideration of the business combination, the excess is recognized in the income statement immediately.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in the income statement as financial income or expense. If the contingent consideration is classified as equity, it will not be premeasured, and subsequent settlement will be accounted for within equity.

If the business combination is achieved in stages, the fair value of the Group's previously held equity interest in the acquire is remeasured to fair value at the acquisition date through the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquired entity are assigned to those units.

The Group assesses each cash generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the actual value less costs to sell and value in use. If there is an indication that an asset is impaired, the recoverable amount of the asset is calculated in accordance with IAS 36 Impairment of assets. For goodwill, other intangible assets with indefinite useful lives and intangible assets not yet ready for use, the recoverable amount is assessed annually.

2.4 Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer. The Group recognizes revenue when it transfers control of a good or service to a customer. Intercompany sales are eliminated.

Consulting services
Arribatec provides implementation and integration services under consulting contracts with customers. Most contracts have a variable pricing structure where Arribatec agrees to implement and integrate software for a fixed hourly rate agreed upon in the contract.

Arribatec`s performance obligation is satisfied over time because the consulting services does not create an asset that Arribatec could use for an alternative purpose and Arribatec has an enforceable right to payment for the hours worked. Revenue is recognised over time, normally according to the invoiced hours for the period. In cases where the contract prescribes advance or deferred invoicing, the recognized amount is adjusted and presented as a contract liability or contract asset, respectively.

From time to time Arribatec has fixed price consulting contract. In the same manner as for the variable price contracts, the asset created does not have an alternative use for Arribatec and Arribatec have an enforceable right to payment in line with progress in the project. Arribatec recognises revenue over time, in line with progress in the project. Progress is estimated as hours spend at the balance sheet date divided with estimated total hours in the project. This requires estimating the remaining hours to complete.

Sale of licenses
A license establishes the customer's rights related to a company's intellectual property (IP) and the obligations of the company to provide those rights.

Arribatec in some instances have contracts that includes sale of licenses only. Arribatec has analyzed its (partner) licensing contracts and concluded that they control the license before it is transferred to the customer since Arribatec has legal ownership, physical possession and the risk and reward of ownership. Arribatec is therefore the principal in the customer contract IFRS 15 distinguishes between whether the license provides a" right to use" or a "right to access" IP. This impacts the timing of revenue recognition.

When Arribatec licenses distinct on-premise licenses, these fall under the category "right-to use" since the license grants the right to the IP "as is" when delivered. Revenue is recognized at the point in time when the customer is provided with the ability to use the software. Generally, at the beginning of the license period.

When Arribatec license cloud- based subscription licenses ("right to access"), the license is not considered distinct from the online/hosting service. Revenue is recognized over time ,over the license/contract period, as the customer is receiving and consuming the benefits of the access to the cloud-based licence on an ongoing basis.

The distinct on-premise licenses pricing model is a onetime fixed fee. The fee is recognized as revenue at the point of time that the customer has received legal title and physical possession and the customer has accepted the license.

The cloud- based subscription licenses are sold for a fixed annual or monthly fee. Revenue is recognized linearly over the subscription time.

Software as a service (SaaS)
Software is provided over time to an end- customer from a Data Center managed or contracted by Arribatec. The obligations in the SaaS contract are to offer a cloud- based access to the license (owned by Arribatec), maintenance of the utility of the software, including rights to updates and future releases, and in some contracts, provide support.

The customer will purchase and obtain control of the software as-a-service on a subscription or consumption basis. Revenue is therefore recognized periodically over the life of the SaaS contract.

In some cases, Arribatec has a separate installation and implementation contract regarding the same customer projects. When these contracts are negotiated close in time from each other, Arribatec considers whether the two contracts have been negotiated as a package with a single commercial objective, or not. If this is the case the two contracts are combined. If not, they are accounted for separately.

The implementation and installation services are capable of being distinct and distinct within the context of these contracts. Arribatec has therefore concluded that there are generally two distinct performance obligations in the two combined contracts.

When there are two combined contracts, the transaction price is allocated between the two performance obligations based on relative stand-alone prices.

Arribatec`s performance obligation under the installation and integration contract is satisfied over time because the consulting services does not create an asset that Arribatec could use for an alternative purpose and Arribatec has an enforceable right to payment for the hours worked. Revenue is accordingly recognised over time, based on the hours worked.

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Solution as a service (SolaaS)
As for SaaS, the main obligations in the SolaaS contract are to offer a cloud- based, "right to access" type of license, maintenance of the utility of the software, including updates and future releases, and provide support. In the SolaaS contracts an additional part of the value chain, the implementation and integration services, is added to the contract.

As for the SaaS, contracts with a separate (combined) implementation and integration service contract, generally in the SolaaS contracts, there are two distinct POs. However, this is assessed on a contract to contract basis, where all facts and circumstances are considered.

Solaas contracts considered two (or more) performance obligation: Consulting service. Revenue is recognised over time when the consulting service is delivered. See description above for consulting services.

SaaS (Licence, online service and maintenance and support): The customer receives and consumes the benefits from the SaaS delivery as Arribatec performs under the contract. Therefore, the performance obligation is satisfied over time and revenue is recognised over the period the service is available for use by the customer

Managed services
Under the managed services contracts Arribatec helps customers operate their IT environments, either on premise or from the cloud. Managed services contracts are delivered on a fixed price and minimum commitment from customers, on a long-term contract. Additional work above the agreed level is considered normal consulting services.

Arribatec delivers an integrated set of services as defined in the managed service agreement. The customer receives and consumes the benefits from the Managed services as Arribatec performs under the contract. Therefore, the performance obligation is satisfied over time and revenue is recognised over time.

Revenue from other services
Arribatec to a limited extent provides maintenance services, support services and application management services under separate contracts, for a fixed fee. The performance obligations under these contracts are satisfied over time and revenue is recognised accordingly.

2.5 Government grants
Government grants are recognized when there is reasonable assurance that the grant will be received, and all associated conditions will be complied with. When the grant relates to an asset, it reduces the carrying amount of the asset. The grant is then recognized in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

2.6 Employee benefits
Pension obligations
The Group's pension obligations vary between countries depending on the local legislation and different pension systems, please see Notes 6,7 and 24 for further descriptions. The group only has defined contribution retirement plans.

Defined contribution retirement plans are retirement plans where the company's payment obligations are limited to the fixed contributions and where the fees already have been undertaken. The retirement benefits for the individual employee is dependent on the contributions paid to the retirement plan or an insurance company by the employer, and the return of capital invested in the retirement fund. Consequently, it is the employee that holds the risk of return (that the return will be lower than expected) and the risk of the investment (the risk that the invested pension provision will not be sufficient to cover expected retirement compensation in the future). The obligations of the Company related to payments of defined contribution retirement plans are expensed in the income statement as they are earned by the employee for services conducted on behalf of the employer during the period.

2.7 Research and Development Costs
Development expenditures are capitalized only when the criteria for recognition is met, i.e. that it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, management has committed itself to complete the asset, the technical feasibility of completing the asset has been demonstrated and the cost can be measured reliably. Research costs are expensed in full.

The assets are amortized over their expected useful life once the assets are available for use. During the period of development, the asset is tested for impairment annually. Development costs that do not meet the criteria for capitalization are expensed as incurred.

2.8 Taxes
Income taxes consists of current tax and deferred tax.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

A deferred tax asset is recognized to the extent that is probable that future taxable profit will be available against for which unused tax losses and unused tax credits can be utilised. A deferred tax asset arising from unused tax losses or tax credit is only recognized to the extent that the entity has sufficient taxable temporary differences or that there is convincing other evidence supporting the utilisation of the tax losses and tax credits, including the impact of time restriction by local tax authorities. The carrying amount of deferred tax asset is reviewed at the end of each reporting period. Unrecognized deferred tax assets are reassessed at each balance sheet date. Deferred income tax assets and deferred income tax liabilities are offset, when a legally enforceable right exists to set off tax assets against income tax liabilities and the deferred income taxes relate to the same taxable entity or taxation authority.

2.9 Tangible fixed assets
Tangible fixed assets are reported at cost in the balance sheet, with a deduction for accumulated depreciation and any impairment. Depreciation is made on a straight-line basis over the asset's estimated useful life, which is assessed on an individual basis, ranging from three to five years.

2.10 Other intangible assets
2.10.1 Goodwill
Goodwill represents the excess of cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on the acquisition of subsidiaries is included within intangible assets. Goodwill that arises on the acquisition of subsidiaries is allocated to cash generating units (CGUs). Goodwill is measured at cost (residual) less accumulated impairment losses. Goodwill is tested for impairment at least annually, or when there are indications of impairment. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than it's carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. When the group disposes of an operation within a CGU or group of CGUs to which goodwill has been allocated, a portion of the goodwill is included in the carrying amount of the operation when determining the gain of loss on disposal. The portion of the goodwill allocated is measured based on the relative values of the operation disposed of and the portion of the CGU retained at the date of the partial disposal, unless it can be demonstrated that another method better reflects the goodwill associated with the operation disposed of. The same principle is used for allocation of goodwill when the group reorganizes its businesses.

2.10.2 Customer relationships and other technical assets
The assets acquired in a business combination are recognized at fair value at the acquisition date. Customer relationships and databases have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost over their useful lives of 3 to 5 years.

2.11 Financial instruments
All financial assets and liabilities are initially recognized at fair value, and subsequently classified either as financial assets at amortized cost or financial assets through profit or loss

2.11.1 Accounts receivable
Accounts receivable are initially recognized at the transaction price and are subsequently carried at amortized cost less provision for expected credit losses.

2.11.2 Trade and other payables
Trade and other payables are initially recognized at fair value, and subsequently measured at amortized cost. Trade and other payables are measures at their nominal amount when the effect of discounting is not material.

2.11.3 Cash and Cash equivalent
Cash and cash equivalents include cash at banks and on hand and other short term highly liquid investments with original maturities of three months or less. In the consolidated balance sheet, any bank overdrafts are shown within borrowings in current liabilities.

2.11.4 Provisions and contingent liabilities
Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not

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that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Restructuring provisions are recognized only when the recognition criteria for provisions are fulfilled. The Group has a constructive obligation when a detailed formal plan identifies the activities concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline. Furthermore, the employees affected have been notified of the plan's main features.

2.11.5 Classifications
Fixed assets and long-term liabilities consist of items expected to be settled more than twelve months after the balance sheet date. Current assets and current liabilities consist of amounts that are expected to be settled within twelve months after the balance sheet date.

2.12 Right of use assets and Lease liabilities
The Group applies IFRS 16. At the inception of a contract, the group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time, in exchange for consideration.

For contracts that constitute, or contain a lease, the Group separates lease components if it benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The Group then accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

At the lease commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur. The lease liability is recognized at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date.

The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate. The Group does not include variable lease payments in the lease liability. Instead, the Group recognizes these variable lease expenses in profit or loss.

The Group presents its lease liabilities as separate line items in the statement of financial position.

The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities.

The Group applies the depreciation requirements IAS 16 'Property, Plant and Equipment' in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset.

The Group applies IAS 36 'Impairment of Assets' to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Changes in Accounting Policies and disclosures for 2020 calendar year or thereafter
During 2020 the Group has applied IFRS accounting standards, ref Note 27 IFRS transition.

Note 3 / Financial risk management objectives and policies

Arribatec defines risk as all factors which could have a negative impact on the ability of the Group to achieve its business objectives. All economic activities are associated with risk. In order to manage risk in a balanced way, it must first be identified and assessed. Arribatec conducts risk management at both a Group and company level, where risks are evaluated in a systematic manner. The following summary is by no means comprehensive but offers an overview of all material financial risk factors which are considered important for Arribatec's future development.

Risks associated with changes in economic conditions are managed through regular checks on developments in each country.

Currency risk
Currency risk refers to the risk that the value of liquid and financial instruments may shift as a result of changes in exchange rates. Part of the Groups business operation is in different currency countries, though the dominating business is in NOK. Arribatec's currency transaction exposure arises from foreign trade, cash management and internal funding in foreign currencies. Translating the balance sheets and income statements of Group companies into NOK creates a translation exposure.

Credit risk
Credit risks is the risk that counterparty will not meet its obligations under a financial contract or customer contract, leading to a financial loss. The Group are exposed to credit risk from its operating activities, primarily related to cash and cash equivalents, trade receivables and contract assets from contracts with the customers and other receivables.

As part of the Group's earnings model, certain of its customers pays for software and services under a solutions as-a-software (SolaaS) arrangement, meaning that the customer is paying a monthly recurring sum for, inter alia, the software and services already provided or to be provided by the Group. As such, these customers' monthly recurring payment obligations also includes payment for licenses and software already integrated and implemented, in addition to services related to continuous maintenance and consulting. This in contrast to e.g. software-as-a-service (SaaS) arrangements, where the customer in general pays a lump sum for the initial software integration and implementation, and subsequently only pays for services related to maintenance and consulting services. Although the Group has opted with this model to ensure some predictable long-term income, the Group is dependent on its customers having the ability and/or willingness to pay for the software and services already provided or to be provided.

Customer credit risk is managed subject to established policies, procedures and controls relating to customer credit risk management. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The Company manage the credit risk by working closely with the customers.

Interest rate risks
Interest risk is related to the risk the Group is exposed to from changes in the market's interest rate which can affect the net profit. The Group's main interest rate risk arises from long-term borrowings with variable rates, which amounted to NOK 8 389 162 on 31 December 2020 (2019: NOK 7 419 763). The loan carries a variable interest rate based on the interbank rate in each currency with a margin. Any annualised increase/decrease by 100 basis point would increase/decrease the Groups profit before tax by app. NOK 80 000.

Liquidity risk
Liquidity risk is the potential loss arising from the Group's inability to meet its contractual obligations when due. The Group monitors its risk of a shortage of funds using cash flow forecasts. The Group generate positive cash flow from operating activities. The Group had cash and cash equivalents of NOK 188,2m at 31 December 2020 (2019: NOK 6,1m).

The following table detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn based on the undiscounted cash flows of financial liabilities based on the most likely date on which the Group can be required to pay. The table include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate curves at the end of the reporting period. The contractual maturity is based on the most likely date on which the Group may be required to pay. Ref Note 17.

The amounts presented are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

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Year ended 31 December 2020

(NOK)	< 6 months	6 months - 1 year	1-2 years	2-4 years	4+ years	Total
Interest bearing loans	5 273 500	2 996 303	353 048	51 297		8 674 148
Other long term liabilities			4 068 279			4 068 279
Trade payable	16 467 038					16 467 038
Taxes payable		3 595 659				3 595 659
Other current liabilities	80 444 972	3 657 757				84 102 729
Total	**102 185 510**	**10 249 719**	**4 421 326**	**51 297**	**-**	**116 907 853**

Financing risk

To supports the Groups growth ambitions, the Group continuously work on securing necessary committed financing and alternative funding sources.

Capital management

The primary objective of the Group's capital management is to ensure the Group maintains a solid capital structure enabling it to develop and build its business to maximise shareholder value.

Note 4 / Critical accounting estimates and judgements in terms of accounting policies

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. It also requires management to exercise its judgement in the process of applying the group's accounting policies. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Goodwill

In accordance with the stated accounting policy, the group annually tests whether goodwill has suffered any impairment or more frequently if impairment indicators are identified. The recoverable amount of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. The value-in-use calculation is based on a discounted cash flow model. The cash flows are derived from the budgets and forecasts for the next three years, as approved by the Company's Board of Directors, and do not include significant investments that will enhance the performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model, as well as the expected future cash-inflows (sensitive to estimates of sales and cost levels) and the growth rate used for extrapolation purposes. Further details about goodwill and impairment reviews are included in Note 16 Impairment.

Note 5 / Revenue

The market for Arribatec'S software and services are global. The chief decision maker will therefore follow up revenue and profitability on a global basis, segmented into geographical regions. This is consistent with the internal reporting submitted to the chief operating decision maker, defined as the Management Group. The Management Group is responsible for allocating resources and assessing performance as well as making strategic decisions. Principles of revenue recognition are stated in accounting principles Note 2.4.

Segment

The management of the Group follow up the revenue by geography. There has not been any segment profit reporting as per 31 December 2020. There is currently an ongoing project to implement segment reporting in the Group from 2021.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary service line, geography and recurrence. In presenting the geographic information, revenue has been based on the geographic location of legal entity.

Total revenue	2020	2019
Norway	97 230 193	59 872 902
Europe	39 592 281	35 997 720
Americas	17 201 554	17 789 811
Total revenue	**154 024 028**	**113 660 433**
Consulting	118 590 973	92 766 251
License	2 461 704	8 477 656
Software as a service	25 522 249	2 776 083
Support and other services	9 063 820	9 640 443
Total revenue	**154 024 028**	**113 660 433**

See note 17 for Note Accounts receivables, contract assets and contract liabilities.

Note 6 / Employees, Salaries and other Compensation

	2020	2019
Salaries	74 405 872	63 737 709
Social security tax	12 488 696	9 225 195
Bonuses	1 196 018	-
Pension costs defined contribution plans (Note 24)	5 568 413	3 354 616
Other personnel costs	5 483 573	9 000 189
Total salaries and personnel expense	**99 142 572**	**85 317 709**

Average number employees	2020	2019
Number of FTE's start of year	90	74
Number of FTE's end of year	171	90
Average number of FTE's	131	82
Male	136	
Female	35	

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Note 7 / Key Management Compensation

Management remuneration 2020

The Group Management consists of the Group Directors. Group Directors are the CEO, the CFO and the COO that are all employed by the parent company, in addition to the General Managers in the largest subsidiaries.

	Board remuneration	Salary	Bonus	Benefits in kind	Pension cost	Total remuneration
Management						-
Per Ronny Stav (CEO)		3 200 000	1 583 336	7 866	26 616	4 817 818
Jhonny Sharma (COO)		1 800 000		4 500	30 848	1 835 348
Members of the Board						
Martin Nes (Chairman)						
Øystein S. Spetalen (Member)						
Kristin Hellebust (Member)						
Henrik Lie-Nielsen (Member)						
Yvonne Litsheim Sandvold (Member)						
Total remuneration	-	5 000 000	1 583 336	12 366	57 464	6 653 166

The CEO, Per Ronny Stav has a 3 months notice period and is entitled to a severance pay for 12 months in case of termination by the company.
"The remuneration of the Board of Directors" has been paid out in 2021.

Management remuneration 2019

The Management of the company consisted of one CEO.

	Board remuneration	Salary	Bonus	Benefits in kind	Pension cost	Total remuneration
Management						
Per Ronny Stav (CEO)*		1 075 000	1 200 000			2 275 000
Members of the Board						
Per Ronny Stav (Chairman)						
Henrik Lie-Nielsen (Member)	36 000					
Joar Aarnes (Member)						
Tor-Petter Johnsen (Member)	36 000					
Peter Fransiscus Stevens (Member)	20 000					
Total remuneration	**92 000**	**1 075 000**	**1 200 000**	-	-	**2 275 000**

* The salary was charged from a third party company.

Note 8 / Cost of goods sold and other operating expenses

Cost - materials, software and services	2020	2019
Hired consultants	-7 152 141	-1 469 986
Hardware for resale	-2 540 207	-1 500 000
Software for resale	-7 916 209	-1 410 088
Other	-	-2 589 278
Total materials, software and services	**-17 608 558**	**-6 969 352**

Other operating expenses	2020	2019
Marketing costs	866 921	538 771
Rental and leasing costs	2 433 111	1 247 206
Travel costs	1 305 626	4 788 473
Fees for external services	12 384 880	1 686 364
IT and communication costs	6 593 486	1 715 830
Other operating costs	2 125 632	1 663 044
Total operating expenses	**25 709 656**	**11 639 688**

A cost relating to Arribatec AS reverse take over of Arribatec Solutions ASA, ref described in Note 2.1, has been expensed with an amount of 56.822.000.

The deemed acquisition cost that exceeds the fair value of the listed company's identifiable assets and liabilities has been treated as the cost of obtaining a listing and is presented as such in the profit and loss statement. The consideration transferred for the acquisition of Arribatec Solutions ASA is estimated to be 83.4 million. The fair value of identifiable assets and liabilities was 26.6 million at the acquisition date, hence an estimated cost is 56.8 million.

Specification auditor's fee	2020	2019
Statutory audit	645 775	260 000
Other assurance services	300 000	430 650
Other non-assurance services	893 363	-
Total	**1 839 138**	**690 650**

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Note 9 / Right of use assets and lease liabilities

The group leases premises, office equipment and vehicles under non-cancellable lease agreements. The lease terms are between 1-5 years and the majority of lease agreements are renewable after the end of the lease period. Leasing contracts are classified as lease liabilities and right-of-use assets under IFRS 16. See Note 2, section 2.12.

Carrying amounts of right-of use assets and the movements during the period:

Right-of-use assets 2020	Buildings	Office equipment	Total
Acquisition cost 1 January 2020	11 234 567	670 827	11 905 394
Addition of right-of-use assets	10 425 204	5 501 376	15 926 580
Currency exchange differences	167 762		167 762
Acquisition cost 31 December 2020	**21 827 533**	**6 172 203**	**27 999 736**
Accumulated depreciation and impairment 1 January 2020	-2 480 118	-77 708	-2 557 825
Depreciation	-3 502 916	-1 193 617	-4 696 533
Currency exchange differences	22 702		22 702
Accumulated depreciation and impairment 31 December 2020	**-5 960 332**	**-1 271 325**	**-7 231 656**
Carrying amount of right-of-use assets 31 December 2020	**15 867 201**	**4 900 878**	**20 768 080**

Right-of-use assets 2019	Buildings	Office equipment	Total
Acquisition cost 1 January 2019	11 234 567		11 234 567
Addition of right-of-use assets		670 827	670 827
Acquisition cost 31 December 2019	**11 234 567**	**670 827**	**11 905 394**
Depreciation	-2 480 118	-77 708	-2 557 825
Accumulated depreciation and impairment 31 December 2019	**-2 480 118**	**-77 708**	**-2 557 825**
Carrying amount of right-of-use assets 31 December 2019	**8 754 449**	**593 119**	**9 347 569**
Depreciation method	Linear 1-5 yrs	Linear 1-3 yrs	

The carrying amounts of lease liabilities and movements during the period:

Leasing liability 2020	Buildings	Office equipment	Total
As at 1 January 2020	9 283 867	670 827	9 954 694
Additions- new contracts	10 425 204	5 501 376	15 926 580
Interest on leasing liability	635 054	170 856	805 910
Repayment	-4 009 640	-247 252	-4 256 892
Currency exchange differences	194 307		194 307
As at 31 December 2020	**16 528 792**	**6 095 807**	**22 624 598**

Leasing liability 2019	Buildings	Office equipment	Total
As at 1 January 2019	11 234 567	0	11 234 567
Additions- new contracts		670 827	670 827
Interest on leasing liability	556 655	15 025	571 680
Repayment	-2 415 601	-106 780	-2 522 381
Other changes	-91 753	91 753	-
As at 31 December 2019	**9 283 867**	**670 827**	**9 954 694**

The interest rate used for discounting the lease liability is based on the same as according to the terms of interest rate from the Group's external financing. Any movement of the interest rate +/- 1% will impact the lifetime discount element, ref table on the next page, with approximately NOK 200 thousand.

The future aggregated minimum lease payments under lease liabilities are as follows:

Maturity analysis of the lease liabilities: (Nominal- undiscounted)	Total
Less than 1 year	8 014 253
1-2 years	7 385 092
2-3 years	6 075 478
3-4 years	2 481 794
4-5 years	323 298
More than 5 years	-
Total undiscounted lease liabilities at 31 December 2020	**24 279 915**
Discount element	-1 655 317
Total discounted lease liabilities at 31 December 2020	**22 624 598**

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The following amounts are recognised in profit or loss	2020	2019
Depreciation expense for the right-of-use asset	4 696 533	2 557 825
Interest expense on lease liabilities	805 910	571 680
Exchange difference (included in OCI)		
Exchange difference (included in financial income)	3 843	
Expense related to short-term leases (included in other operating expenses)		
	5 506 286	**3 129 505**

Note 10 / Financial Items

Finance income	2020	2019
Interest income	235 690	18 786
Foreign exchange gains	891 660	149 042
Other financial income	119 336	15 768
Total financial income	**1 246 686**	**183 596**

Finance expenses	2020	2019
Interest on debts and borrowings	-754 256	813 663
Interest expense on lease liabilities	-953 250	571 680
Foreign exchange losses	-1 117 151	270 995
Other financial expenses	-120 071	3 734
Total financial expenses	**-2 944 728**	**1 660 072**

Note 11 / Income tax and tax assets and liabilities

Income tax expense	2020	2019
Current tax:		
Tax payable	3 595 659	1 195 781
Tax payable from business combinations	-2 159 010	-
Deferred tax		
Changes in deferred tax	-13 007	-1 112 924
Tax expense	**1 423 642**	**82 857**

A reconciliation of the effective rate	2020	2019
Profit before tax and reverse takeover cost	2 625 363	3 271 606
Reverse takeover cost (not subject to taxation)	-56 822 000	-
Profit before tax	-54 196 637	-
Income taxes calculated at 22 %	-11 923 260	-719 753
Changes in unrecognised deferred tax asset	920 923	-
Non deductable Reverse takeover cost (not subject to taxation)	12 500 840	-
Non deductible expenses	1 024 422	-
Non-taxable income		659 375
Tax effects other	-1 099 283	143 235
Tax expense	**1 423 642**	**82 857**

	2020	2019
Deferred tax assets		
Property, plant and equipment	686 964	566 158
Receivables	67 793	118 134
Tax losses carried forward	2 436 301	-
Other provisions	2 193 308	3 315 004
Ingtangible assets	-1 053 403	-1 549 988
Deferred tax on intangible assets from business combinations	-1 894 661	-
Deferred tax assets	**2 436 302**	**2 449 308**

Deferred tax asset capitalized	2 436 301
Deferred tax asset not capitalized	18 049 625

The Company consider this as potential use in the future provided that thus is allowable under the interpretation of the current Norwegian tax regime.

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Note 12 / Earnings per share

Basic earnings per share (EPS) are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in Issue during the year according to the following number of outstanding shares.

Basis for calculation in 2020 following the reverse split	Number of shares
At 1 jan 2019	**2 588 838**
Capital issue in Arribatec AS	846 704
Reverse takeover, 28.10.2020	- 3 435 542
Reverse takeover, 28.10.2020	89 908 757
Issue of share consideration, reverse takeover	235 819 574
Share issue, repair offer nov	32 855 000
Share issue, employee offer nov	10 000 000
Share issue, private placement dec	50 000 000
At 31 Dec 2020	**418 583 331**

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the Company by weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be Issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the Income and share data used in the basic and diluted EPS calculations:

Earnings per share		
(NOK)	**2020**	**2019**
Net profit/(loss) to equity holders	-55 620 279	3 188 749
Total	**-55 620 279**	**3 188 749**
Number of shares		
Weighted average number of shares	305 239 615	235 819 574
Weighted average number of shares	**305 239 615**	**235 819 574**
Basic earnings per share	-0.18	0.01
Diluted earnings per share	-0.18	0.01

Number of instruments	2020	2019
Redemption shares to minority shareholdes of Arribatec AS	129 663 617	-

The number of redemption shares, represent the fact that 35,48%, of Arribatec AS employees still holds A and B shares of approx. 35% of the shares in Arribatec AS as per 31.12.2020. The Sales Puchase agreement between the sellers of Arribatec AS includes a call option which gives the remaining AS shareholders the right and obligation to sell and exchange their shares to ASA shares. Arribatec Solutions ASA has the right and obligation to buy these shares in 2021.

Note 13 / Tangible assets

Acquisition cost	Office equipment	Fixtures and fittings	Total
1 January 2019	2 202 221		2 202 221
Additions	185 941		185 941
Additions from acquisition of companies	2 272 925		2 272 925
Cost at 31 December 2019	**4 661 087**	**-**	**4 661 087**
Additions	789 278	747 970	1 537 248
Additions from acquisition of companies	3 916 144		3 916 144
Cost at 31 December 2020	**9 366 509**	**747 970**	**10 114 479**

Accumulated depreciation and impairments	Office equipment	Fixtures and fittings	Total
1 January 2019	913 985		913 985
Additions (depreciation in the year)	321 151		321 151
Additions from acquisition of companies	1 864 514		1 864 514
Accumulated depreciation at 31 December 2019	**3 099 650**	**-**	**3 099 650**
Additions (depreciation in the year)	892 371	149 594	1 041 965
Disposals	617 521		617 521
Additions from acquisition of companies	2 097 784		2 097 784
Accumulated depreciation at 31 December 2020	**6 707 326**	**149 594**	**6 856 920**
Carrying amount at 31 December 2020	**2 659 183**	**598 376**	**3 257 559**
Economic life	3-5 years	3-5 years	
Depreciation method	linear	linear	

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Note 14 / Intangible assets

2020	Custom software	Customer relations	Technical software	Other intangible assets	Goodwill	Total 2020
1 January 2020	3 798 524	7 000 000	1 000 000	4 263 750	2 576 645	18 638 919
Additions	1 460 479	-	-	2 241 169		3 701 648
Additions - internally developed	8 799 368					8 799 368
From business combinations	-	8 528 800	-	3 512 733	91 250 117	103 291 650
Less government grants	-1 489 981		-	-	-	-1 489 981
Cost at 31 December	**12 568 390**	**15 528 800**	**1 000 000**	**10 017 652**	**93 826 762**	**132 941 604**
Accumulated amortizations						
1 January 2020	-191 256	-700 000	-166 667	-1 021 704	-	-2 079 627
Amortisation	-1 615 346	-2 384 293	-500 000	-1 080 713		-5 580 352
Accumulated amortization at 31 December	**-1 806 602**	**-3 084 293**	**-666 667**	**-2 102 417**	**-**	**-7 659 979**
Carrying amount	**10 761 788**	**12 444 507**	**333 333**	**7 915 235**	**93 826 762**	**125 281 625**
Useful lifte	5-10 yrs	5 yrs	5 yrs	5-10 yrs	Infinite	

The development expenditures that do not meet the criteria for capitalisation are recognised as salary and personnel expenses and other operating expenses in profit and loss. The Group has received government grants related to development of software of NOK 1.5 million in 2020. The grants have been subtracted from the carrying amount of internally generated software.

Referring to PPA (Purchase Price Allocation) from business combination Note 15. For Impairment testing on Goodwill see Note 16.

2019	Custom software	Customer relations	Technical software	Other intangible assets	Goodwill	Total 2019
1 January 2019	1 987 572			99 974		2 087 546
From business combinations		7 000 000	1 000 000		2 576 675	10 576 675
Additions - internally developed	1 810 952			4 163 776		5 974 728
Cost at 31 December	**3 798 524**	**7 000 000**	**1 000 000**	**4 263 750**	**2 576 675**	**18 638 949**
Useful lifte	5-10 yrs	5 yrs	5 yrs	5-10 yrs	Infinite	
Accumulated amortizations						
1 January 2019	-	-	-	-	-	-
Amortisation	-191 256	-700 000	-166 667	-1 021 704	-	-2 079 627
Accumulated amortization at 31 December	**-191 256**	**-700 000**	**-166 667**	**-1 021 704**	**-**	**-2 079 627**

Note 15 / Business Combinations

Arribatec has, during the last twelve months, acquired shares in the companies mentioned below and consequently controls the subsidiaries from the date of acquisition. In the purchase price allocations (PPA), the assets and liabilities of the companies have been measured at the estimated fair value at the acquisition date.

The preliminary purchase price allocation identified fair value adjustments on Intangible assets like customer relations and software and deferred tax liabilities/assets. The residual value of the purchase price allocation is allocated to goodwill.

Arribatec acquired 3 companies in Norway during 2020 within IT and operation and Hospitality technology. The acquisition is carried out in line with Arribatec´s strategy.

The labour force and 'going concern' elements are the main part of the acquired excess value and has been allocated to goodwill in accordance with IFRS 3. All goodwill in relation to the acquisition is related to CGU IT and Operation business and the hospitality business. None of the deferred tax relating to goodwill is deductible. The preliminary PPA (Purchase price allocation) are shown below:

	Microsky	Facil	Innit	Instidata
Date of acquisition	11.11.2020	05.11.2020	03.11.2020	30.06.2019
Acquired part of Company	100 %	100 %	100 %	100 %
Purchase price	11 160 000	24 846 400	69 542 801	15 000 000
Whereof				
Cash consideration	1 500 000	-	58 442 129	
Share consideration	9 660 000	24 846 400	11 100 672	15 000 000
An earn-out component is included in the purchase price amounting to:	-	-	-	-
Additional purchase price adjustment				

	Fair value of assets and liabilities on acquisition	Fair value of assets and liabilities on acquisition	Fair value of assets and liabilities on acquisition	Fair value of assets and liabilities on acquisition
ASSETS				
Non-current assets				
Tangible assets				
Property, plant and equipment	271 187	4 132	1 543 041	408 411
Intangible assets				
Goodwill	9 128 749	24 415 846	57 705 522	2 576 645
Customer Relationship	510 954	-	8 017 846	7 000 000
Software	-	-	-	1 000 000
Other intangible fixed assets	-	-	3 512 733	

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	Microsky	Facil	Innit	Instidata
	Fair value of assets and liabilities on acquisition	Fair value of assets and liabilities on acquisition	Fair value of assets and liabilities on acquisition	Fair value of assets and liabilities on acquisition
Long term financial assets				
Deferred tax assets	-	51 538	-	
Other long term assets	-	-	48 244	
Total non-current assets	**9 910 890**	**24 471 515**	**70 827 386**	**10 985 056**
Current assets				
Trade receivables	2 116 030	-	8 086 945	870 619
Other current assets	1 033 649	63 085	6 631 572	
Contract assets (earned, not invoiced)	862	-	650 981	
Cash & cash equivalents	2 463 635	359 929	4 816 240	5 239 602
Total current assets	**5 614 176**	**423 014**	**20 185 739**	**6 110 221**
Total Assets	**15 525 066**	**24 894 529**	**91 013 125**	**17 095 277**
Non-current liabilities				
Long term interest bearing debt	-	-	533 923	
Deferred tax liabilities (tax rate * intangible assets ex GW)	112 410	-	1 782 251	
Total non-current liabilities	**112 410**	**-**	**2 316 174**	**-**
Current liabilities				
Trade payables	1 340 372	-	3 887 757	
Tax liabilities	140 194	-	473 853	255 074
Current Contract liabilities (deferred revenue)	1 250 818	-	-	1 729 114
Other short term liabilities	1 521 272	48 129	14 180 539	111 089
Accrued expenses and prepaid income	-	-	612 000	
Total current liabilities	**4 252 656**	**48 129**	**19 154 149**	**2 095 277**
Total Net assets	**11 160 000**	**24 846 400**	**69 542 801**	**15 000 000**
Info:				
Net sales since acquisition (per 31.12.20)	3 530 135	218 463	16 027 019	
Profit/Loss since acquisition (per 31.12.2020)	308 446	16 399	1 230 997	
Net Sales full year 2020	17 454 341	376 269	77 728 880	
Profit /Loss full year 2020	497 050	-167 591	2 067 033	

Note 16 / Impairment testing of intangible assets with an indefinite lifetime

Goodwill and intangible assets stated in the consolidated financial position are mainly derived from excess value following the acquisitions of Instidata AS in 2019 and Facil AS, Microsky AS and Innit AS in 2020. Recognized goodwill amounts to 93.8 million as of 31 December 2020. Other intangibles assets related to excess values in the Group accounts are customer relations and software, with a carrying amount of NOK 13.6 million as per 31 December 2020.

Only goodwill has an indefinite lifetime, all other intangible assets are amortized, ref Note 14.

Goodwill is tested for impairment for each cash generating unit (CGU) prior to preparation of the annual accounts. The test is performed annually, and when there are indications of impairment. There were no impairment indications for the acquired businesses, thus no impairment has been done in 2020.

The recoverable amount for each CGU has been determined estimating their Value in Use (VIU) and comparing that to the carrying amount of the specific CGU. The calculation of VIU has been based on management's best estimate, reflecting the Group's financial planning process. The discount rates are derived as the weighted average cost of capital (WACC) for a similar business in the same business environment.

Goodwill has been allocated for impairment testing purposes to the CGU's IT and operations and to Hospitality in Norway only, as there is no goodwill outside Norway.

	2020	2019
Norway	93 826 762	2 576 645
Total	**93 826 762**	**2 576 645**

Cash flow projections and assumptions
A five-year forecast of discounted cash flows plus a 1,5% terminal value was used to determine net present value of the CGU. Discounted cash flows were calculated after tax and applying a WACC after tax. Estimated cash flow covering the period 2021-2025 consists of estimates for 2021 and beyond. The cash flow projections have been extrapolated based on an expected growth rates from the actual performances.

Key assumptions for the value in use calculations
The calculation of VIU for the CGU is most of all sensitive when it comes to the following assumptions:

Discount rate:
The input data for the WACC is gathered from external sources sources:

Risk free interest rate	3 %
Debt risk premium	3 %
Equity risk premium	4 %
Equity Beta	1,61
Cost of equity	9,40 %
Tax rate	22 %
After tax cost debt	4,70 %
Equity weight	90 %
WAAC	9 %

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Note 17 / Accounts receivables, contract assets and contract liabilities

Accounts receivables

	31.12.2020	31.12.2019
Receivables related to revenue from contracts with customers	33 411 677	24 617 378
Total accounts recievables	**33 411 677**	**24 617 378**
Allowance for expected credit losses	-455 902	-536 972
Carrying value accounts receivables	**32 955 775**	**24 080 406**

Accounts receivables are non-interest bearing. See note 2 for a description of allowance for expected credit losses. Note 3 provides a description of the Group's credit risk management.

Contract assets

Contract assets are recognised for performance obligations satisfied over time, mainly from installation services and projects where progress is measured over time. When the consideration becomes unconditional the contract assets are reclassified to accounts receivables, which attributes the main changes to the contract assets in the periods.

	31.12.2020	31.12.2019
As of 1 January	4 911 576	-
Movement of the year	6 823 857	4 911 576
From acquisitions	651 843	-
Total contract assets	**12 387 276**	**4 911 576**

It is expected that 41% of the above contract assets will be released in 2021 and 20% in 2022, followed by 17% in 2023 and 2024 respectively, and the remaining 5% in 2025.

Contract liabilities

Contract liabilities relates to consideration received in advance of performance under revenue contracts with customers. Revenue is recognised as (or when) the Group fulfils its performance obligation(s) under the contracts.

Contract liabilities are presented in the table below:

	31.12.2020	31.12.2019
As of 1 January	5 047 682	1 328 681
Movement of the year	-5 015 999	3 719 001
From acquisitions	1 250 818	-
Total contract liabilites	**1 282 501**	**5 047 682**

Ageing	Not due	1-15 days	16-30 days	31-60 days	61-120 days	Over 120 day	Total
Accounts receivables	**25 505 454**	**5 182 672**	**833 534**	**675 793**	**415 208**	**343 114**	**32 955 775**

Note 18 / Other current assets

	2020	2019
Government receivables	1 853 424	754 079
Pre-paid costs	15 403 648	2 752 659
License for resale	2 439 164	-
Other current assets	5 139 175	1 481 513
Total other current assets	**24 835 411**	**4 988 251**

Note 19 / Cash and cash equivalents

Cash and cash equivalents	2020	2019
Cash, free	185 409 999	4 157 301
Cash, restricted	2 859 790	1 963 453
Total cash and cash equivalents	**188 269 789**	**6 120 754**

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Note 20 / Financial Instruments

Set out below is a comparison by class of carrying amounts and fair values of all financial instruments that are carried in the financial statements.

The financial assets principally consist of cash and cash equivalents obtained through the operating business. The financial liabilities principally consist of trade and other payables arising directly from its operations. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market price and rely as little as possible on entity-specific estimates. If all significant Inputs require to fair value an Instrument are observable.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial instruments	Carrying amount			Fair value			
(NOK)	Amortized cost	Fair value through profit and loss	Total	Level 1	Level 2	Level 3	Total
31 Dec 2020							
Financial assets							
Investments in shares*		445 128	445 128			445 128	445 128
Trade and other receivables	55 045 450		55 045 450			55 045 450	55 045 450
Total Financial assets	**55 045 450**	**445 128**	**55 490 578**	**-**	**-**	**55 490 578**	**55 490 578**
Financial liabilities							
Trade and other payables**	83 102 556		83 102 556			83 102 556	83 102 556
Interest-bearing debt	8 389 162		8 389 162			8 389 162	8 389 162
Total Financial liabilities	**91 491 718**	**-**	**91 491 718**	**-**	**-**	**91 491 718**	**91 491 718**
31 Dec 2019							
Financial assets							
Other financial assets	24 834 485					24 834 485	24 834 485
Total Financial assets	**24 834 485**	**-**	**-**	**-**	**-**	**24 834 485**	**24 834 485**
Financial liabilities							
Trade and other payables	7 633 487		7 633 487			7 633 487	7 633 487
Interest-bearing debt	7 419 763		7 419 763			7 419 763	7 419 763
Total Financial liabilities	**15 053 250**	**-**	**15 053 250**	**-**	**-**	**15 053 250**	**15 053 250**

* Investment in shares is classified as Other non-current assets

** Trade and other payables consists of lease liabilities, other non-current financial liabilities, accounts payable, contract liabilities, current tax payable and other current liabilities.

Note 21 / Shares and participations in subsidiaries

Subsidiary	Registered office	Direct ownership / voting shares	Year of acquisition / foundation	2020 annual result	31.12.2020 total equity
Arribatec AS	Oslo	* 79 %	2015	-6 248 288	97 054 939
Arribatec Norge AS	Oslo	100 %	2017	6 823 278	8 788 769
Arribatec Sweden AB	Stockholm	100 %	2016	-890 676	-679 590
Arribatec Denmark Aps	Copenhagen	100 %	2015	58 776	915 443
Arribatec Americas INC	Colorado	100 %	2018	2 232 299	3 793 234
Arribatec Americas LLC	Colorado	100 %	2018	-78 294	-
Arribatec Italy SRL	Milano	100 %	2018	-299 837	-156 175
Arribatec Spain Iberia SI	Madrid	100 %	2017	768 918	2 645 705
Arribatec Belgium NV	Vosselaar	100 %	2018	364 931	1 045 253
Arribatec Poland Innovation SP Zoo	Wroclaw	100 %	2018	-180 169	-181 491
Arribatec Hospitality AS	Oslo	100 %	2019	-2 058 847	339 179
Innit AS	Hamar	100 %	2020	248 858	66 248 411
Innit Drift AS	Hamar	100 %	2020	619 643	2 814 597
Innit Utvikling AS	Hamar	100 %	2020	362 496	2 292 160
Facil AS	Oslo	100 %	2020	16 399	24 862 799
Microsky AS	Bergen	100 %	2020	308 446	11 468 445

* Arribatec AS holds A shares and B shares, whereof the A shares gives voting rights. As per 31.12.2020 Arribatec Solutions ASA has not yet acquired 100% of the shares, ref Note 12.

All listed companies are included in the consolidated financial statements of Arribatec Solutions ASA.

Arribatec Hospitality AS changed name from Levo 2 AS during 2020.

Arribatec AS are holding direct ownership of all entities except Arribatec Americas INC and Arribatec Americas LLC, that both are subsidiaries of Arribatec Denmark Aps. Furthermore, Innit Drift AS and Innit Utvikling are subsidiaries of Innit AS.

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Note 22 / Interest bearing loans

Debt financial institutions	Type	Currency	Facility limit	Interest rate	Year of maturity	2020	2019
DNB	Revolving credit facility	NOK	7 000 000	6,15 %	2021	5 017 970	5 480 614
DNB	Secured bank loan	NOK		4,65 %	2023	336 166	661 085
DNB	Revolving credit facility	NOK	6 000 000	4,50 %	2021	1 345 642	-
DNB	Secured bank loan	NOK		4,50 %	2025	444 941	-
DLL	Leasing & finance company	NOK		4,50 %	2024	681 943	-
The Norwegian Research Council	Governmental	NOK		3,35 %	2022	562 500	1 278 064
TOTAL						**8 389 162**	**7 419 763**

The rate of interest is a calculated weighted average. See Note 3 for description of interest rate risk.

	Financial institutions	Other borrowings	Total borrowings
Balance at 1 January 2020	6 141 699	1 278 064	7 419 763
Proceeds from loans and borrowings	6 006 358		6 006 358
Repayment of borrowings	-463 283	-715 564	-1 178 847
Total changes from financing cash flows	**11 684 774**	**562 500**	**12 247 274**
Movement in credit facility	-3 858 113		-3 858 113
Currency effect	-	-	
Balance at 31 December 2020	**7 826 661**	**562 500**	**8 389 162**

Pledged as security
Bank loans are secured by some of the Group's assets and trade receivables. One of the securities has also been secured by management up to 20% of the total facility.

Note 23 / Other current liabilities

	2020	2019
Employer tax and employee withholding tax	9 048 976	5 252 034
Accrued holiday payments and bonuses	10 010 758	8 447 693
Other short term liabilities	16 004 747	3 455 813
Total	**35 064 481**	**17 155 540**

Note 24 / Pension liabilities

Arribatec group meets the different local mandatory occupational pension requirement.

Arribatec operates defined contribution retirement benefit plans for all qualifying employees of its subsidiaries in Norway, Sweden and Denmark. The only obligation of the group with respect to retirement benefit plan is to make the specified contributions.

The employees of other subsidiaries are member of a state managed retirement benefit plan operated by the government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits.

Note 25 / Share capital and shareholder information

	Number of shares	Share capital (NOK)
At 1 Jan 2019	**91 742 403**	**91 742 403**
New share issues, Apr	23 845 000	23 845 000
Reverse split 1:20	-109 808 000	-109 808 000
New share issues, Oct	8 550 000	8 550 000
New share issues, Sep	1 748 000	1 748 000
At 31 Dec 2019	**16 077 403**	**16 077 403**
Capital issue, Jan	7 164 688	7 164 688
Capital issue, Mar	41 666 666	41 666 666
Capital issue, Mar	25 000 000	25 000 000
Capital decrease, Nov		-64 734 305
New shares, Oct	235 819 574	66 029 481
Share issue, repair offer, Nov	32 855 000	9 199 400
Share issue, employee offer Nov	10 000 000	2 800 000
Share issue, pricate placement Dec	50 000 000	14 000 000
At 31 Dec 2020	**418 583 331**	**117 203 333**

Each share has the same rights and has a par value of NOK 0,28.

For information regarding composition of shares due to the reverse take over, please find information in Note 12. The above table represent Arribatec Solutions ASA.

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20 largest shareholders at 31 Dec 2020

Name	Holding	Stake
Tycoon Industrier AS	116 554 032	27,84 %
Arriba Invest AS	80 187 234	19,16 %
Dallas Asset Management AS	27 809 916	6,64 %
Torstein Tvenge	18 000 000	4,30 %
Srk Consulting AS	17 121 277	4,09 %
Tigerstaden AS	11 266 301	2,69 %
Lani Invest AS	8 588 647	2,05 %
Datum AS	8 542 908	2,04 %
Tvenge	8 000 000	1,91 %
Hanekamb Invest AS	7 553 463	1,80 %
LCS AS	5 518 001	1,32 %
Songa capital AS	3 560 737	0,85 %
Finance Resources GJ AS	3 079 574	0,74 %
WKUP AS	2 959 574	0,71 %
J.P. Morgan Bank Luxembourg S.A.	2 711 485	0,65 %
NORDNET LIVSFORSIKRING AS	2 670 046	0,64 %
Skøien AS	2 401 022	0,57 %
Guttis AS	2 000 000	0,48 %
Barclays Capital Sec. Ltd. Firm	1 868 685	0,45 %
Reaktor Returns AS	1 738 830	0,42 %
Total 20 largest shareholders	**332 131 732**	**79,35 %**
Other shareholders	**86 451 599**	**20,65 %**
Total	**418 583 331**	**100,00 %**

Shares owned by related parties:

Name	Holding	Stake	
Tycoon Industrier AS	116 554 032	27,8%	Related to the Director of the Board, Øystein S. Spetalen
Arriba Invest AS	80 187 234	19,2%	Related to CEO of Arribatec Solutions ASA
Hanekamb Invest AS	7 553 463	1,8%	Related to Martin Næs, Chariman of the Board in Arribatec Solutions ASA
Finance Resources GJ AS	3 079 574	0,7%	Related to Geir Johansen, CFO of Arribatec Solutions ASA
WKUP AS	2 959 574	0,7%	Related to Jhonny Sharma, COO of Arribatec Solutions ASA
Reaktor Returns AS	1 738 830	0,4%	Related to the Director of the Board, Henrik Lie-Nielsen

Note 26 / Transactions with related parties

Ferncliff is a related party to Arribatec. The following transactions, approved in the General meeeting in Arribatec Solutions ASA 20 November 2020:

Fee relating to capital increase NOK 3 400 000 and fee for hire of CEO and CFO NOK 1 290 000.

Note 27 / IFRS Transition

Reconciliation of equity as of 1 January 2019 (date of transition to IFRS)

(NOK)	Notes	NGAAP 01.01.2019	Adjustments	IFRS 01.01.2019
ASSETS				
Non-current assets				
Property, plant and equipment		1 288 236	-	1 288 236
Right-of-use assets	B	-	11 234 567	11 234 567
Other Intangible assets	D	11 021 405	-8 933 860	2 087 546
Investments in associated companies and joint ventures		3 120 000	-	3 120 000
Other non-current assets		174 618	-	174 618
Deferred tax assets	D	4 663	2 054 788	2 059 451
Total non-current assets		**15 608 922**	**4 355 495**	**19 964 417**
Current assets				
Trade receivables		11 693 791	-	11 693 791
Other recivables		6 427 694	-	6 427 694
Other current assets		-	-	-
Cash and cash equivalents		2 350 844	-	2 350 844
Total current assets		**20 472 329**	**-**	**20 472 329**
TOTAL ASSETS		**36 081 251**	**4 355 495**	**40 436 746**

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(NOK)	Notes	NGAAP 01.01.2019	Adjustments	IFRS 01.01.2019
EQUITY AND LIABILITIES				
Equity				
Paid in capital				
Issued capital		2 322 447	-	2 322 447
Total paid in capital		**2 322 447**	**-**	**2 322 447**
Other equity				
Other reserves				
Other equity	D	11 895 683	-6 879 072	5 016 611
Total other equity		**11 895 683**	**-6 879 072**	**5 016 611**
Non-controlling interests				
Total equity		14 218 130	-6 879 072	7 339 058
Non-current liabilities				
Interest-bearing loans		2 177 509	-	2 177 509
Lease liabilities	B	-	8 818 965	8 818 965
Deferred tax liabilities		25 564	-	25 564
Total non-current liabilities		**2 203 073**	**8 818 965**	**11 022 038**
Current liabilities				
Short term financial liabilities	A	-	422 369	422 369
Current lease liabilities	B	-	2 415 601	2 415 601
Accounts payable and other current liabilities		2 512 470	-	2 512 470
Contract liabilities	A	-	1 328 681	1 328 681
Current tax payable		214 182	-	214 182
Other current liabilities	A	16 933 396	-1 751 050	15 182 346
Total current liabilities		**19 660 048**	**2 415 601**	**22 075 649**
Total liabilities		**21 863 121**	**11 234 567**	**33 097 688**
TOTAL EQUITY AND LIABILITIES		**36 081 251**	**4 355 495**	**40 436 746**

Reconciliation of equity as of 31 December 2019

(NOK)	Notes	NGAAP 31.12.2019	Adjustments	(IFRS) 31.12.2019
ASSETS				
Non-current assets				
Property, plant and equipment		1 561 437	-	1 561 437
Right-of-use assets	B	-	9 347 569	9 347 569
Goodwill	E	-	2 576 645	2 576 645
Customer relations	E	-	6 300 000	6 300 000
Other Intangible assets	D	15 955 304	-8 272 656	7 682 648
Other non-current assets		190 454	-	190 454
Deferred tax assets	B, D	1 792 418	656 890	2 449 308
Total non-current assets		**19 499 613**	**10 608 448**	**30 108 061**
Current assets				
Trade receivables		24 080 406	-	24 080 406
Contract assets	A	-	4 911 576	4 911 576
Other current assets	A	9 899 827	-4 911 576	4 988 251
Cash and cash equivalents		6 120 754	-	6 120 754
Total current assets		**40 100 987**	**-**	**40 100 987**
TOTAL ASSETS		**59 600 600**	**10 608 448**	**70 209 048**

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(NOK)	Notes	NGAAP 31.12.2019	Adjustments	(IFRS) 31.12.2019
EQUITY AND LIABILITIES				
Equity				
Paid in capital				
Issued capital		2 588 838	-	2 588 838
Share premium		-	-	-
Treasury shares		-312 039	-	-312 039
Other paid in capital		16 285 906	-	16 285 906
Total paid in capital		**18 562 705**	**-**	**18 562 705**
Other equity				
Other reserves		-51846	-	-51 846
Other equity	D, E	2 637 488	653 755	3 291 243
Total other equity		**2 585 642**	**653 755**	**3 239 397**
Total equity		**21 148 347**	**653 755**	**21 802 102**
Non-current liabilities				
Interest-bearing loans		1 976 352	-	1 976 352
Lease liabilities	B		7 432 312	7 432 312
Deferred tax liabilities			-	-
Total non-current liabilities		**1 976 352**	**7 432 312**	**9 408 664**
Current liabilities				
Short term financial liabilities	A	-	5 443 411	5 443 411
Current lease liabilities	B	-	2 522 381	2 522 381
Accounts payable and other current liabilities		7 633 487	-	7 633 487
Contract liabilities	A	-	5 047 682	5 047 682
Current tax payable		1 195 781	-	1 195 781
Other current liabilities	A	27 646 633	-10 491 093	17 155 540
Total current liabilities		**36 475 901**	**2 522 381**	**38 998 282**
Total liabilities		**38 452 253**	**9 954 693**	**48 406 946**
TOTAL EQUITY AND LIABILITIES		**59 600 600**	**10 608 449**	**70 209 049**

* NGAAP audited, IFRS transition un-audited

Reconciliation of total comprehensive income for the year ended 31 December 2019

(NOK)	Notes	NGAAP 2019	Adjustments	IFRS 2019
Revenue	E	116 578 166	-2 917 733	113 660 433
Cost of sales	E	-8 469 352	1 500 000	-6 969 352
Salary and personell costs		-83 865 406	-	-83 865 406
Other operating expenses	A, B, E	-15 776 327	2 684 336	-13 091 991
Depreciation and amortizations	B, D, E	-3 007 959	-1 977 643	-4 985 602
Operating profit		**5 459 122**	**-711 039**	**4 748 083**
Finance income		183 596	-	183 596
Finance costs	B	-1 088 392	-571 680	-1 660 072
Profit before tax		**4 554 326**	**-1 282 720**	**3 271 606**
Income tax expense	B, D, E	-365 055	282 198	-82 857
Profit after tax		**4 189 271**	**-1 000 521**	**3 188 750**

Consolidated statement of other comprehensive income

	Notes	NGAAP 2019	Adjustments	IFRS 2019
		N/A	N/A	
Items that may be reclassified to profit or loss:				
Exchange differences on translation of foreign operations	C			-51 846
Total comprensive income for the year				**3 136 904**

* NGAAP audited, IFRS transition un-audited

Notes to the reconciliation of equity as of 1 January 2019 and 31 December 2019 and total comprehensive income for the year ended 31 December 2019

A: Re-consolidation and classification differences

As part of the transition process, the classification of accounts and consolidation have been reperformed to secure compliance with IFRS. Differences between the re-consolidated numbers and the comparative numbers in the 2019 financial statements were adjusted. Prepayments and deferred revenue related to contracts have been reclassified from other current liabilities and other receivables to contract liabilities and contract assets. Bank overdraft has been reclassified from other current liabilities to short term financial liabilities.

B: Right-of-use assets and lease liabilities

IFRS 16 Leases requires lessees to recognize most leases on their balance sheets as lease liabilities with corresponding assets ("Right of Use Assets"-ROU) for all leases with a lease term of more than 12 months, unless the underlying asset is of low value. Subsequently, the ROU is depreciated, and payments decreases the lease liability while interest is recognized as interest expense. The Group has assessed whether a contract existing at the date of transition to IFRS (1 January 2019) contains a lease by applying paragraphs 9–11 of IFRS 16 to those contracts based on facts and circumstances existing at that date. The Group has applied the following exemptions at the date of transition to IFRS: The Group has elected not to

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recognise a lease liability and right-of-use asset for leases for which the lease term ends within 12 months of the date of transition to IFRSs and elected not to recognize leases of low value. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. 2) The Group has elected to use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease. 3) The Group has excluded initial direct costs from the measurement of the right-of-use asset.

C: Exchange differences on translation of foreign operations

Under N-GAAP, any exchange differences on translation of foreign operations are recognised against retained earnings directly. Under IFRS, this element is recognised as other comprehensive income. Equity is not affected. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation shall be recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

D: Intangible assets

As part of the IFRS transition project we have re-evaluated the Arribatec development processes and supporting documentation against the criteria under IAS 38.54 for each of the major software solutions.

The analysis under IAS 38 Intangible assets concluded that the specific conditions for capitalization of development costs related to the digital platform was not met before 2019. Additions made in 2019 was found to meet the criteria for capitalization. Instipro (new name Arribapro) was acquired as part of the Instidata merger in 2019. It was concluded that the development cost in 2019 partly meet the conditions for capitalization For Levo 2 and APM investments in 2019, it was concluded that the capitalized amounts were in accordance with the IAS 38 criteria.

E: Business combinations

IFRS 3 Business combinations - An acquirer of a business recognizes the assets acquired and liabilities assumed at their acquisition date fair values and discloses information that enables users to evaluate the nature and financial effects of the acquisition. Intangible assets, including in-process research and development, acquired in a business combination are recognised separately from goodwill if they arise because of contractual or legal rights, or if they are separable from the business.

It follows from IFRS 1 that, a first-time adopter may elect not to apply IFRS 3 retrospectively to business combinations that occurred before the date of transition (IFRS:"past business combinations"). There has been no material acquisition prior to 1 January 2019. Arribatec has opted not to apply IFRS retrospectively to business combinations that occurred before that date.

Arribatec has concluded that the acquisition of Instidata AS in 2019 (after the transition date) is material and therefore needs to be restated in accordance with IFRS 3.

The purchase price allocation in summary:

	Debet	Credit	Tax rate
Fair value consideration		15 000 000	
Book value equity (30.06.2020)	6 183 355		
Customer relations	7 000 000		
Technology (software)	1 000 000		
Deferred tax (Customer rel)		1 540 000	22 %
Deferred tax (tech)		220 000	22 %
Goodwill(residual)	2 576 645		
	16 760 000	**16 760 000**	

Amortization 2019		Useful life(months)	6 months 2019
Customer relations	Finite	60	700 000
Technology (software)	Finite	36	166 667
			866 667

Note 28 / Pledged Assets

The company has not any pledged assets.

Note 29 / Subsequent Events

Subsequent to 31 December 2020, following highlights has occurred:

- On 22 January, Arribatec issued 12 423 200 new shares in connection with the acquisition of Fácil AS
- On 27 January, Arribatec completed the acquisition of IB Marine Group, a leading international provider of cloud-based Enterprise Asset Management (EAM) solutions within the maritime sectors
- On 1 February, Arribatec entered into five-year Solution as a Service (SolaaS) contracts with research institutes in Norway with a total value of NOK 25 million
- On 2 February, Arribatec issued 3 499 998 new shares in connection with the acquisition of Microsky AS
- On 10 February, Arribatec has entered into an agreement to acquire four software companies from Grupo Hodei, providing among others innovative cloud-based solutions within treasury and banking, in addition to a strong market position in Spain and Latin-America
- On 24 February, Arribatec announces the closing of the acquisition of Qualisoft AS, a leading and fast-growing provider in Enterprise Architecture and Business Process Management solutions
- On 18 March, Arribatec issued 5 606 400 new shares in connection with the acquisition of Innit AS
- On 20 April, Arribatec has been awarded a five-year Software-as-a-Service (SaaS) contract with a major European based Cruise Liner for a total of 17 cruise ships

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Terms and abbreviations and APMs

Arribatec presents certain financial measures, which, in accordance with the "Alternative Performance Measures" guidance issued by the European Securities and Markets Authority, are not accounting measures defined or specified in IFRS and are, therefore, considered alternative performance measures. Arribatec believes that alternative performance measures provide meaningful supplemental information to the financial measures presented in the consolidated financial statements prepared in accordance with IFRS and increase the understanding of the profitability of the operations. In addition, they are seen as useful indicators of the Group's financial position and ability to obtain funding. Alternative performance measures are not accounting measures defined or specified in IFRS and, therefore, they are considered non-IFRS measures, which should not be viewed in isolation or as a substitute to the IFRS financial measures.

Terms and abbreviations

ARR	Annual Recurring Revenue that is derived from sale of services and solutions through subscription models such as SaaS and SolaaS, which are either open-ended subscription contracts or contracts with more than 12 months subscription period from the time of signing a contract.
BoD	Board of Directors
CGU	Cash Generating Unit
CMI	Contribution Margin
DKK	Danish Krone
EBIT	Operating profit, Earning before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPS	Earnings Per Share
EUR	Euro
FTE	Full Time Employees
GDPR	General Data Protection Regulation
IFRS	International Financial Reporting Standards
IP	Intellectual Property
NOK	Norwegian Krone
Opex	Opereting expenses
PO	Purchase Order
PPA	Purchase Price Allocation
R&D	Research and Development
RTO	Reverse take over
SEK	Swedish Krone
Saas	Software as a service
SLA	Service Level Agreement
Solaas	Solution as a service
USD	US dollar
VIU	Value in Use
WACC	Weighted Average Cost of Capital
WAEP	Weighted Average Exercise Price
M&A	Mergers and Acquisitions

APM / KPI definition

EBITDA	Earnings before Interest, Tax, Depreciations and Amortizations
Adjusted EBITDA	EBITDA, adjusted for calculated reverse take over cost and direct M&A cost
EBITDA margin	EBITDA as a percentage of Total income
Equity ratio	Equity as a percentage of total assets

APM Table	**2020**	**2019**
EBITDA	-45 258 757	-
Cost from reverse take over	56 822 000	-
M&A cost	3 314 000	-
Adjusted EBITDA	**14 877 243**	**-**

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Arribatec Solution ASA
Parent Company

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Statement of Profit and Loss

(NOK)	Note	2020	2019
Other income		456 001	561 232
Total revenue and other income		**456 001**	**561 232**
Payroll expenses	2	-165 150	-4 520 236
Other operating expenses	3	-8 560 794	-12 495 691
Operating loss		**-8 269 943**	**-16 454 695**
Interest income		63 867	14 421
Other financial income		-	126 425
Write off of shares in subsidiaries		-	-
Interest expense		-2 438	-198 432
Other financial expenses	4	-2 309 534	-114 096 350
Net financial items		**-2 248 105**	**-114 153 936**
Earnings before tax		**-10 518 048**	**-130 608 631**
Income tax	9	-	-
Profit after tax		**-10 518 048**	**-130 608 631**

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Statement of Financial Position

(NOK)	Notes	2020	2019
ASSETS			
Financial assets			
Investments in subsidiaries	5	343 554 200	-
		-	-
Total non-current assets		**343 554 200**	-
Current assets			
Other receivables		215 329	8 634 023
Inter company receivables		-	793 263
Cash and short-term deposits	8	168 248 710	2 968 680
Total current assets		**168 464 039**	**12 395 965**
TOTAL ASSETS		**512 018 239**	**12 395 965**

(NOK)	Notes	2020	2019
EQUITY AND LIABILITIES			
Equity			
Share capital	6	117 203 333	16 077 403
Share premium		493 716 136	211 915 659
Non-registered equity		-	8 597 626
Other equity		16 175 219	1 440 914
Accumulated losses		-241 121 636	-230 603 587
Total equity	7	**385 973 052**	**7 428 014**
Current liabilities			
Trade creditors		4 050 524	1 630 703
Public duties payable		-	591 805
Other short term debt		121 994 665	2 745 444
Total liabilities		**126 045 189**	**4 967 951**
TOTAL EQUITY AND LIABILITIES		**512 018 239**	**12 395 965**

Oslo, 28 April 2021

Martin Nes
Chairman of the board

Øystein Stray Spetalen
Board member

Yvonne Litsheim Sandvold
Board member

Kristin Hellebust
Board member

Henrik Lie-Nielsen
Board member

Per Ronny Stav
CEO

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Statement of Cash Flow

(NOK)	Note	2020	2019
Profit/loss before tax		-10 518 000	-130 609 000
Write off of shares in subsidiaries			75 270 000
Write off of intercompany loans			36 825 000
Share based compensation			266 000
Change in intercompany receivables			-10 762 000
Change in other receivables		9 211 671	-833 000
Changes in accounts payable		2 419 524	345 000
Change in other accruals		-592 000	2 702 000
Net cashflow from operating activities		**521 195**	**-26 796 000**
Investment in subsidiaries	5	-224 304 535	
Net Cashflow from investment activities		**-224 304 535**	
Proceeds from share issues	7	451 953 319	30 328 000
- Costs for share issue		-12 891 014	-911 000
Capital distribution		-50 000 000	
Net Cashflow from financing activities		**389 062 305**	**29 417 000**
Net change in cash and cash equivalents		165 278 965	2 621 000
Cash and cash equivalents at the beginning of the period		2 968 680	348 000
Cash and cash equivalents at the end of the period		168 248 710	2 968 680

Notes

Note 1 / Accounting principles

1.1 Basis for preparation of the company accounts

The annual accounts are set up in accordance with the Accounting Act of 1998, Norwegian accounting principles (NGAAP) and generally accepted Norwegian accounting best practice (NGRS). The annual accounts consist of the income statement, balance sheet, cash flow statement and notes. The annual accounts constitute a whole.

The most important accounting principles that are used in the preparation of the annual accounts are as follows:

1.2 Currency

Monetary items in foreign currencies are valued at the year-end exchange rate. Other assets and liabilities in foreign currency are valued according to general valuation regulations.

1.3 Revenue

Revenues mainly consist of sales of services to other companies in the group. Income is entered in the accounts when it is earned. Entry of income normally occurs at the time of delivery for the sale of services. Dividends and group contributions from subsidiaries are recorded in the same year in which they are earned in the underlying companies, and when such distributions are expected to be resolved, and are included in the underlying companies' annual accounts. Interest income is entered as it is earned.

1.4 Expenses

Expenses are included with and expensed simultaneously with the income that the expenses are attributable to. Costs that cannot be directly attributed to income are expensed when incurred. Interest and fees are entered as these are earned as income or incurred as costs.

1.5 Defined contribution pension schemes

Obligations for contributions to defined contribution pension schemes are entered as expenses in the income statement when incurred.

1.6 Main rule for valuation and classification of assets and liabilities

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables that shall be paid within a year are classed as current assets. Equivalent criteria are used as the basis for the classification of long-term and current liabilities. Fixed assets are valued at historical cost but written down to actual value when the reduction in value is not expected to be temporary. The write down is reversed when the basis for the write down no longer exists. Fixed assets with a limited economic lifetime are depreciated in accordance with a depreciation plan. Long-term loans are recorded at the nominal received value at the time of establishment. Current assets are valued at the lowest of the cost value and actual value. Long-term liabilities are recorded at the nominal received value at the time of establishment.

1.7 Shares in subsidiaries

In Arribatec Solutions ASA's company accounts, shares in subsidiaries are valued in accordance with the cost method. Group contributions are entered in the parent company's accounts as income in investment in subsidiaries under financial items, in the extent to which the distribution relates to the earnings accrued in the holding period. Other received group contributions are entered as a reduction of cost price of the shares. Provided group contributions net after tax are entered as increased investment in subsidiaries.

1.8 Receivables

Receivables are recorded at nominal value less provisions for expected losses. Provisions for losses are made based on an individual analysis of the individual receivables.

1.9 Taxes

Tax expenses consist of tax payable and the change in deferred tax. Deferred tax/ tax assets are calculated on all differences between accounting and tax values of assets and liabilities. Deferred tax is calculated at 22 % based on the temporary differences that exist between

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the accounting and tax values, and tax loss carried forward at the end of the financial year. Net deferred tax assets are recognised to the extent that it is likely that they could be utilised. Tax expenses and deferred tax are entered in the accounts directly against equity so far as the tax items relate to items recognised directly against equity.

1.10 Leasing agreements

Leases where the most significant risks and returns associated with ownership of the asset are not acquired by the company are classified as operating lease agreements. Lease payments are classified as an operating expense and are recognised linearly over the contract period.

1.11 Use of estimates

Management has used estimates and assumptions that affect the income statement and the valuation of assets and liabilities, as well as contingent assets and liabilities on the balance sheet date during the preparation of the annual accounts in accordance with generally accepted accounting principles.

1.12 Contingencies and events after the Balance Sheet date

Contingent losses that are probable and quantifiable are expensed.

1.13 Cash Flow Statement

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments.

NOTE 2 / Employee compensation

(NOK)	2020	2019
Salaries	165 150	2 646 000
Board members and election committee fees	-	875 000
Pension costs, defined contribution plans	-	32 000
Share-based remuneration	-	-51 000
Other personnel costs and accrued personnel costs	-	1 018 236
Total	**165 150**	**4 520 236**
Average FTE	-	1

Arribatec Solutions ASA has no full-time employees, only two consultants for hire. Both engaged through part-time management for hire agreements. There are therefore no pension plans, bonus schemes, fringe benefits nor share programs for the executive management. Both consultants have a 30 days' notice period.

Pension: The Company does not have any pension plan in 2020 or 2019, as it has no employees.

Remuneration to management and board 2020

No remuneration to management and board has been made in 2020.

NOTE 3 / Other operating expenses

(NOK)	2020	2019
Consultants, etc	16 051	1 021 000
Legal costs	988 567	3 880 000
R&D related costs	-	3 000
Management-for-hire (CFO/CEO)	2 375 306	2 025 000
Computer and software costs	-	256 000
Leasing	-	693 000
Audit and accounting fees *	577 483	924 000
Stock fees/Listing of shares	2 229 279	871 000
Settlement dispute	1 000 000	1 848 000
Other	1 374 109	974 691
Total	**8 560 794**	**12 495 691**

NOTE 4 / Other financial expense

(NOK)	2020	2019
Write off shares in Hiddn Security AS		61 060 000
Write off shares in Finn Clausen Sikkerhetssystemer AS		14 210 000
Write off intercompany loan to Hiddn Security AS		36 825 000
Write off intercompany loan to Finn Clausen Sikkerhetssystemer AS	2 309 534	
Other		2 001 350
Total	**2 309 534**	**114 096 350**

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NOTE 5 / Shares in subsidiaries and intercompany

(NOK)	Ownership	Book value of shares	Equity in subsidiaries
Arribatec AS	100 %	343 554 200	97 054 939
Total		**343 554 200**	**97 054 939**

As of 31 December 2019 the Company had 100% ownership in Hiddn Solutions AS and Finn Clausen Sikkerhetssystemer AS. The two subsidiaries were filed for bankruptcy and liquidated accordingly in 2020. During 2020 65% of the shares in Arribatec AS were acquired, and as of 31 Desember 2020 the Company has a call option to buy each of the remaining 35% shareholders shares in Arribatec AS through a Share Exchange Agreement.

NOTE 6 / Share capital and shareholder information

The Company is listed on the Oslo Stock Exchange under the ticker ARR. Share capital in the company per 31 December 2020 consisted of 418 583 331 shares, each with a nominal value of NOK 0.28. Total share capital was NOK 117 203 333.

NOTE 7 / Equity

(NOK)	Share capital	Share premium	Non-registered	Other equity	Total equity
Equity 1 January 2020	16 077 000	211 916 000	8 598 000	-229 162 673	7 428 014
Share issue	158 695 547	293 258 552			451 954 099
Share issue resolved 19 December 2019*	7 164 688	1 432 938	-8 598 000		-
Reduction of share capital - distribution	-50 000 000				-50 000 000
Reduction of share capital - to other equity	-14 734 305			14 734 305	-
other transactions		-12 891 014			-12 891 014
This year's loss				-10 518 048	-10 518 048
Equity 31 December 2020	**117 203 333**	**493 716 136**	**-**	**-224 946 417**	**385 973 052**

* Resolved on the 19 December 2019, but the shares were not paid and registered until January 2020.

NOTE 8 / Cash and short-term deposits

As of 31 December 2020 the Company had a cash balance of MNOK 168, with no restricted cash.

NOTE 9 / Tax

(NOK)	2020	2019
Earnings before tax	-10 518 048	-130 609 000
Permanent differences	3 501 783	78 729 000
Change in temporary differences	-38 760 549	38 740 000
Taxable income	**-45 776 814**	**-13 266 000**

Payable tax on this year's result

Deferred tax
Deferred tax is not booked to the balance sheet. The Company is unable to demonstrate that there will be sufficient taxable income to utilize the deferred tax asset. Net deferred tax assets have therefore not been recognized.

Note 10 / Events after the balance sheet date

As a result of the corona virus (COVID-19), the authorities in a number of countries, including Norway, have introduced powerful measures to reduce the spread of the virus. This will affect the general environment for business operations, as well as the global markets.

The Corona virus is not expected to affect Arribatec Solutions ASA significantly.

Based on Arribatec's long-term strategy, forecasts and the share issues disclosed above, and in accordance with section 3-3a of the Norwegian Accounting Act, the Board confirms that the prerequisites for the going concern assumption exist. The financial statements have been prepared based on a going concern basis.

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AUDITOR'S STATEMENT

AUDITOR'S STATEMENT

AUDITOR'S STATEMENT

AUDITOR'S STATEMENT

Auditor's Statement

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Corporate Social Responsibility Report

The reverse take-over of Arribatec Solutions ASA (formerly known as Hiddn Solutions ASA) by Arribatec AS was initiated in September 2020 and is expected to be completed in Q2 2021. The Group has started the work to update and further develop the guidelines for Corporate Social Responsibility.

Pursuant to section 3-3c of the Norwegian Accounting Act, the Group has prepared this report of the Group's Corporate Social Responsibility principles and practice.

Guidelines
At the date of this report, Arribatec's business consists of sale and delivery of software, technology, services and solutions to a wide range of sectors. Arribatec is committed to be a good corporate citizen and demonstrate integrity and high ethical standards in all its business dealings. Arribatec's Board of Directors has implemented guidelines for Ethical and Corporate Social Responsibility. The purpose of these guidelines is to create a sound corporate culture and to preserve the integrity of Arribatec by helping employees to promote standards of good business practice. Arribatec's guidelines on Ethical and Social Responsibilities applies to all employees of the Group and to anyone who holds a position of trust in the Group, including members of the boards and consultants acting on behalf of the Group. The principles and standards provided therein aim to provide guidance to Arribatec's people for a common platform and to support Arribatec's vision, core values and principles. These guidelines are instrumental for Arribatec's approach to human rights, fair working environment and equal rights, health and safety, environment, business ethics and anticorruption. The Group regularly reviews the guidelines and will continue its ongoing efforts to educate the organization on the prevailing standards and principles. Arribatec's Ethical and Corporate Social Responsibility Guideline is publicly available on Arribatec's website.

Human rights
Arribatec shall ensure that the company's business conduct is being performed in a way that secures the human rights as described in UN's universal "Declaration of Human Rights." One of the main topics in the declaration describes the right to express one's own convictions, opinions and concerns in good faith and without retaliation.

Working environment
The Group has business contacts of different nationalities and cultures and has built an international mindset for years. Employees are encouraged to treat each other and business contacts with respect and act according to local laws and regulations, as well as to pay attention to local values and norms for social conduct. The Group does not tolerate derogatory treatment of any employee. The Board of Directors and Management seeks to create a working environment that is pleasant, stimulating, safe and beneficial to all employees. The Group's working environment complies with applicable rules and regulations and the Board of Directors has not found reason to implement any special measures in this respect. Going forward, Arribatec commits to actively continue its work for a safe and nurturing working environment in accordance with applicable rules and regulations.

Equal rights
Arribatec does not accept discrimination on the grounds of race, colour, gender, sexual orientation, age, disability, language, religion, legitimate political or other opinions, national or social origin, property, birth or other status. The Group's facilities are equally well equipped for females and males. The Company complies with Norwegian legal requirements with respect to gender representation in the Board of Directors. The Board of Directors will continue its efforts to ensure that the principle of equal treatment is carried out in accordance with the adopted policy. Both recruitment of new personnel and professional development for the Group's existing employees will be based on qualifications, achievements and equal opportunities.

Health and safety
Health and safety are indispensable components of all the Group's activities. All hazards and risks to health and safety must be mitigated when identified. Generally, Arribatec's business involves low risk in the day-to-day activities, without use of chemicals, heavy machinery or equipment that can cause damage or injuries. Delivery of Arribatec's services and solutions is sometimes done in cooperation of business partners, which all are shall be of good reputation and standing.

Environment
The Group's operations shall always be in accordance with applicable environmental legislation. Arribatec's guidelines on Social and Corporate Responsibility provide that the Group shall always strive for improvements that may reduce its environmental impact. Arribatec does not own or operate manufacturing facilities. Arribatec seeks to limit its resource consumption, prevent unnecessary environmental pollution, including optimizing transportation of goods, and manage waste in an environment friendly and resource efficient manner.

Business ethics & anti-corruption
The Group's operations depend on the trust of contractual parties, authorities, shareholders, employees and the society in general. In order to gain trust, the Group is dependent upon professionalism, expertise and high ethical standards in all aspects of the Group's work. This applies to the way the Group

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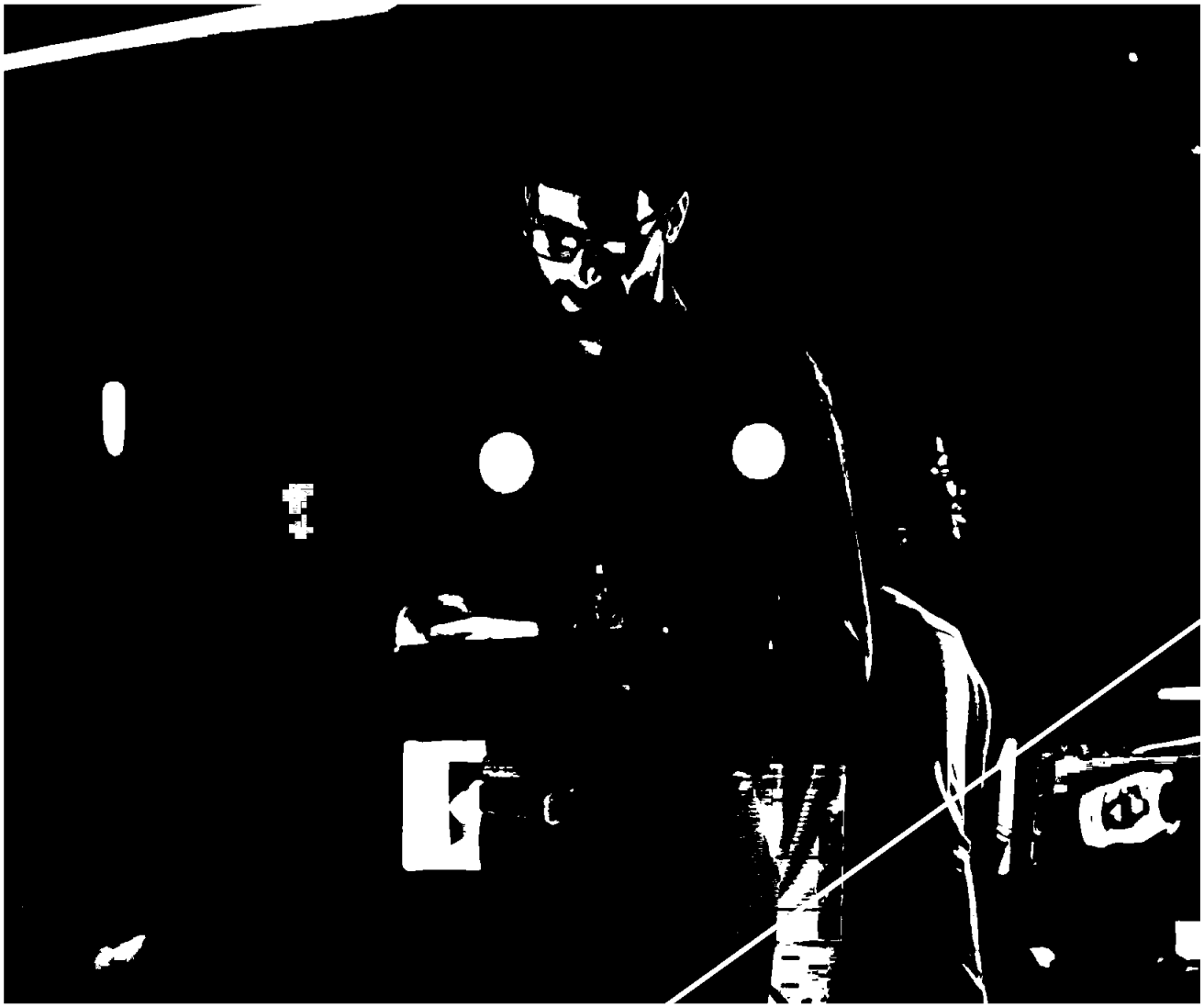
operates and the conduct of everyone associated with the Group. All employees are expected to behave with care, integrity and professionalism and abstain from actions that may weaken confidence in the Group. The Group's Ethical Guidelines and Corporate Social Responsibility Guidelines contain guidelines on ethical behaviour in business relations and are applicable to all employees in the Group. These guidelines clearly state that Arribatec has a zero-tolerance policy for any form of corruption or bribery and encourages reporting of suspected misconduct. The Group's guidelines explicitly govern conflict of interests, gifts and money laundering. No employee may receive benefits for themselves or for others from the Group's business contacts if such benefits are based on the employment relationship. Correspondingly, no one shall give such benefits to the Group's business contacts. Business courtesies of modest value, conforming to normal social customs and not intended for influence, are not considered bribes. All gifts with an estimated value of more than NOK 1,000 must be reported to the Group's CFO, who will assess whether the relevant gift can be received on a case-by-case basis. Arribatec has to-date not been accused of, or involved in, any cases pertaining to any form of corruption or bribery. Arribatec encourages each employee to report on possible censurable incidents. Arribatec's employees have an obligation to report on criminal activity and on incidents that could endanger life or health. Raising awareness of Arribatec's existing guidelines has been the Group's main action with regards to business ethics and anti-corruption, and the Group will continue such work going forward. Neither the Board of Directors nor management are aware of any breach of the Group's ethical code of conduct.



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Statement of Corporate Governance

This chapter describes Arribatec Solutions ASA's ("Arribatec" or "the Company") compliance with the Norwegian code of practice for corporate governance. The Company's Board of Directors embraces the principles for good corporate governance and is vigilant about the Company's adherence to these principles. This report includes the information required to comply with §3-3b in the Norwegian Accounting Act.

CORPORATE GOVERNANCE
As a security provider, understanding and adhering to rules and regulations is of the utmost importance to Arribatec. Good corporate governance benefits the Company's reputation and thus value, and vice versa.
The Company adheres to the following set of principles with regards to corporate governance:

Transparency
The communication between the Company and its stakeholders shall be based on transparency about matters that are relevant to evaluate the operations of the Company.

Independence
The Board of Directors shall act independently of the Company's executive management, to secure that decisions are made on fair and neutral grounds.

Equality
All shareholders shall be treated equally.

CONTROL AND GOVERNANCE
Good internal control and governance principles shall contribute to predictability and risk mitigation for owners and other stakeholders.

1. Corporate Governance at Arribatec Solutions ASA
At all times, the Company seeks to comply with the most recent applicable legal framework for companies listed on the Norwegian stock exchange.
The Company endorses the "Norwegian code of practice for Corporate Governance" ("NUES") in its most recent revision (October 2018), which is available on www.nues.no. The Company conducts annual corporate governance reviews to ensure continued compliance.
Considering the size and maturity of the Company, there may be deviations from the code. Arribatec will adhere to the principle "declare or explain" regarding any non-compliance with respect to the code. The Company's policies, instructions and internal processes are continuously developed.

2. Operations and corporate social responsibility
The Board of Directors prepares annual business plans that includes the goals, key strategies and risk profile for the Company, which shall be reviewed on an annual basis. The Company has implemented ethical and corporate social responsibility guidelines in accordance with its basic corporate values, which describes how the Company shall integrate its social considerations in its business. The guidelines are published on Arribatec's website, www.arribatec.com. A Corporate Social Responsibility Report is found in this annual report.

3. Equity and Dividend
Equity: The Company strives to maintain a healthy relation between the Company's equity and other forms of financing, given the Company's strategy and risk profile. The Board of Directors takes immediate and appropriate action should the equity or liquidity situation of the Company prove to be below an acceptable level.

Dividend policy:
Arribatec is growing fast, both organically and through M&A activities. Both these avenues for growth require liquidity and availability of sufficient funding as well as a healthy equity ratio. While the company is in an expansion phase, the Board is not planning for regular dividends to be paid to the shareholders. There has not been given, nor proposed to give, a mandate to the Board of Directors to approve a distribution of dividends.

Board authorizations:
Authorizations to the Board of Directors to approve share capital increases shall be confined to defined purposes and should not be given for longer periods of time than until the next Ordinary General Meeting. If an authorization encompasses several purposes, each purpose should be treated as a separate issue at the General Meeting. This also applies to authorizations permitting the repurchase of shares. The Extraordinary General Meeting held 20 November 2020 gave the Board of Directors authorization to increase the Company's Share Capital by up to NOK 45 601 965. The authorizations are valid until next ordinary general assembly, and no later than 30 June 2021.

4. Equal treatment of shareholders and transaction with related parties
Class of shares: The Company has one class of shares, without any form of voting restriction imposed. Each share represents one vote at the Company's General Meeting. The par value per share is NOK 0.28.

Pre-emption rights of existing shareholders:
The Company's existing shareholders have pre-emption rights to subscribe for shares in the event of share capital increase, unless special circumstances necessitate a deviation from this principle. Any decision to deviate from the pre-emption rights of existing shareholders shall be justified and in accordance with the authorization given to the Board of Directors from the General Meeting. The justification shall be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital.

Transactions with related parties:
The Company's board members, management and significant shareholders are considered related parties. Any transactions with related parties are carried out on an arm's length basis.
If the value of such a transaction is significant, the Board of Directors is responsible for assigning an independent third party to perform a valuation. Alternatively, the transaction in question can be treated as an issue at the General Meeting, in accordance with the Norwegian Public Limited Liability Companies Act.

5. Shares and negotiability
The shares in the Company are freely transferable, and there are no constraints in the Articles of Association preventing or contradicting this.

6. General meetings
The General Meeting is the main governing body of the Company. The Board shall facilitate so that

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all shareholders are given the opportunity to participate in General Meetings, and that the General Meetings are an effective forum for the views of shareholders and the Board of Directors.

Notification: No later than 21 days prior to the Annual General Meeting ("AGM"), an invitation will be made available on the Company's website, www.arribatec.com. Supporting information on resolutions to be considered, as well as the recommendations of the Nomination Committee will be presented in due time before the AGM. The Board of Directors seeks to ensure that all shareholders are provided with sufficient information to form qualified views on the matters discussed at the General Meeting. The Company's Articles of Association provides that the Company does not have to send documents relating to matters to be considered by the General Meeting by mail to shareholders when these documents are made available on the Company's website. Any such documents shall, however, be sent free of charge upon request from individual shareholders. Further, the right to participate and vote at the Company´s General Meeting can only be exercised for shares when the purchase of shares is listed in the shareholder register no later than five workdays prior to the General Meeting. Other than aforementioned, there are no provisions in the Articles of Association regarding General Meetings in the Company that deviates from the provisions of the Norwegian Public Limited Companies Act. The AGM will be held no later than 30 June each year. The AGM will be held in Oslo, unless otherwise is clearly specified.

Participation by shareholders in absentia: Shareholders that are unable to attend the General Meeting in person, are encouraged to vote by proxy. In connection with any General Meeting, the Company provides information on proxy voting, designate a person who will be available to vote on behalf of the shareholders in question, and prepare a form for the appointment of a proxy.

Attendance, agenda and execution: Board members, the Nomination Committee and the auditor are encouraged to attend the General Meeting in person. The Company will make arrangements to ensure that an independent chairman for the General Meeting can be elected. The company will conduct General Meetings by way of web meetings if the situation requires it.

7. Nomination Committee

Requirements for the Company's Nomination Committee are outlined in the Articles of Association, §6. According to the Company's Articles of Association the Company shall have a Nomination Committee consisting of 2-5 members by the further decision of the General Meeting. Pursuant to the guidelines for the Nomination Committee, the Nomination Committee shall, inter alia, assess the need for change in the Board of Directors, propose candidates for election to the Board of Directors and propose remuneration to be paid to such members. The Nomination Committee is responsible for assessing the need for change in the Board of Directors, proposing, in consultation with relevant shareholders, candidates for election to the Board of Directors, and proposing the remuneration to be paid to such members.

8. The Board of Directors – composition and independence

According to the Articles of Association, the Board of Directors should consist of three to seven members, chosen by the General Meeting. The Chairman of the Board is elected by the General Meeting. The composition of the Board shall ensure that the Board can attend to the common interests of all shareholders and meet the Company's need for expertise, capacity and diversity. It is of great importance to the Company that the board members have the relevant competencies to independently evaluate the cases presented to them by the executive management, as well as to monitor the daily operations of the Company.

The term of office for members of the Board of Directors shall not be longer than two years at the time. Members of the Board of Directors may be re-elected. The Company's Board of Directors shall normally not include members of the executive management team. The Company strives to apply NUES' criteria to evaluate whether a director can be considered independent. The Board should have a composition that enables it to attend to the common interests of all shareholders and operate independently of special interests. Any deviation from the independency principle will be properly explained by the Company. Any director experiencing a change in his or her ability to act independently is obligated to notify the Chairman of the Board. At least two of the shareholder-elected board members shall be independent of the Company's main shareholders.

9. The Board of Directors – work and instructions

The formal responsibilities of the Board of Directors are mandated by Norwegian law. The fundamental responsibility of the directors is to oversee day-to-day management and evaluate strategy, to exercise their business judgment acting in what they reasonably believe to be the best interests of the Company and its shareholders. The Board of Directors is also to oversee such matters as are required by statutory law, the Company's Articles of Association, policies, instructions and procedures as well as resolutions or the resolutions of the General Meeting. It is the duty of the Board of Directors to monitor management's performance to ensure that the Company operates in an effective and ethical manner, focused on creating value for the Company's shareholders. The Board of Directors also evaluates the Company's overall strategy and evaluates performance against the management's operating plan. The Board of Directors is responsible for supervising strategic, financial and execution risks, as well as exposures associated with the Company's business strategy, products- and services innovation and sales road map, policy matters, significant litigation and regulatory exposures, and other current matters that may present material risk to the Company's financial performance, operations, infrastructure, plans, prospects or reputation, acquisitions and divestitures. Furthermore, the Board of Directors shall control the ongoing activities of the Company in a satisfactory manner. Instructions for the Board of Directors: The Board of Directors shall issue instructions for its own work as well as for the executive personnel with emphasis on clear internal allocation of responsibilities and duties. In order to ensure a more independent consideration of matters of a material character in which the Chairman of the Board is, or has been, personally involved, the Board's consideration of such matters shall be chaired by some other members of the Board.

Instructions for the CEO:

Executive management and Board of Directors' responsibilities are clearly segregated. The CEO shall follow the guidelines and instructions issued by the Board of Directors. The CEO is responsible for day-to-day management of the Company

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pursuant to section 6-14 of the Norwegian Public Limited Companies Act. The CEO represents the Company externally in matters that form part of the day-to-day management. The day to day management does not cover matters of extraordinary nature or of major importance. However, the CEO is authorized to decide on matters of extraordinary nature or of major importance in cases, where the decisions of the Board of Directors cannot be awaited without serious detriment for the Company. The Board of Directors shall be notified of the decision as soon as possible.

Financial reporting: The Board of Directors is responsible for ensuring the integrity of financial information. The Board evaluates the integrity of the Company's accounting and financial reporting systems, including the audit of the Company's annual financial statements by the independent auditor, and that there are appropriate systems of internal control in place. The main purpose of risk management and internal control is to provide reasonable assurance that the group will achieve:

- Compliance with legislation and regulations, as well as internal guidelines
- Quality and efficiency within internal operations
- Reliable internal and external reporting quarterly and annual financial reports are reviewed and approved at board meetings and form the basis for external financial reporting. Upon the presentation of year-end financial statements, the CEO and the CFO declare that the accounts have been prepared in accordance with generally accepted accounting principles, and that to the best of their knowledge, all information is accurate, and no material information has been omitted. The Company uses an external accounting agency for all Group companies.

Disqualification: The CEO or a member of the board may not participate in the discussion on Board issues that are of special financial or personal interest to the individual in question.

Committees: During 2020 the Board considered it premature to establish audit and remuneration committees as the company was in transitional phase. However, for 2021 the Board will evaluate the need for such committees as the complexity and size of the operations has increased significantly.

10. Risk management and internal control

The Board of Directors performs an annual audit of the main risks and internal control routines of the Company. The audit shall encompass the issues that have been brought to the Board of Directors' attention throughout the year. The routines for internal control shall encompass the Company's adherence to its values, and its guidelines on ethics and corporate social responsibility.

11. Remuneration of the Board of Directors

The Ordinary General Meeting approves the remuneration paid to the Board of Directors. The Nomination Committee is responsible for issuing a proposal on the remuneration terms to the AGM.

12. Remuneration of executive management

In accordance with the Norwegian Public Limited Liability Companies Act, the Board of Directors establishes guidelines for the remuneration of the executive management team. These guidelines are presented to the General Meeting through a statement on remuneration for executive management. The statement is presented for an vote, which is subject to the General Meeting's approval.

The Company's general principle for management remuneration is to offer competitive terms, in order to attract and retain the competence it needs.

13. Information and communication

Regular information to the Company's shareholders and the market is provided through the annual report, quarterly reports and open presentations. All reports and notices are issued and distributed according to the rules and regulations of the Oslo Stock Exchange. Insider information is treated in accordance with Norwegian law. Shareholder information, including the financial calendar, is available on www.arribatec.com. The Company's CEO and CFO is responsible for investor relations. The Company has established procedures for discussions with shareholders other than at Ordinary General Meetings. All information distributed to the Company's shareholders is published on the Company's website at the same time as it is sent to shareholders.

14. Take-overs

There are no defense mechanisms against take-over bids in the Company's Articles of Association or in any underlying governance document. In corporate take-overs or restructuring situations, the Board shall exercise due and proper care so that all shareholder values and interests are preserved. The Board of Directors will ensure that the shareholders are given enough information and time to form a view of the offer in a bid situation. The Board of Directors will handle take-over bids in accordance with Norwegian laws and regulations. Furthermore, the Board of Directors will seek to comply with the recommendations set out in the NUES, including arranging for a valuation from an independent expert and making a recommendation as to whether the shareholders should accept the bid. Other than the guidelines described above, the Board of Directors has not found it appropriate to establish any other written explicit principles for how it will act in the event of a take-over bid.

15. Auditor

The external auditor is elected by the General Meeting. The auditor is fully independent of the Company.
Each year the auditor presents the Board of Directors with a plan for the implementation of the audit, and a written confirmation that the auditor satisfies established requirements pertaining to independence and objectivity.
Upon request, the auditor participates in board meetings. The auditor provides the Board with its perspectives on the annual statement and informs of any disagreements between the auditor and the executive management. The Board of Directors also has contact with the auditor when required outside the situations mentioned above. At least once a year, the auditor attends a meeting with the Board of Directors in which no representatives from the Company's executive management will be present. During 2020, the auditor attended 1 board meetings. The auditor is present at the General Meeting, where the Board of Directors also informs about the compensation for the auditory work required by law and remuneration associated with other assignments. Information of the fees paid to the auditor in 2020, including breakdown between statutory auditing and other assistance/ service is presented in notes to the consolidated financial statements. In connection with the auditor's presentation to the Board of Directors of the annual work plan, the Board of Directors considers if the auditor to a satisfactory degree also carries out a control function.

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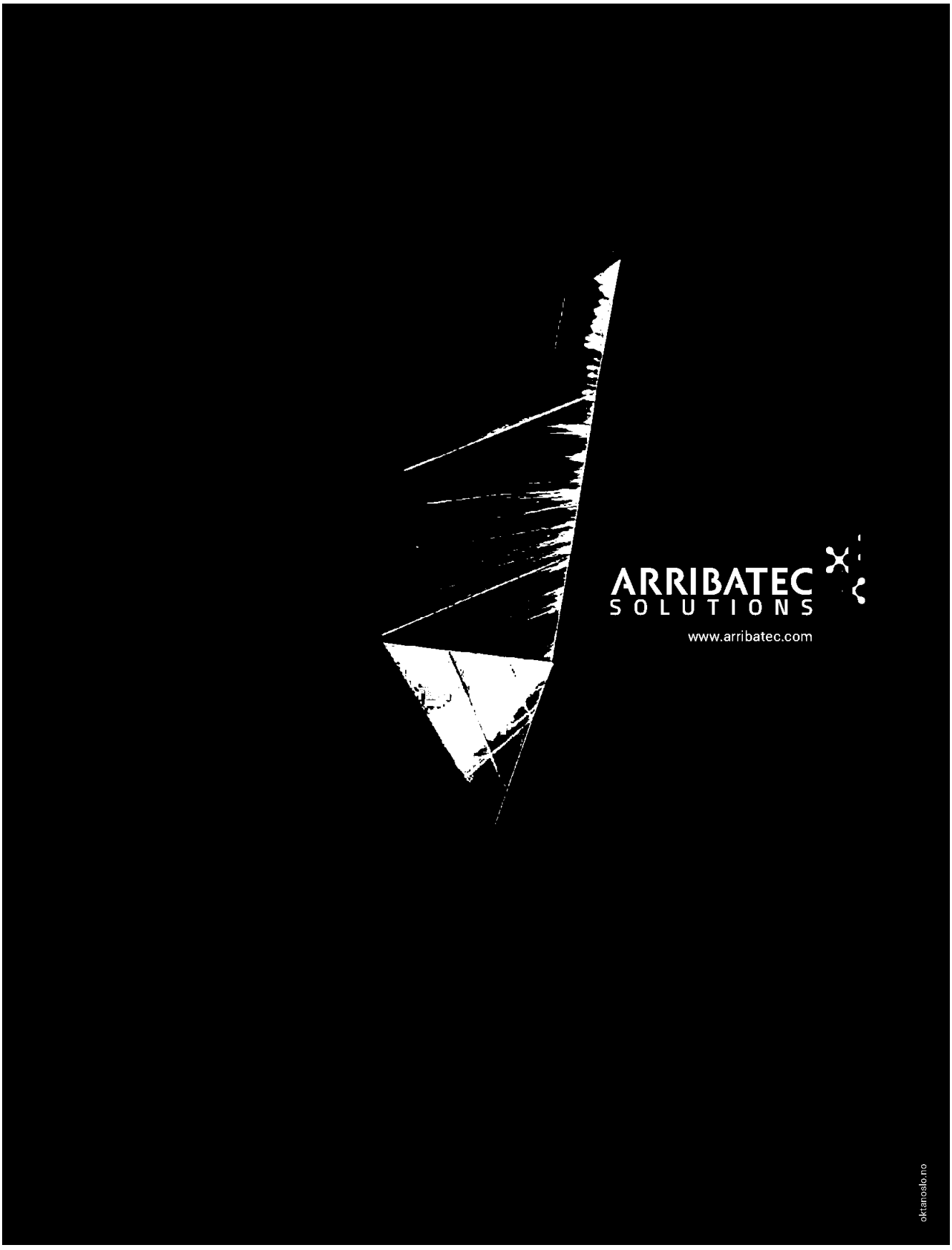
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Independent Auditor's Report

To the General Meeting in Arribatec Solutions ASA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Arribatec Solutions ASA.

The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2020, income statement, cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2020, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of Arribatec Solutions ASA as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group Arribatec Solutions ASA as at 31 December 2020, and its financial performance and its cash flows for the year then ended 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 Company and 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO AS, et norsk aksjeselskap, er deltaker i BDO International Limited, et engelsk selskap med begrenset ansvar, og er en del av det internasjonale BDO-nettverket, som består av uavhengige selskaper i de enkelte land. Foretaksregisteret: NO 993 606 650 MVA.

Description of the key audit matter	How the key audit matter was addressed in the audit
Revenue recognition	**Our audit approach for revenue recognition**
Arribatec Solution's different types of revenues are described in notes 2.4 and 5 in the financial statements and totaled 154 MNOK for the year ended 31.12.2020. The Group holds many different types of contracts with customers, and the recognition involves judgment in assessing key elements of the contracts in respect of revenue recognition. Management judgment is required in determining the appropriate measurement and timing of recognition of different elements of revenue. Revenues also include contracts which include more than one performance obligation. This represents an additional management estimate which can impact the timing and measurement of revenue for certain contracts. The complexity and estimates involved in revenue recognition has led us to identify this area as key to the audit.	In our audit, we assessed the revenue recognition by applying professional skepticism. We critically assessed the accounting estimates against the requirements of IFRS 15. This included challenging management's assessment of revenue recognition criteria for licenses and services. Furthermore, we evaluated managements assessment of performance obligations. We inspected a sample of customer contracts to assess whether the judgements regarding identification of performance obligations and methods for revenue recognition were appropriate. Our inspection procedures were aimed at the assessments of contracts under the licensing criteria, allocation of revenues to the individual performance obligations, and appropriate timing.

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 and fair presentation of the financial statements for the parent company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation 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.

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In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the parent company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:
https://revisorforeningen.no/revisjonsberetninger

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 12th May 2021

BDO AS

Johan Henrik L'orange

State Authorised Public Accountant