



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 980 921 565
Organisasjonsform: Aksjeselskap
Foretaksnavn: MERCELL HOLDING AS
Forretningsadresse: Askekroken 11
0277 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Mørselskap 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: Terje Wibe
Dato for fastsettelse av årsregnskapet: 19.05.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 30.08.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekter	5	67 104 000	60 687 000
Sum inntekter		67 104 000	60 687 000
Kostnader			
Lønnskostnad	1	37 913 000	36 131 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	2	33 102 000	20 480 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	2	14 814 000	
Annen driftskostnad	1	125 881 000	40 832 000
Sum kostnader		211 710 000	97 443 000
Driftsresultat		-144 606 000	-36 756 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	5	574 000	2 532 000
Renteinntekt fra foretak i samme konsern	12	304 000	949 000
Annen renteinntekt		683 000	588 000
Annen finansinntekt		236 361 000	27 003 000
Sum finansinntekter		237 922 000	31 072 000
Rentekostnad til foretak i samme konsern	12	1 656 000	622 000
Annen rentekostnad	10,12	93 685 000	59 809 000
Annen finanskostnad		129 306 000	40 680 000
Sum finanskostnader		224 647 000	101 111 000
Netto finans		13 275 000	-70 039 000
Ordinært resultat før skattekostnad		-131 331 000	-106 795 000
Ordinært resultat etter skattekostnad		-131 331 000	-106 795 000
Årsresultat		-131 331 000	-106 795 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Teknologiplattform	2	150 544 000	67 851 000
Sum immaterielle eiendeler		150 544 000	67 851 000
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	2	1 443 000	1 727 000
Sum varige driftsmidler		1 443 000	1 727 000
Finansielle anleggsmidler			
Investering i datterselskap	3	3 665 946 000	2 460 056 000
Lån til foretak i samme konsern	4	473 058 000	289 080 000
Andre fordringer	1	4 809 000	4 495 000
Sum finansielle anleggsmidler		4 143 813 000	2 753 631 000
Sum anleggsmidler		4 295 800 000	2 823 209 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		238 000	0
Andre fordringer	4	14 180 000	14 287 000
Konsernfordringer		23 437 000	
Sum fordringer		37 855 000	14 287 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	6	5 877 000	120 896 000
Sum bankinnskudd, kontanter og lignende		5 877 000	120 896 000
Sum omløpsmidler		43 732 000	135 183 000
SUM EIENDELER		4 339 532 000	2 958 392 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	7,8	100 533 000	82 720 000
Overkurs	7	2 579 756 000	1 791 125 000
Sum innskutt egenkapital		2 680 289 000	1 873 845 000
Opptjent egenkapital			
Annen egenkapital	7	-191 703 000	-158 133 000
Sum opptjent egenkapital		-191 703 000	-158 133 000
Sum egenkapital		2 488 586 000	1 715 712 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	9,10	1 518 402 000	1 098 920 000
Langsiktig konserngjeld	4,12	250 808 000	118 366 000
Annen langsiktig gjeld	1	5 831 000	4 797 000
Sum annen langsiktig gjeld		1 775 041 000	1 222 083 000
Sum langsiktig gjeld		1 775 041 000	1 222 083 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	9		141 000
Leverandørgjeld		8 751 000	9 637 000
Skyldige offentlige avgifter		2 554 000	2 950 000
Kortsiktig konserngjeld	4	49 093 000	12 000
Annen kortsiktig gjeld		15 507 000	7 859 000
Sum kortsiktig gjeld		75 905 000	20 599 000
Sum gjeld		1 850 946 000	1 242 682 000
SUM EGENKAPITAL OG GJELD		4 339 532 000	2 958 394 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2.2	706 296 000	311 906 000
Sum inntekter		706 296 000	311 906 000
Kostnader			
Varekostnad		24 146 000	5 565 000
Lønnskostnad	2.3	304 393 000	187 015 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	3.1, 3.3, 3.4	173 864 000	52 012 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	3.3	14 814 000	
Annen finanskostnad	2.4	242 374 000	94 300 000
M&A	6.2	30 379 000	48 751 000
Sum kostnader		789 970 000	387 643 000
Driftsresultat		-83 674 000	-75 737 000
Finansinntekter og finanskostnader			
Annen finansinntekt	4.5	64 991 000	30 665 000
Sum finansinntekter		64 991 000	30 665 000
Annen finanskostnad	4.5	97 788 000	109 205 000
Sum finanskostnader		97 788 000	109 205 000
Netto finans		-32 797 000	-78 540 000
Ordinært resultat før skattekostnad		-116 471 000	-154 277 000
Skattekostnad på ordinært resultat	5.1	-3 234 000	-8 025 000
Ordinært resultat etter skattekostnad		-113 237 000	-146 252 000
Årsresultat		-113 237 000	-146 252 000
Andre resultatkomponenter for IFRS-foretak		-185 538 000	8 476 000
Sum resultatkomponenter for IFRS-foretak		-185 538 000	8 476 000
Totalresultat		-298 775 000	-137 776 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-298 772 000	-137 774 000
Sum overføringer og disponeringer		-298 772 000	-137 774 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Immaterielle eiendeler	3.1, 3.5	1 033 642 000	811 442 000
Utsatt skattefordel	5.1	30 018 000	26 703 000
Goodwill	3.2,3.5	3 045 761 000	2 114 806 000
Sum immaterielle eiendeler		4 109 421 000	2 952 951 000
Varige driftsmidler			
PPE	3.3, 3.5	12 557 000	6 361 000
Leieavtaler	3.4, 3.5	62 551 000	58 329 000
Sum varige driftsmidler		75 108 000	64 690 000
Finansielle anleggsmidler			
Andre investeringer	2.2	23 613 000	14 549 000
Andre fordringer	2.3	5 388 000	5 600 000
Sum finansielle anleggsmidler		29 001 000	20 149 000
Sum anleggsmidler		4 213 530 000	3 037 790 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	2.5	180 940 000	118 049 000
Andre fordringer	2.7	1 900 000	122 000
Sum fordringer		182 840 000	118 171 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	4.4	96 691 000	327 984 000
Sum bankinnskudd, kontanter og lignende		96 691 000	327 984 000
Sum omløpsmidler		279 531 000	446 155 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
SUM EIENDELER		4 493 061 000	3 483 945 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		100 533 000	82 720 000
Annen innskutt egenkapital		2 579 756 000	1 791 125 000
Sum innskutt egenkapital		2 680 289 000	1 873 845 000
Opptjent egenkapital			
Annen egenkapital		-554 494 000	-255 916 000
Sum opptjent egenkapital		-554 494 000	-255 916 000
Sum egenkapital	4.6	2 125 795 000	1 617 929 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5.1	174 250 000	151 462 000
Andre langsiktige forpliktelser	4.1	594 000	1 262 000
Sum avsetninger for forpliktelser		174 844 000	152 724 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	4.2	1 578 206 000	1 144 186 000
Øvrig langsiktig gjeld	6.3	5 474 000	4 526 000
Sum annen langsiktig gjeld		1 583 680 000	1 148 712 000
Sum langsiktig gjeld		1 758 524 000	1 301 436 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	4.2	23 187 000	15 713 000
Leverandørgjeld	2.6	100 188 000	88 705 000
Annen kortsiktig gjeld	2.6	124 682 000	224 478 000
Kontraktsforpliktelser	2.7	360 685 000	235 682 000
Sum kortsiktig gjeld		608 742 000	564 578 000
Sum gjeld		2 367 266 000	1 866 014 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
SUM EGENKAPITAL OG GJELD		4 493 061 000	3 483 943 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 667602

Enheten

Organisasjonsnummer: 980 921 565
Organisasjonsform: Allmennaksjeselskap
Foretaksnavn: MERCELL HOLDING ASA
Forretningsadresse: Askekroken 11
0277 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

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: Terje Wibe
Dato for fastsettelse av årsregnskapet: 19.05.2022

Grunnlag for avgivelse

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Brønnøysundregistrene, 20.07.2022



Organisasjonsnr: 980 921 565
MERCCELL HOLDING ASA

RESULTATREGNSKAP

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekter	5	67 104 000	60 687 000
Sum inntekter		67 104 000	60 687 000
Kostnader			
Lønnskostnad	1	37 913 000	36 131 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	2	33 102 000	20 480 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	2	14 814 000	
Annen driftskostnad	1	125 881 000	40 832 000
Sum kostnader		211 710 000	97 443 000
Driftsresultat		-144 606 000	-36 756 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	5	574 000	2 532 000
Renteinntekt fra foretak i samme konsern	12	304 000	949 000
Annen renteinntekt		683 000	588 000
Annen finansinntekt		236 361 000	27 003 000
Sum finansinntekter		237 922 000	31 072 000
Rentekostnad til foretak i samme konsern	12	1 656 000	622 000
Annen rentekostnad	10, 12	93 685 000	59 809 000
Annen finanskostnad		129 306 000	40 680 000
Sum finanskostnader		224 647 000	101 111 000
Netto finans		13 275 000	-70 039 000
Ordinært resultat før skattekostnad		-131 331 000	-106 795 000
Ordinært resultat etter skattekostnad		-131 331 000	-106 795 000
Årsresultat		-131 331 000	-106 795 000



Organisasjonsnr: 980 921 565
MERCELL HOLDING ASA

BALANSE

Beløp i: NOK Note 2021 2020

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Teknologiplattform 2 150 544 000 67 851 000
Sum immaterielle eiendeler 150 544 000 67 851 000

Varige driftsmidler

Driftsløsøre, inventar,
verktøy, kontormaskiner
og lignende 2 1 443 000 1 727 000
Sum varige driftsmidler 1 443 000 1 727 000

Finansielle anleggsmidler

Investering i datterselskap 3 3 665 946 000 2 460 056 000
Lån til foretak i samme
konsern 4 473 058 000 289 080 000
Andre fordringer 1 4 809 000 4 495 000
Sum finansielle
anleggsmidler 4 143 813 000 2 753 631 000

Sum anleggsmidler 4 295 800 000 2 823 209 000

Omløpsmidler

Varer

Fordringer

Kundefordringer 238 000 0
Andre fordringer 4 14 180 000 14 287 000
Konsernfordringer 23 437 000
Sum fordringer 37 855 000 14 287 000

Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter
og lignende 6 5 877 000 120 896 000
Sum bankinnskudd,
kontanter og lignende 5 877 000 120 896 000

Sum omløpsmidler 43 732 000 135 183 000

SUM EIENDELER 4 339 532 000 2 958 392 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital
Selskapskapital 7,8 100 533 000 82 720 000



Overkurs	7	2 579 756 000	1 791 125 000
Sum innskutt egenkapital		2 680 289 000	1 873 845 000
Opptjent egenkapital			
Annen egenkapital	7	-191 703 000	-158 133 000
Sum opptjent egenkapital		-191 703 000	-158 133 000
Sum egenkapital		2 488 586 000	1 715 712 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til			
kredittinstitusjoner	9,10	1 518 402 000	1 098 920 000
Langsiktig konserngjeld	4,12	250 808 000	118 366 000
Annen langsiktig gjeld	1	5 831 000	4 797 000
Sum annen langsiktig gjeld		1 775 041 000	1 222 083 000
Sum langsiktig gjeld		1 775 041 000	1 222 083 000
Kortsiktig gjeld			
Gjeld til			
kredittinstitusjoner	9		141 000
Leverandørgjeld		8 751 000	9 637 000
Skyldige offentlige avgifter		2 554 000	2 950 000
Kortsiktig konserngjeld	4	49 093 000	12 000
Annen kortsiktig gjeld		15 507 000	7 859 000
Sum kortsiktig gjeld		75 905 000	20 599 000
Sum gjeld		1 850 946 000	1 242 682 000
SUM EGENKAPITAL OG GJELD		4 339 532 000	2 958 394 000



Organisasjonsnr: 980 921 565
MERCCELL HOLDING ASA

KONSERNRESULTATREGNSKAP

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2.2	706 296 000	311 906 000
Sum inntekter		706 296 000	311 906 000
Kostnader			
Varekostnad		24 146 000	5 565 000
Lønnskostnad	2.3	304 393 000	187 015 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	3.1, 3.3,	173 864 000	52 012 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	3.3	14 814 000	
Annen finanskostnad	2.4	242 374 000	94 300 000
M&A	6.2	30 379 000	48 751 000
Sum kostnader		789 970 000	387 643 000
Driftsresultat		-83 674 000	-75 737 000
Finansinntekter og finanskostnader			
Annen finansinntekt	4.5	64 991 000	30 665 000
Sum finansinntekter		64 991 000	30 665 000
Annen finanskostnad	4.5	97 788 000	109 205 000
Sum finanskostnader		97 788 000	109 205 000
Netto finans		-32 797 000	-78 540 000
Ordinært resultat før skattekostnad			
Skattekostnad på ordinært resultat	5.1	-3 234 000	-8 025 000
Ordinært resultat etter skattekostnad		-113 237 000	-146 252 000
Årsresultat		-113 237 000	-146 252 000
Andre resultatkomponenter for IFRS-foretak			
Sum resultatkomponenter for IFRS-foretak		-185 538 000	8 476 000
Totalresultat		-298 775 000	-137 776 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-298 772 000	-137 774 000



Sum overføringer og
disponeringer

-298 772 000

-137 774 000



Organisasjonsnr: 980 921 565
MERCELL HOLDING ASA

KONSERNBALANSE

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Immaterielle eiendeler	3.1, 3.5	1 033 642 000	811 442 000
Utsatt skattefordel	5.1	30 018 000	26 703 000
Goodwill	3.2,3.5	3 045 761 000	2 114 806 000
Sum immaterielle eiendeler		4 109 421 000	2 952 951 000
Varige driftsmidler			
PPE	3.3, 3.5	12 557 000	6 361 000
Leieavtaler	3.4, 3.5	62 551 000	58 329 000
Sum varige driftsmidler		75 108 000	64 690 000
Finansielle anleggsmidler			
Andre investeringer	2.2	23 613 000	14 549 000
Andre fordringer	2.3	5 388 000	5 600 000
Sum finansielle anleggsmidler		29 001 000	20 149 000
Sum anleggsmidler		4 213 530 000	3 037 790 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	2.5	180 940 000	118 049 000
Andre fordringer	2.7	1 900 000	122 000
Sum fordringer		182 840 000	118 171 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	4.4	96 691 000	327 984 000
Sum bankinnskudd, kontanter og lignende		96 691 000	327 984 000
Sum omløpsmidler		279 531 000	446 155 000
SUM EIENDELER		4 493 061 000	3 483 945 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		100 533 000	82 720 000
Annen innskutt egenkapital		2 579 756 000	1 791 125 000
Sum innskutt egenkapital		2 680 289 000	1 873 845 000



Opptjent egenkapital			
Annen egenkapital		-554 494 000	-255 916 000
Sum opptjent egenkapital		-554 494 000	-255 916 000
Sum egenkapital	4.6	2 125 795 000	1 617 929 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5.1	174 250 000	151 462 000
Andre langsiktige forpliktelser	4.1	594 000	1 262 000
Sum avsetninger for forpliktelser		174 844 000	152 724 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	4.2	1 578 206 000	1 144 186 000
Øvrig langsiktig gjeld	6.3	5 474 000	4 526 000
Sum annen langsiktig gjeld		1 583 680 000	1 148 712 000
Sum langsiktig gjeld		1 758 524 000	1 301 436 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	4.2	23 187 000	15 713 000
Leverandørgjeld	2.6	100 188 000	88 705 000
Annen kortsiktig gjeld	2.6	124 682 000	224 478 000
Kontraktsforpliktelser	2.7	360 685 000	235 682 000
Sum kortsiktig gjeld		608 742 000	564 578 000
Sum gjeld		2 367 266 000	1 866 014 000
SUM EGENKAPITAL OG GJELD		4 493 061 000	3 483 943 000



Organisasjonsnr: 980 921 565
MERCELL HOLDING ASA

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

1

Antall årsverk i regnskapsåret
14.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



Organisasjonsnr: 980 921 565
MERCELL HOLDING ASA

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note
2.3

Antall årsverk i regnskapsåret
594.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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MERCELL



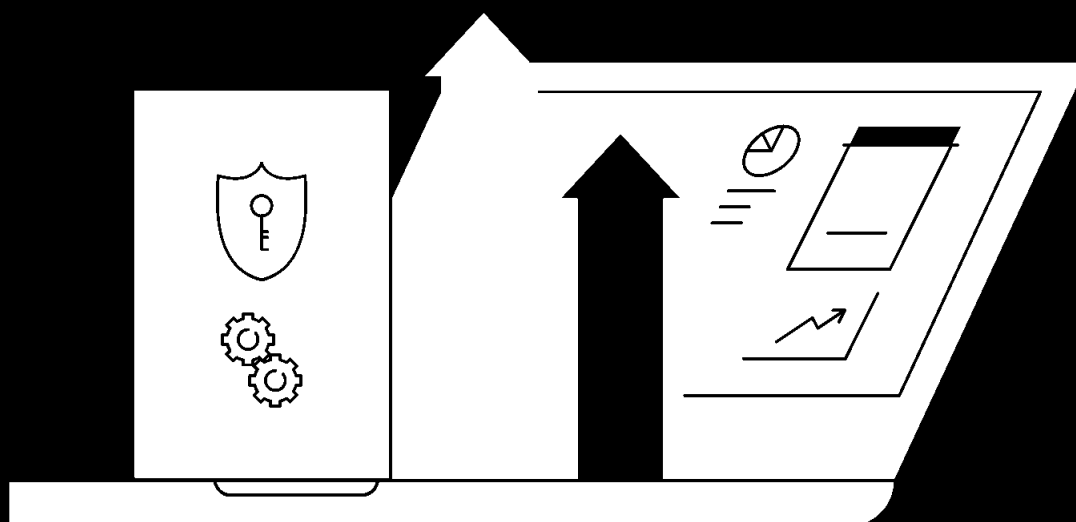
Annual report 2021



Content



Mercell at a glance





Mercell's unique marketplace simplifies the tender and procurement process and makes it easy and secure for buyers to find relevant suppliers for their tenders and purchasing needs. We also ensure that suppliers find relevant business opportunities and offer tools for digital receipt and handling of purchases from public and private buyers. Mercell delivers services in 15 countries with an aim to become the leading software-as-a-service (SaaS) platform for eTendering and eProcurement in Europe.

- Positioned to be a consolidator in the European eTendering and eProcurement market
- Scalable and profitable business model with proven organic and M&A growth ability
- Multiple growth opportunities through new sales, upselling, cross-selling, and geographical expansion

Mercell leading player
Mercell foothold



ARR split 2021

NOK 793m

Highlights 2021

Continued ARR growth

- ARR of NOK 793 million per year-end 2021, +44 per cent year-on-year with organic growth of 18 per cent
- Solid underlying growth in pre-award and flat development in post-award, with renewed growth expected from 2022 onwards in the post-award segment

Focus on platform development and integrating acquisitions

- Focus on integrating acquisitions and developing a common Mercell platform
- New platform and improved functionalities expected to support growth going forward
- Customer upgrading to the new Mercell Source-to-Contract, Mercell Tender Finder and Mercell Source-to-Pay solutions set to pick up speed through 2022
- R&D IT-spend passed the peak and set to decline 10-15 per cent to NOK 200 - 210 million in 2022

Improving revenue and EBITDA

- Reported revenue +126 per cent to NOK 706 million in 2021
- Reported EBITDA of NOK 105 million, with the EBITDA-margin improving from -8 per cent to 15 per cent

- Adjusted EBITDA of NOK 173 million, with adjusted EBITDA-margin improving from 22 per cent to 24 per cent
- EBITDA expected to continue improving in 2022

Cash flow and financial position set to improve in 2022

- Solid free cash flow to equity expected from 2022 onwards
- Cash position of NOK 96.7 million at year-end 2021 sufficient to fund organic growth plans
- Solid equity ratio of 47 per cent, with net interest-bearing debt at NOK 1.5bn

Ambitious long-term strategy

- Current focus on enabling continued strong and profitable growth in the existing businesses
- On track for more than doubling of ARR in existing markets in 2020-2025
- M&A strategy put on hold in the current market



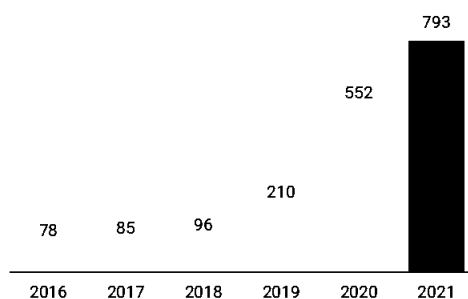


Key figures

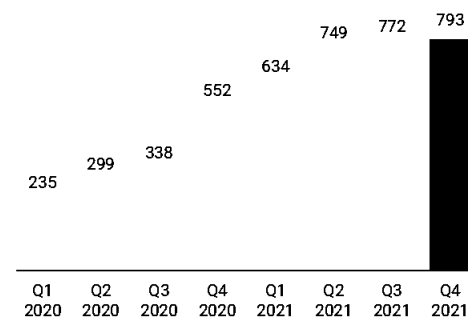
IFRS accounting standard	2021	2020
Total revenue	706 296	311 906
Operating costs	-533 402	-242 793
M&A cost and special items	-67 889	-92 837
EBITDA	105 005	-23 724
<i>EBITDA-margin</i>	15%	-8%
Adjusted EBITDA	172 894	69 113
<i>Adjusted EBITDA-margin</i>	24%	22%
Depreciation, amortization, impairment	-188 678	-52 011
Operating profit/loss, EBIT	-83 672	-75 735
Net financial items	-32 797	-78 539
Profit/loss before tax	-116 469	-154 275
Annual recurring revenue, ARR	793	552
ARR, pre-award buyers	320	145
ARR, pre-award suppliers	381	327
ARR, post-award	92	79
No. of buyer customers	3 726	2 427
No. of supplier customers	25 636	26 588

Adjusted EBITDA excludes M&A costs and special cost items. Organic growth excludes ARR acquired over the past year.

ARR development annually (NOKm)



ARR development quarterly (NOKm)



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Message from the CEO

Focus on profitable growth

Although we continued growing also in 2021, we changed our modus operandi during the year. Having fueled our growth with significant acquisitions during 2020 and the first half of 2021, we put M&A activity on hold in the second half of the year and will refrain from making any major acquisitions also in 2022.

We are rather deploying our resources into profitable growth of the existing asset base, where we see healthy ARR increases in line with the 15-20 per cent average annual growth rates we have outlined for 2020-2025.

Over the past year and a half, we have used the capital market to raise significant amounts of equity and debt in connection with the acquisition of Mercell Commerce – formerly Visma Commerce – in 2020 and the acquisitions of Negometrix and CTMS in the Netherlands, Ibstic in Denmark and Cloudia in Finland in 2021.

However, the current valuation of our own shares is a clear indication that the market no longer values neither the acquired companies nor our legacy business near the price levels we have paid. In this environment it would be challenging to find additional acquisition targets that would prove accretive for our shareholders, and the best thing for us to do is to make sure that we deliver on the profitable growth opportunities we see for our existing portfolio.

On this backdrop we see continued revenue growth and improving EBITDA-margins from 2021 to 2022, and we

expect to remain on track towards our long-term EBITDA-margin target of 40 per cent +. Our efforts to build a common platform is costly both in terms of both operating costs and capital expenditures into software development, although we have passed the peak and look for a decline in the total IT-spending of 10-15 per cent next year. We expect to generate positive free cash flow to equity from 2022 onwards, which will strengthen our financial flexibility significantly over the years to come.

Having increased our annual recurring revenue (ARR) base almost eight-fold over the past three years - from less than NOK 100 million at the end of 2018 to almost NOK 800 million at the end of 2021 - we have become one of the largest software-as-a-service companies in the Nordic market. In that period, we have completed 12 acquisitions operating on different platforms in different markets. Looking into 2022 we will be working to bring existing and new customers onto a common product platform that will offer increased functionality for our customers as well as more cost-efficient production for us.

The first customers have already been upgraded to our new Mercell Source-to-Contract solution for pre-award



buyers, and to our new Mercell Tender Finder solution for pre-award suppliers. Both these solutions comprise significantly broader and improved workflow solutions compared to the legacy systems in each of the geographical markets, and will offer us strong sales points and new revenue streams from both existing and new customers. We have particularly high hopes for growth in the pre-award supplier markets. The acquisitions of the market leaders on the buyer-side in the Netherlands and Finland open opportunities to develop the supplier-side of these markets, and we have high ambitions to 'export' our successful Scandinavian model and build leading and profitable supply-side positions in both countries.

We also look forward to reviving growth in the post-award markets in the years to come. The upgrades of existing customers will take longer in the post-award market, but once the new platform is up and running, we see a major opportunity to begin cross-selling post-award products and services to our large customer bases in the pre-award markets.

“Our focus now is to make sure that we deliver on the profitable growth opportunities we see for our existing portfolio”.

Terje Wibe
CEO
Mercell Holding



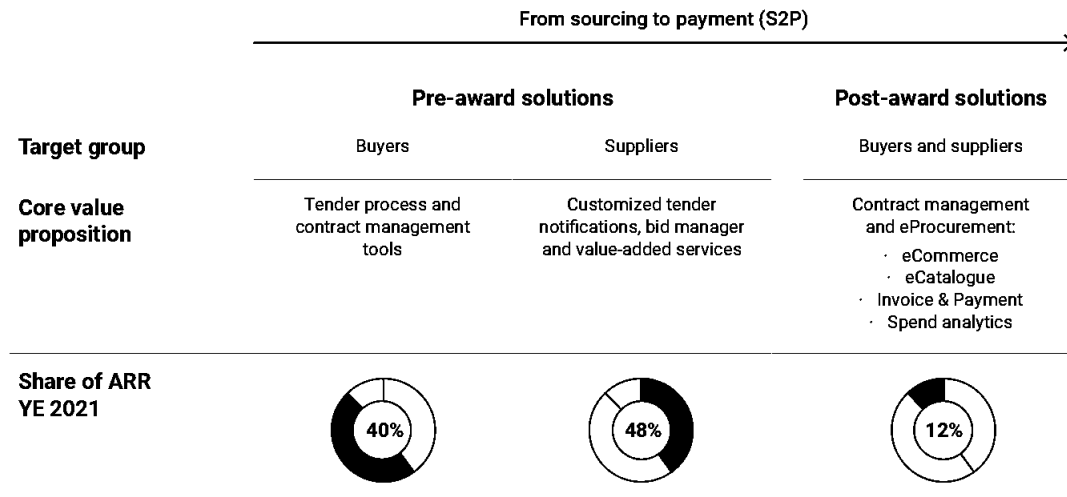
Board of directors report

Board of directors report

Group overview

Mercell is a leading provider of eTendering, tender notification and bid manager solutions, offering an online marketplace for thousands of buyers and suppliers in the pre-award market. These services provide workstream support for the entire pre-award value chain from identification of purchasing needs through to tender awards and contract management, and ensure efficient, compliant, and transparent tendering processes. The system is an ISO 27001 certified SaaS system (Software as a Service), allowing public buyers to manage the whole tender process in full compliance with EU Directives and national legislation for conducting electronic tender processes. The Group also offers eProcurement solutions in the post-award market, including eCommerce/eCatalogues, invoicing and payment services, and spend analysis.

Business overview by market and customer type, and share of ARR

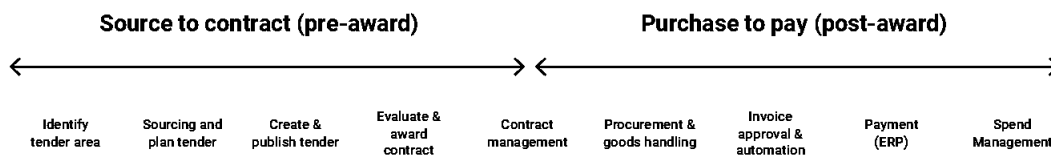


Source: Company data

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Mercell is present across the entire procurement value chain



Mercell's annual recurring revenue (ARR) amounted to NOK 793 million at the end of 2021, with revenue generated from three customer groups: pre-award buyers, pre-award suppliers, and buyers in the post-award market. The company had 3 726 buyer customers at the end of 2021, accounting for 40 per cent of ARR. This was a sharp increase from the end of 2020, reflecting mainly the acquisitions of Negometrix in the Netherlands and Cloudia in Finland who historically have operated only on the buy-side of the pre-award market.

The number of suppliers was 25 636, accounting for 48 per cent of ARR, with buyer customers in the post-award

market accounting for the remaining 12 per cent of ARR.

At the end of 2021, Merzell delivered its services in 15 European countries. The Nordic countries account for approximately 84 per cent of ARR, with Sweden at 28 per cent, Norway at 25 per cent, Denmark at 19 per cent, and Finland at 12 per cent of ARR after the acquisition of Cloudia in May 2021. The Netherlands accounted for 9 per cent after the acquisition of Negometrix in February 2021. The remaining 7 per cent mainly reflect operations in the Baltic region, and the foothold positions the company has in Germany, France, Spain, Iceland and in the UK and Ireland.



Operational review

European public procurements amount to around 14 per cent of EU's GDP, or a staggering EUR 2tn annually. EU has set out minimum harmonised public procurement rules to govern the way public authorities purchase goods, works and services, to save taxpayers' money and secure equal treatment, non-discrimination, and transparency. Mercell's products ensure efficient, compliant, and transparent tendering processes, in alignment with the EU regulations and national law, and EU's own compliance scoreboards show that the countries in which Mercell is market leader also are the market in best compliance with EU regulations.

Software-as-a-Service licenses account for 95 percent of Mercell's revenue, with the remainder based on transactions or other non-recurring revenues. Approximately 40 per cent of ARR stems from pre-award buyers, 48 per cent from pre-award suppliers, and the remaining 12 per cent from post-award customers. The share of pre-award buyer revenue has increased in 2021 with the acquisitions of the buy-side companies Negometrix in the Netherlands and Cloudia in Finland.

Acquisitions

Mercell made four acquisitions during 2021, adding ARR of NOK 162 million measured as the acquisition targets' ARR at the time of acquisition. NOK 61 million of the acquired ARR reflects the acquisition of Negometrix in February 2021, NOK 18 million the acquisitions of Ibistic and CTM Solutions in May, and NOK 83 million the acquisition of Cloudia in June.

Negometrix is the largest private provider of e-procurement software solutions in the Netherlands, with an established foothold in the emerging US market, and an integrated technology hub in Bulgaria. The company has historically focused on the buyer-side of the pre-award market, and the future development of the supplier-side of the market represents a large growth opportunity for Mercell.

The acquisition of CTM Solutions was a bolt-on acquisition in the same market. Having acted as an agent for Mercell, CTMS was the second largest private player after Negometrix in the Netherlands, and the company has now been integrated into Negometrix.

The small acquisition of Danish Ibistic further strengthened the post-award offering in the Nordic region.

The acquisition of the Finnish market leader Cloudia in June 2021 marked a milestone in Mercell's consolidation of the Nordic market, leaving the company with market leading positions across Sweden, Norway, Denmark, and Finland.

Cloudia is the leading Finnish e-Procurement platform, with a SaaS platform covering the entire procurement life-cycle for the buyers with modules for sourcing, planning, contract and supplier management. The customer base includes 95 of the 100 largest Finnish municipalities and 10 of the largest cities. Mercell sees the development of the supplier-side of the market as a major growth opportunity going forward.

ARR acquired through the acquisition of Cloudia was initially estimated at NOK 104 million. This was however revised down by NOK 21 million to NOK 83 million following a thorough invoice review after completion of the acquisition. The company is considering its options with regards to compensation for the lower ARR and does not expect that the earn-out arrangements related to the Cloudia-acquisition will lead to any payments.

Mercell has a stated vision to become the preferred e-tendering and procurement platform in Europe, and believes its position across multiple geographical markets, across both buyers and suppliers, and across both the pre-award and post-award markets makes the company a natural consolidator in this market.

However, acquisitive growth requires funding at competitive cost of capital, and in the current market environment the company finds it challenging to find accretive acquisitions that create value for the shareholders. Mercell will refrain from making any significant acquisitions in 2022 and rather deploy its resources into profitable growth in the existing markets.

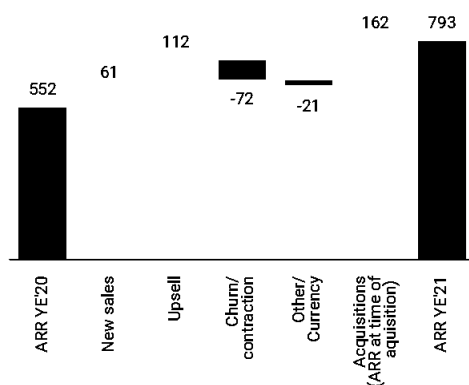


Organic growth

The ARR of NOK 793 million at the end of 2021 was an increase of 44 per cent from NOK 552 million at the end of 2020. As explained above, a significant part of this reflects acquisitions. Organic growth was 18 per cent in local currencies, which fell within the stated ambition to grow existing ARR by 15-20 per cent annually in 2020-2025.

New sales amounted to NOK 61 million in 2021, whereas upselling and price optimization lifted ARR by NOK 112 million. Churn and contraction amounted to NOK 72 million, and organic growth was hence NOK 101 million. Adverse currency effects reduced ARR by NOK 21 million, reflecting mainly a stronger NOK/SEK.

ARR development 2021 (NOKm)



Source: Company data

The net ARR increase of Udbudsvagten has been allocated to New sales/upsell

ARR in the pre-award buyer segment increased from NOK 145 million to NOK 320 million in 2021, mainly driven by the acquisitions of Negometrix and CTM Solutions in the Netherlands and Cloudia in Finland. Excluding acquired ARR, the ARR for the segment increased by 18 per cent in 2021.

ARR in the pre-award suppliers segment increased from NOK 327 million to NOK 381 million in 2021, with ARR increasing by 16 per cent excluding acquired ARR. As the company outlined on its Capital Markets Update in May 2021, the development of the supply-side business is expected to be the strongest driver for organic growth in the years to come. The acquisitions of Cloudia in Finland and Negometrix in the Netherlands secured Merzell leading positions in the pre-award buyer market in these countries, which opens an opportunity to develop significant pre-award supplier businesses in these markets.

ARR in the post-award segment increased from NOK 79 million to NOK 92 million in 2021, although ARR increased by only 1 per cent excluding the acquisition of Ibistic in May. This reflects slower than expected platform consolidation process and lack of implementation capacity, and the company expects renewed growth with the introduction of a new post-award offering in 2022.

Platform integration

Following the string of acquisitions of the past couple of years, Merzell currently operates and maintains a wide range of different platforms for both buyers and suppliers in both the pre-award and post-award markets.

The company is investing into product development to move towards a common platform suite with new products and increased functionality for the customers. The work to consolidate the services on a common platform is being done in a gradual and timely manner, through iterative interactions with the customers, and continuous innovation to ensure quality and usability. In addition to migrating the existing solutions to a common platform, Merzell is developing new services or modules and expanding existing services.

The new product families for the three business areas are Merzell Source-to-Contract for pre-award buyers, Merzell Tender Finder for pre-award suppliers, and Merzell Procure-to-Pay for the post-award market.

Pre-award buyers

Merzell began onboarding the first selected customers to the new Merzell Source-to-Contract in 2021. This is based on Negometrix' NX4 platform, with customers in the Netherlands as a natural starting point. More than 100 public buyers have been upgraded in this market, with good customer feedback.

The company has also initiated customer upgrades in Denmark and expects to scale the onboarding process in more markets in 2022. The upgrading program starts with buyer customers with relatively modest functionality requirements and will move on to customers with more complex needs as the company closes all functionality gaps from the different platforms currently in use.

The Source-to-Contract platform will include value-adding functionality which today is available only in individual markets, such as the Contract Lifecycle Management module from the Finnish market, the Intake Management functionality from the Netherlands, and the Digital Signature solutions which are mandatory in Norway.

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Board of directors report

Pre-award suppliers

Mercell is also moving forward with the Mercell Tender Finder for pre-award suppliers. Compared with the current solutions, this will offer greatly improved 'Google-like' search and filtering solutions, and other 'best-of-breed' advantages that will make it much easier for suppliers to find relevant business opportunities. This expands the scope of the offering from relatively simple tender notifications to a range of supply-side workflow solutions, which strengthens the value proposition and introduces new upselling products.

Mercell has upgraded some 100 Norwegian customers to the Mercell Tender Finder and see greatly improved supplier engagement compared to the legacy solutions. Tech touch updating has been successfully tested, and the company is preparing for mass upgrades. Danish customers will begin to upgrade during the first half of 2022, and the company plans to introduce the solutions to suppliers in the Netherlands in the second half of the year.

Post-award

The post-award e-procurement business was added through a string of acquisitions in 2020, extending the product offering to include solutions for procurement and order management, invoicing, payment and accounting, and spend analytics.

2021 was a transition year for the post-award segment, with integration of the acquired companies and work to start building the new Mercell Procure-to-Pay solution based on Tricom technology. The first customers will be upgraded early 2022.

Many pre-award buyer customers have shown strong interest in Mercell's post-award solutions and data analytics functionality, and the company expects cross-selling of the post-award solution to start picking up after launch of the Mercell Procure-to-Pay.

Organization

The number of employees amounted to 692 at the end of 2021, comprising 41 per cent women and 59 per cent men. Full time employees represented 91 per cent of the workforce, with temporary employees 9 per cent. Of temporary employees, 12 per cent were women and 88 per cent were men at the end of 2021. No employees in Mercell work part time unless they have initiated or proposed it themselves. No employees were on parental leave during the year.

Sickness absence in the Group in 2021 was 2 per cent. During 2021 there have been no accidents or injuries related to the operations.

While the overall share of female employees decreased from 42 per cent in 2020 to 41 per cent in 2021, the share of female managers increased from 14 per cent to 37 per cent in 2021. This was mainly driven by acquisitions throughout the year as well as a strong focus on increasing the number of women in management positions. At the end of 2021, the Board of Directors consisted of five members, two of whom are women (40 per cent).

Salary mapping of 2021 of women's salaries compared to those of their male colleagues in the same job category, show that women's compensation as percentage of those of men's, is 80 per cent. For female managers, compensation as percentage of those of men's is 84 per cent.

The work for equality is overseen by the executive management and is integrated throughout all relevant processes. Focus and allocation of responsibilities is on the agenda for respective management teams below executive management, who have meetings on a weekly basis. HR has a particular responsibility to challenge the organization to improve equality in relevant decision-making processes, such as recruitment, policy development, remuneration, succession planning, and the composition of functional teams.

Mercell is continuously making efforts to improve equality throughout the company. A key goal is to continue growing Mercell into a well-functioning organization making correct decisions based on a variety of perspectives. We seek to enable diversity and prevent discrimination through an inclusive culture.



Financial review

The consolidated financial statements of the Group for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by The European Union (“EU”).

Mercell reported a revenue increase of 126 per cent to NOK 706.3 million for 2021. EBITDA amounted to NOK 105.0 million, compared to an EBITDA-loss of NOK 23.7 million in 2020.

Adjusted for M&A cost and special items in both periods, EBITDA increased to NOK 172.9 million in 2021 from NOK 69.1 million in 2020. The adjusted EBITDA-margin hence increased from 22 per cent in 2020 to 24 per cent in 2021.

Consolidated financial key figures

NOK 1 000	2021	2020
Total revenue	706 296	311 906
Operating costs	-533 402	-242 793
M&A costs and special items	-67 889	-92 837
EBITDA	105 005	-23 724
<i>EBITDA-margin</i>	15%	-8%
Adjusted EBITDA	172 894	69 113
<i>Adjusted EBITDA-margin</i>	24%	22%
Depreciation, amortization, impairment	-188 678	-52 011
Operating profit/loss, EBIT	-83 672	-75 735
Net financial items	-32 797	-78 539
Profit/loss before tax	-116 469	-154 275

Note: See KPI for an overview of M&A cost and other special items

Profit and loss

(Figures for 2020 in brackets)

Revenue

Revenue for the full year 2021 increased by 126 per cent to NOK 706.3 million (311.9). The increase over the past year mainly reflects the acquisitions of Negometrix in the Netherlands in February, Ibistic in Denmark and CTMS in the Netherlands in May, and Cloudia in Finland in June. The company did not execute any acquisitions in the second half of the year.

Split by product group, pre-award buyers accounted for NOK 265.3 million (37 per cent), pre-award suppliers for NOK 351.0 million (50 per cent), and post-award buyers for NOK 90.0 million (13 per cent). Compared with 2020 the increase was strongest for the pre-award buyer segment,

which primarily reflects the acquisitions of Negometrix and Cloudia in 2021.

SaaS licence revenue accounted for 95 per cent of total revenue, reflecting 95 per cent of the pre-award buyer revenue, 97 per cent of the pre-award supplier revenue, and 87 per cent of revenue from post-award buyers.

Mercell is the clear market leader in Sweden, Norway, Denmark, Finland and the Netherlands. The Nordics accounted for 84 per cent of revenue in 2021, with Sweden at 32 per cent, Norway at 24 per cent, Denmark at 21 per cent, and Finland at 8 per cent. The Netherlands accounted for 9 per cent, and other markets for 7 per cent of revenue. Please see note 2.2 for more details.

Note that revenue splits by product and geography differ from similar splits for ARR, as the latter to a greater degree



Board of directors report

absorbs the impact of acquisitions carried out through 2020 and 2021.

Operating costs and EBITDA

Operating costs amounted to NOK 601.3 million in 2021 (335.6). Personnel costs remained the largest cost area, accounting for NOK 304.4 million (187.0). Cost of goods sold amounted to NOK 24.1 million (5.6), and other operating expenses to NOK 242.4 million in 2021 (94.3). M&A cost amounted to NOK 30.4 million (48.8), reflecting the acquisitions of Cloudia, Negometrix, Ibistic and CTMS.

EBITDA hence amounted to NOK 105.0 million in 2021, compared to a loss of NOK 23.7 million in 2020. The EBITDA-margin hence improved from a negative 8 per cent in 2020 to a positive 15 per cent in 2021.

The number of employees increased to 692 at the end of 2021 from 456 in 2020. The increase reflects both acquisitions and organic growth, although the number of employees flattened out towards the end of 2021.

Adjusted EBITDA

In addition to M&A costs of NOK 30.4 million (48.8), the operating costs included other special items of NOK 37.5 million in 2021 (44.1).

Adjusted for M&A costs and other special items the EBITDA improved from NOK 69.1 million to NOK 172.9 million, with the adjusted EBITDA-margin improving from 22 per cent to 24 per cent.

The main parts of the special items reflect advisory fees and contingent remuneration arising from business combinations (earn-out). Please see the section on KPIs at the end of this report for a further description of M&A costs and other special items.

Mercell sees upside potential in the EBITDA-margin in the years to come, with increasing scale economies and improved efficiency. Operations in well-established pre-award markets such as Norway and Sweden show significantly higher margin levels than the overall Group. This supports the company's ambitions for continued margin improvement as the company and its market mature over the years to come.

Depreciation and amortization

Depreciation and amortization amounted to NOK 173.9 million (52.0) for the full year 2021, in addition to impairments of NOK 14.8 million (0). The increase mainly reflects the effect of the acquisitions during 2021, and primarily reflect amortization of intangible assets.

Operating profit (EBIT)

The operating loss (EBIT) for 2021 was NOK 83.7 million, compared to an operating loss of NOK 75.7 million in 2020. The increased loss reflects higher operating expenses and higher depreciation and amortization due to the acquisitions.

Net financials

Net financial cost was NOK 32.8 million for the full year (-78.6), with higher interest cost primarily reflecting funding cost for acquisitions and refinancing being offset by increased foreign exchange gains.

Financial income amounted to NOK 65.0 million (30.7), whereas financial expenses amounted to NOK 97.8 million (109.2). Please see note 4.5 for more details.

Results

Loss before tax was NOK 116.5 million (-154.3), whereas net loss after tax was NOK 113.2 million (-146.3).

Cash flow

Cash flow from operating activities

Net cash flow from operating activities was NOK 89.1 million in 2021 (20.8), primarily driven by changes in operating items including financial liabilities, and changes in contract liabilities related to SaaS subscriptions. These reflect the nature of the business model, with upfront subscription payments and recognition of revenue over the period of the contract.

Cash flow from investing activities

For the full year 2021, cash flow from investing activities was a negative NOK 1 320.0 million (-2 223.7), of which development of software and other intangibles accounted for NOK 165.0 million (54.2), purchase of property, plant, and equipment for NOK 1.7 million (3.5), and acquisitions for NOK 1 153.2 million (2 166.0). The latter reflects the acquisitions of Negometrix in the first quarter and CTMS, Ibistic and Cloudia in the second quarter. The acquisition of Cloudia accounted for roughly 80 per cent of the total cash flow spent on acquisitions. Please refer to note 6.2.

The investments in development of software and other intangibles reflects a rapid pace of innovation and development of new products, and the ongoing work to move towards a common platform suite. The platform capex of NOK 160.6 million in 2021 was in the low end of the previously indicated software capex range of NOK 160-180 million for the full year.



The company received government grants (SkatteFUNN) of NOK 4.4 million in 2021.

Including R&D expenses charged to the P&L, the company spent approximately NOK 234 million on R&D in 2021. This is expected to decline to NOK 200-210 million in 2022, split between R&D opex of NOK 85-90 million and NOK 115-120 million in capitalized R&D. The R&D intensity is expected to decline significantly in the following years as measured by R&D spending in percent of revenue.

Cash flow from financing activities

Cash flow from financing activities was NOK 1 002.7 million (2 506.9), of which net proceeds from share issues of NOK 838.6 (1 750.4) and proceeds from long-term debt of NOK 495.4 million (1 252.4) were the main contributors. The company repaid NOK 40.4 million in debt during the year (312.1).

Net change in cash and cash equivalents

Net change in cash and cash equivalents was NOK -228.2 million (304.1) including foreign exchange effects, and cash and cash equivalents decreased to NOK 96.7 million at the end of the year (328.0).

The company expects significantly higher cash flow from operations in the first quarter 2022, reflecting customer payments of invoices issued in the fourth quarter. As per mid-February 2022 the company has a cash balance of approximately NOK 120 million. The company's projections for operating cash flow and capital requirements for investments show that the organic growth plans for the existing business are fully funded, and that the company will generate a solid positive free cash flow to equity from 2022 onwards. This will in turn strengthen the financial position for accretive M&A at a later stage, or open for distribution to the shareholders in the form of future dividends or share buy-backs.

Financial position

Assets

Total non-current assets amounted to NOK 4 213.5 million (3 037.8). Goodwill accounted for NOK 3 045.8 million (2 114.8). Intangible assets accounted for NOK 1 033.6 million (811.4). The increases reflect the acquisitions made during the year, with the main portion relating to the acquisition of Cloudia in the third quarter 2021.

Current assets amounted to NOK 279.5 million at the end of 2021 (446.2). Short-term receivables amounted to NOK 182.8 million (118.2), of which NOK 180.9 million in trade

receivables (118.0). Cash and cash equivalents amounted to NOK 96.7 million (328.0). All of this was held as bank deposits, of which NOK 91.9 million unrestricted cash and NOK 4.8 million restricted cash due to withholding payroll taxes.

The company has carried out a reallocation of the Purchase Price Allocation (PPA) related to the acquisitions of Cloudia, in which the value of customer contracts has been reduced by EUR 4 million and goodwill increased correspondingly. The value of the goodwill has been confirmed in a subsequent impairment test. Current assets stood at NOK 279.5 million (446.2), comprising of trade and other receivables of NOK 180.9 (118.0), contract assets of NOK 1.9 million (0.1), and cash and cash equivalents of NOK 96.7 million (328.0).

Equity and liabilities

Total equity amounted to NOK 2 125.8 million (1 617.9), with the increase mainly reflecting share issues to fund acquisitions, partly offset by the losses in the period. The company carried out a private placement raising gross proceeds of approximately NOK 400 million in connection with the Cloudia acquisition in June 2021 and raised gross proceeds of approximately NOK 434 million in connection with the Negometrix acquisition in February. Please see the statement of changes in Equity for more information.

Total liabilities amounted to NOK 2 367.3 million (1 866.0). Non-current liabilities were NOK 1 758.5 (1 301.4), mainly consisting of interest-bearing liabilities of NOK 1 578.2 (1 144.2). The increase during 2021 mainly reflects a tap issue increasing a bond maturing in December 2025 from SEK 1.1 billion to SEK 1.6 billion as part of the acquisition financing of Cloudia. Please see note 4.2 for more information. Other non-current liabilities include deferred tax liabilities of NOK 174.3 million, and other items totalling NOK 6.1 million. Net interest-bearing debt was NOK 1 578.2 million at the end of 2021 (1 144.2).

In July Merzell entered into an agreement for a NOK 100 million Super Senior Revolving Credit Facility with Danske Bank, maturing in three years with a twelve-month extension option. The purpose of the facility is to finance general corporate needs and potential acquisitions. The company has not yet drawn on this facility.

Current liabilities amounted to NOK 608.7 million (564.6), of which NOK 23.2 million in current interest-bearing liabilities (15.7). Trade and other payables amounted to NOK 100.2 million, contract liabilities to NOK 360.7 million (235.7) and other current financial liabilities to NOK 124.7 million (224.5).



Board of directors report

Parent company and allocation of profits

Mercell Holding ASA is the parent company in the Group, and supplier and performs services for the Group's other companies. Mercell Holding ASA had total operating income of NOK 67.1 million (60.7). Operating costs amounted to NOK 211.7 million (97.4), generating an operating loss of NOK 144.6 million (36.8). Net financial items amounted to NOK 13.3 million (-70.0). Result before tax was hence NOK -131.3 million (-106.8). Mercell Holding ASA did not recognize any tax expense for the year, and the net result for 2021 was hence also NOK -131.3 million (-106.8). The Board of Directors proposes to the Annual

General Meeting that the net loss of the parent company is charged to 'Other equity', and that no dividend is distributed for 2021. Mercell Holding ASA had total assets of NOK 4 339.5 million (2 958.4). Non-current assets accounted for NOK 4 295.8 million (2 823.2), mainly investments in subsidiaries. Current assets amounted to NOK 43.7 million (135.2), of which cash and cash equivalents of NOK 5.9 million (120.9). Equity amounted to NOK 2 488.6 million (1 715.7), corresponding to an equity ratio of 57 per cent.

Share information

Mercell was on 9 July transferred from the Euronext Growth trading platform to the main list on the Oslo Stock Exchange.

At the end of 2021 Mercell had 502.8 million shares outstanding.

The 20 largest shareholders hold 71 per cent of the shares.

20 largest shareholders 23 March 2022

	# of shares	Ownership
VIKING VENTURE (16 AS, 16B AS, 16C AS, 16D AS)	53 067 864	10.6%
STATE STREET BANK AND TRUST COMP	42 300 000	8.4%
CITIBANK, N.A.	31 188 588	6.2%
SKANDINAVISKA ENSKILDA BANKEN AB	29 247 857	5.8%
THE BANK OF NEW YORK MELLON SA/NV	27 876 876	5.5%
MORGAN STANLEY & CO. INT. PLC.	19 427 248	3.9%
VERDIPAPIRFONDET DNB NORGE	18 798 861	3.7%
J.P. MORGAN SECURITIES LLC	16 885 955	3.4%
MYRLID AS	13 200 000	2.6%
MORGAN STANLEY & CO. LLC	12 719 925	2.5%
BARCLEYS CAPITAL SEC.LTD FIRM	12 570 843	2.5%
NORDNET BANK AB	11 618 690	2.3%
UBS SECURITIES LLC	10 536 769	2.1%
EUROCLEAR BANK S.A./N.V.	9 649 682	1.9%
GRIEG HOLDINGS II AS	9 567 947	1.9%
BANQUE DE LUXEMBOURG S.A.	7 504 567	1.5%
UBS AG	7 294 878	1.5%
ABG SUNDAL COLLIER ASA MEGLERKONTO INNLAND	7 189 885	1.4%
CAMIVEO AS	7 023 897	1.4%
THE BANK OF NEW YORK MELLON SA/NV	7 015 578	1.4%
Top 20 shareholders	354 685 910	70.5%
Other shareholders	148 105 281	29.5%
Total number of shares	502 791 191	100.0%

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Corporate Governance

Mercell has established principles and procedures for sound Corporate Governance, including risk management and internal controls, rules of procedure for the Board of Directors and management, and equal treatment of

shareholders. The company has formalized its framework according to the Norwegian Code of Practice for Corporate Governance. Please see Corporate Governance Report for further details.

Risks and uncertainty factors

Liquidity risk

Mercell had a cash position of NOK 96.7 million at the end of 2021. The company has secured funding for its M&A activities mainly through equity issues generating gross proceeds of approximately NOK 836 million, and through an increase of the outstanding bond from SEK 1.1 billion to SEK 1.6 billion.

Mercell's SaaS business model is built on pre-paid software subscriptions. The company expects significantly higher cash flow from operating activities in the first quarter 2022 compared to the fourth quarter 2021.

Mercell has carried out a string of acquisitions over the past years. However, the company did not make any acquisitions in the second half of 2021 and does not intend to execute any major acquisitions in 2022. Based on the current cash position, and projections for the operating cash flow and capital requirements for the existing business, it is the Board of Directors' view that the company will have ample liquidity to support the operational and financial goals for the existing business activities going forward. The projections show a solid positive free cash flow generation and further strengthening of the financial position from 2022 onwards.

Interest rate risk

The company is exposed to changes in interest rate levels via long-term debt with floating interest rates. The main portion of this is in the form of a SEK bond which was increased from SEK 1.1 billion to SEK 1.6 billion through a bond tap issue in the second quarter 2021. The interest rate is STIBOR +6 per cent p.a., with quarterly interest payments and maturity in December 2025. The Group does not currently hedge the base STIBOR interest rate. Net interest expenses amounted to NOK 95.4 million in 2021, excluding interest expense on lease liabilities.

Foreign exchange risk

Mercell is exposed to changes in exchange rates, both in the calculation of Annual Recurring Revenue (ARR) and for transactions and translation into the reporting currency NOK. The risk exposure mainly relates to net investments in foreign subsidiaries with functional currencies in SEK, DKK, EUR, GBP, and USD, as well as to the SEK denominated debt with interest payable in SEK. In 2021, the company reported net foreign exchange gains of NOK 64.0 million, mainly reflecting unrealized gains on the SEK denominated debt. The Group does not hedge currency exposure with the use of financial instruments at the current time but monitors the net exposure over time.

Credit risk

Mercell's main customers are public buyers and suppliers to these buyers, and Mercell's products and services are mainly subscription-based SaaS products with upfront payments.

Market and operational risks

Mercell is a marketplace matching buyers and suppliers on platforms for e-tendering and e-procurement. The company's customer base mainly consists of public customers on the buy-side and a wide variety of suppliers on the supply-side of the platforms. The level of activity on the platforms therefore depends on public spending levels, which may fluctuate over time.

Mercell's revenue is to a great extent based on recurring subscription fees from both buyers and suppliers, and there is a risk that lower customer activity levels could affect the attractiveness of the platform and the company's ability to retain existing customers and/or attract new customers.



Board of directors report

The company has seen continuous organic growth in the total number of paying buyers and suppliers as well as organic growth in revenue per customer over the past years. The company sees limited risk that sudden shifts in customer behaviour should materially affect the financial performance.

The company considers M&A activities to be an integral part of the company's growth plans and has completed nine acquisitions over the past two years.

The largest of these was the acquisition of Visma Commerce in the fourth quarter 2020, which accounted for approximately 36 per cent of ARR at the end of 2020. Although the integration of such a large operation into Mercell could pose operational challenges, the company has seen positive effects on the operational and financial performance for both the existing and the acquired operations since the consolidation. Mercell has strengthened its organization considerably over the past year to ensure the capacity required to handle a growing organization, which increased further with the acquisition of Negometrix in the first quarter 2021 and the acquisitions of Ibistic, CTM Solutions and Cloudia in the second quarter of the year.

Acquisitions in the post-award market in 2020 led the company into a market space with other characteristics and a different competitive landscape. While this may entail increased risk, the company has so far not seen any issues which should indicate that these acquisitions have increased the overall risk in the company.

The company may be impacted by other events affecting the safety, security, and availability of human resources. As per the end of 2021, eight of the company's employees were of Ukrainian nationality. Depending on the development of the war in the Ukraine and the associated sanctions and travel restrictions there may be elevated risk related to the safety, security, and availability of these employees.

Subscription revenues risks

Mercell's revenue is to a great extent based on recurring subscription fees from both buyers and suppliers, and there is a risk that lower customer activity levels could affect the attractiveness of the platform and the company's ability to retain existing customers and/or attract new customers. The Group operates in markets with fluctuating user satisfaction and demand for products and/or services.

The Group has a subscription-based revenue model with more than 90 per cent recurring revenue. Consequently, the Group's business operations depend highly on renewed subscription by its existing customer base. Should one or more of such customers decide not to renew their subscriptions with the Group, this may result in a material adverse effect on the Group's results of operations. The demand for the Group's services is affected by a number of factors, including awareness of technologies, availability of competing or substitute products and/or services, ease of adoption and use, features, experience and reliability of the Group's services.

Any inability to retain and develop the Group's customer base may result in a material adverse effect on the Group's business, results of operations, financial position, cash flows and/or prospects.

During 2020, the company saw organic growth in the number of paying buyers and suppliers as well as organic growth in revenue per customer. The company sees limited risk that sudden shifts in customer behavior should affect the financial performance significantly.

Merger and acquisition risks

Mercell considers merger and acquisition (M&A) activities to be an integral part of the company's growth plans. The Group's future growth and performance will partly depend on the ability to manage growth effectively, including the ability to successfully integrate acquired assets, businesses or companies. If the Company or another member of the Group acquires a company, it must be able to integrate into the Group, inter alia, the acquired company's personnel, operations, technology and financial set-up. There is no guarantee that such integration will not encounter difficulties whereby the contemplated effects will not be achieved. In addition, key personnel of the acquired company may decide to resign instead of working for the Group. These difficulties could disrupt the ongoing business, distract the Group's management and employees and increase its expenses and negate the desired effect of the acquisition.

For the above reasons and for other reasons, the acquisition of assets, businesses and companies and their integration into the Group may not be as financially successful as expected, obtain the intended synergies or growth as expected, or the acquisitions could require additional costs, risks or time to fully integrate the acquired assets into the Group. Any failure of successfully integrating



acquired businesses or assets into the Group may have a material adverse effect on the Group's business, prospects, liquidity, financial condition and results of operation.

Technology risks

Mercell operates in markets that are highly susceptible to technological developments and new technological solutions for eTendering are constantly developing within the markets that the company operates. Such technological developments have resulted in, and will likely continue to result in, substantial improvements in equipment functions and performance throughout the industry. As a result, the Mercell's future success and profitability will be dependent in part upon its ability to improve existing services and solutions, address the increasingly sophisticated needs of its customers and anticipate major changes in technology and industry standards and respond to technological developments on a timely basis.

Mercell is in the process of developing a new pre-award platform to be included as an integral part of its service offering for eTendering and procurement services. The Group has incurred, and is expected to continue to incur, significant expenses related to the development, implementation and launch of the new platform, and the costs related to the development, implementation and launch of the platform could be higher than what has been estimated by the Group. Additionally, the Group's development, implementation and launch of the new platform could be delayed because of numerous reasons associated with the development, implementation and launch of a new platform, several of which could be outside the Group's control, and any delay. Furthermore, there is a risk that the platform, when launched, may not meet the market's demand, criteria and/or expectations for such product. Thus, there is a risk that the Group's resources spent on the new pre-award platform may not be successful or completed in accordance with the Group's budgets, plans and/or expectations. If the development, implementation and/or launch of the new pre-award platform is not

successful or completed in accordance with the Group's budgets, plans and/or expectations, it could have a material adverse effect on the Group's business, prospects, liquidity, financial condition and/or results of operation.

IT risks

Mercell relies heavily on information technology ("IT") systems in order to achieve its business objectives. The Group relies upon industry accepted security measures and technology such as access control systems to securely maintain confidential and proprietary information maintained on its IT systems, and market standard virus control systems. However, as a tech company, Mercell is constantly exposed to external threats associated with data security and is under constant pressure from different external players. There is a risk of virus attacks, attempts at hacking, social manipulation, and phishing scams, as well as theft of intellectual property or sensitive information belonging to the Group or its business partners.

The Group's portfolio of hardware and software products, solutions and services and its enterprise IT systems may be vulnerable to damage or disruption caused by circumstances beyond its control, such as catastrophic events, power outages, natural disasters, computer system or network failures, cyber-attacks or other malicious software programmes.

The failure or disruption of the Group's IT systems to perform as anticipated for any reason could disrupt the Group's business and result in decreased performance, significant remediation costs, transaction errors, loss of data, processing inefficiencies, downtime, litigation, and the loss of suppliers or customers. A significant disruption or failure could have a material adverse effect on the Group's business operations, financial performance and financial conditions.



Board of directors report

Outlook

Mercell has grown into the leading platform for public e-tendering and one of the largest B2B SaaS companies in the Nordic region. From a starting point of less than NOK 100 million at the end of 2019, the company has in just three years grown annual recurring revenues (ARR) to NOK 793 million through a combination of acquisitions and organic growth.

Mercell has established clear market leadership in Sweden, Norway, Denmark, Finland, and the Netherlands. These markets hold great opportunities for organic growth through the roll-out of a common platform across all markets, opening up of the pre-award supplier markets in Finland and the Netherlands, and a structured sales strategy across all markets.

As described on the Capital Markets Update in May 2021, Mercell sees potential for 15-20 per cent average annual growth in ARR in its existing business from 2020 to 2025. While this target was given before the acquisition of Cloudia it holds true also for the current portfolio. The company is so far on track, with 18 per cent organic ARR growth in local currencies in 2021.

The growth must be expected to vary between quarters and years depending on product launches and market introductions.

The supplier segment holds particularly strong growth potential, as Mercell is in the process of introducing new

and innovative product solutions in this segment. Over time, the company also expects to see revived growth in the post-award market after the introduction of a new common platform.

The company expects continued revenue growth and improving EBITDA in 2022, and retains its longer-term EBITDA-margin target of 40 per cent +.

Mercell has a stated vision to become the preferred e-tendering and procurement platform in Europe, and believes its position across multiple geographical markets, across both buyers and suppliers, and across both the pre-award and post-award markets makes the company a natural consolidator in this market.

However, acquisitive growth requires funding at competitive cost of capital, and in the current market environment it is challenging to find accretive acquisitions that create value for all shareholders. Mercell will therefore refrain from making any significant acquisitions in 2022 and rather deploy its resources into profitable growth in the existing markets.

Combined with lower investments into software development, this will enable Mercell to generate solid free cash flow from 2022 onwards, and further strengthen its financial position.



Declaration by the board of directors and CEO

Mercell Holding ASA's consolidated financial statements for the period 1 January to 31 December 2021 have been prepared and presented in accordance with IFRS as adopted by the EU. The separate financial statements for Merzell Holding ASA for the period 1 January to 31 December 2021 have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards. We confirm to the best of our knowledge that the consolidated and separate financial statements for the period 1 January to 31 December 2021 have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities, financial position and profit or loss taken as a whole.

We also confirm that, to the best of our knowledge, full year 2021 gives a true and fair view of important events in the accounting period and their influence on the annual report, as well as the principal risks and uncertainties facing the business in the next accounting period.

The Board of Directors confirms that the financial statements have been prepared under a going concern assumption, and the Group's liquidity position, solidity and ongoing cash flow from operations support the assessment that this assumption is realistic.

The Board of Directors of Merzell Holding ASA
Oslo, 24 March 2022

Sign.

Joar Welde
Chair of the Board

Helge Nielsen
Board Member

Anne Lise Waal
Board Member

Berit Lid Scharff
Board Member

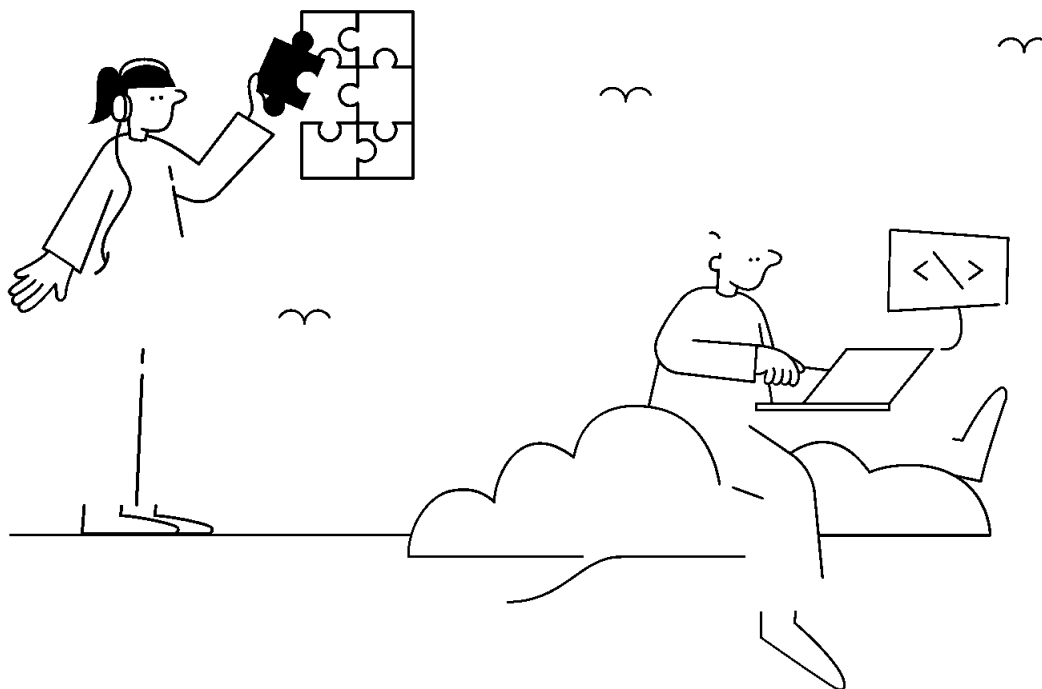
Erik Fjellvær Hagen
Board Member

Terje Wibe
CEO

Pemco Dokumentnøkkel: OE3EJLS18H-PFTI4-PNE6L-PIUXF-L336A

Sustainability at Mercell

The world is facing considerable challenges, including reaching net zero greenhouse emissions by 2050 and developing a global society in line with UN sustainability goals. Everyone has a role to play and must contribute by building on their relative strengths. For Mercell this means underlining the role that our core business of providing EU compliant e-procurement software and services plays in contributing to sustainable growth ambitions, by enabling transparency, traceability, and fair competition. The importance of public procurement in driving sustainable development is highlighted in the EU green deal, its green public procurement guidelines and strategy for a circular economy. Mercell's systems and services enable procurement to play its important role.





Mercell also contributes by doing business in a responsible and sustainable way, in line with laws and regulations. As a member of the UN Global Compact we support the implementation of the ten sustainability principles related to human rights, labor, environment and anti-corruption, as well as the UN sustainability goals. These principles inform our governing policies on ethical behavior and are reflected in our values: Growth, Curiosity, Courage and Trust.

This ESG report provides an overview of Mercell's material topics related to environment, people and economy, related risks and opportunities, and how our governance processes are structured to handle impacts and risks. We have started the process of reporting according to internationally renowned ESG standards, and this 2021 report has been inspired by the GRI standards update (2021). The report, including the materiality assessment has been reviewed and verified by the Board of Directors.

As a publicly listed company with more than 500 employees, Mercell will be subject to the upcoming EU Taxonomy Regulation and the Sustainable Finance Disclosure Regulation (SFDR) as these become part of Norwegian law, expectedly in 2022 ("Lov om bærekraftig finans"). Developments in these regulations, as well as the ongoing development in the EU of a proposal for a Corporate Sustainability Reporting Directive (CSRD), are continuously monitored, and Mercell will continue to prepare throughout 2022. In this ESG report we have started to incorporate some expected requirements in these regulatory frameworks, such as assessment of double materiality and reporting of KPIs. Moreover, Mercell aims to extend its future ESG reports to include its annual assessment of risks related to fundamental human rights and decent working conditions, in accordance with the Norwegian Transparency Act, as this comes into effect in 2022.

692

Number of employees

41%

Share of women in Mercell

17

Countries where we have employees

0

Number of critical concerns reported in our whistleblower line



Sustainability at Mercell

Material sustainability topics

Mercell has conducted a reassessment and update of the materiality analysis presented in the 2020 annual report. The reassessment has been inspired by the GRI Material Topics 2021 standard and builds on SASB material topic framework for software and IT services within the technology and communication sector.

Emphasis has been to represent the company's actual and potential, negative and positive impacts on people and society, environment and economy, and describe sustainability topics that pose material risks and opportunities related to Mercell business model and financial development.

The assessment has been informed by stakeholder perspectives through interviews with Mercell employees, review of sector developments and best practice from peers. The materiality assessment has also been informed by the 2021 ERM risk assessment.

There are no major changes to the material topics from 2020. Sustainable supply chain has been renamed responsible supply chain, to underline the importance of due diligence and respect of human rights. The importance of work environment has been added to employee well-being to emphasize Mercell's obligation to ensure decent work-environment in line with international labor obligations, for all our employees.

Material topic	Material impacts, risks and opportunities
Governance	
Work against corruption	Potential of negatively impacting the economy related to risk of corruption and bribery incidents in our business transactions. Risk of sanctions and loss of reputation related to perceived or actual incidents of bribery and conflict of interest.
Competitive behavior	Risk of behavior that distort competition . Risk of sanctions and loss of reputation related to perceived or actual incidents of exercise of influence to distort competition .
Responsible supply chain	Suppliers or sub-suppliers could engage in practices that violate human rights or cause damage to the environment. Opportunity to influence suppliers to adopt responsible practice. Reputation risk of being associated with non-responsible suppliers and risk of sanctions related to insufficient due diligence practices.
People and society	
Data security and privacy as a human right	Loss or misuse of personal information related in our systems could have a negative impact on human right to privacy. Risk of disqualifications, fines and loss of trust in case of privacy non-compliance.
Diversity and equal opportunities	Discrimination at work could have negative impact on people's sense of belonging, dignity and opportunities. Opportunity to attract and retain high-quality talent by fostering an inclusive work environment. Reputation risk related to lack of diversity in management positions.
Employee well-being and work environment	Our respect of workers right and quality of work environment impact employee health, quality of life and sense of engagement. Opportunity to attract and retain high-quality talent by having a strong people-focus.
Climate and environment	
Green energy operations	Greenhouse gas emissions from energy use, travel and cloud storage, and waste from operations negatively impact the environment and should be reduced.

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Governance and sustainability

Responsible business conduct and group policy commitments

All Merzell's activities shall be compliant with legal requirements and relevant international conventions on responsible business conduct. Commitments to responsible business conduct and ethical behavior are reflected in the Group Code of Conduct, which applies to all employees and business associates across all entities. These guidelines specify goals to minimize the impact of activities on the environment, ensure safe and inclusive work culture based on diversity and equal opportunity, respect the fundamental human right to data privacy, combat all forms of corruption and bribery and respect all relevant laws, including competition laws. Ethical guidelines are communicated to all new employees and are available [online](#).

Risk management and role of the board

The Group Code of Conduct as well as the supplier code of conduct have both been approved by the board of directors. The board is also responsible for monitoring group exposure to all risks, including sustainability related risks, and ensuring that internal control systems are proportionate to, and reflect the nature of risks.

All executives, country managers and leaders are responsible for managing sustainability related risks within their domain. The code of conduct and Merzell's general approach to risk management specifies that ethical considerations and risk of non-compliance should be included in all business assessments before entering into any new market, product or business relationship. Leaders are responsible for implementing appropriate policies, procedures and systems to ensure that such requirements are met. The CFO coordinates and reports on the assessment of overall risk exposure, through the compliance function. The most important risks, including sustainability related risks, are assessed and reported to the board of directors at least annually, as part of the company's enterprise risk management system.

Mercell is growing with the acquisition of new companies, representing different approaches to sustainability and different maturity levels. To ensure that sustainability is understood and respected in a similar fashion across all entities and functions, Merzell is constantly working to

build a unified approach to sustainability and compliance. The company strives to be open about its successes, as well as challenges on this journey

Responsible supply chain

Mercell is committed to reducing its negative impact on the environment, people and society throughout its value chain. During 2021 the company adopted a Supplier Code of Conduct, rooted in UN global compact's ten principles for sustainable development. This requires all suppliers and its sub-suppliers to adhere to applicable laws and standards and our minimum standard of conduct, including respect of labor rights and work environment, not engaging in corruption, fraud or prohibited business conduct, and working to minimize the negative impact on the environment. All suppliers are expected to take a systematic approach to responsible business conduct and ensure that requirements are integrated into its operations.

Compliance with the requirements shall be part of supplier assessments performed before entering into any contract and the ethical code is communicated to all suppliers and is part of the contractual obligation. 30 supplier audits were conducted in 2021, with a particular focus on privacy and information security. Dialogue with suppliers about challenges faced when meeting the requirements is encouraged, to enable corrective action and improvement.

Mercell respects the human rights of anyone associated with our operations, as embedded in the Group Code of Conduct and our commitment to the UN Global Compact. An important way to respect human rights is to secure decent working conditions in the company, and with suppliers. Suppliers are required to apply a systematic approach to ensure compliance with applicable labor rights and standards. As a professional software provider, the risks of modern slavery and human trafficking in Merzell's value chain are considered low. In line with the upcoming Norwegian Transparency Act the company will regularly assess, and report risks related to human rights and decent work conditions in its value chain and continue to address these in a systematic manner.

Anti-corruption and competition law

The Group Code of Conduct states our zero tolerance for



Sustainability at Mercell

corruption, including bribery, facilitation payments and trading in influence. All leaders, employees, suppliers and business associates are expected to adhere to these principles. As a dominant firm, Mercell has a special responsibility not to distort competition and shall play its part in combating illegal practices, such as price-fixing, market sharing, output limitation or bid rigging, abuse of market power and any anti-competitive or monopoly practices, as stated in our ethical codes.

The current risk of corruption is considered to be relatively low, and no incidents or concerns related to corruption was reported in 2021. Risk of corruption could increase with the expansion into geographical areas and acquisition of companies with different perceptions and cultures regarding appropriate business conduct. Compliance with laws and regulation is assessed as part of due diligence and all new entities are made familiar with the Group policy on corruption.

Sustainability considerations in board composition and executive remuneration

Our Corporate Governance Code stipulates that the board shall comprise sufficient diversity and competence to meet Mercell strategy and create long term value. This implies sufficient understanding and knowledge of ESG impacts and risks. ESG results are not a distinct part of the remuneration structure for executive management but are implied in the principle that performance-related remuneration should be linked to strategy and long-term value

creation. For more information about our processes and structures related to board and executive remuneration we refer to the section on corporate governance.

Whistleblowing

Mercell aspires to foster a culture where people feel confident about speaking up. Any employee in need of advice on any matter relating to our Code of Conduct, or wishing to report a concern, is encouraged to speak to their line manager, the Group Compliance Director or any member of the Mercell Group Management team. There is an anonymous whistle blowing portal in place, mercell.integrityline.com, which can be accessed through the website. No reports of critical concern were registered in 2021. Information about the integrity line is regularly communicated to make sure that all employees and other stakeholders are aware of the right and obligation to report concerns.

Stakeholder dialogue

Mercell's ability to create sustainable long-term value depends on its ability to listen to and respect the views of stakeholders over time. Dialogue with stakeholders is a part of ongoing business operations, and the company is striving to become more open and utilize various platforms to interact and respond to the opinions and perspectives of our clients, shareholders, employees, business partners, authorities and society in general. Stakeholder perspectives have been included in the assessment of material sustainability topics.

Key activities going forward

- Clarify key strategic opportunities and risks related to sustainable development, including exposure to climate risks and our contribution to UN sustainability goals.
- Further develop and strengthen the group compliance function, including reviewing existing group policies and procedures to ensure that sustainability assessments and requirements are adequately integrated into key operational and decision-making processes in a universal manner across all entities and functions
- Continuously strengthen training programs related to privacy, information security, ethical business conduct, anti-corruption and competitive behavior
- Collect data on KPIs in line with GRI standard and ensure that all entities report regularly on key KPIs and risks. Targets will be considered for key KPIs.



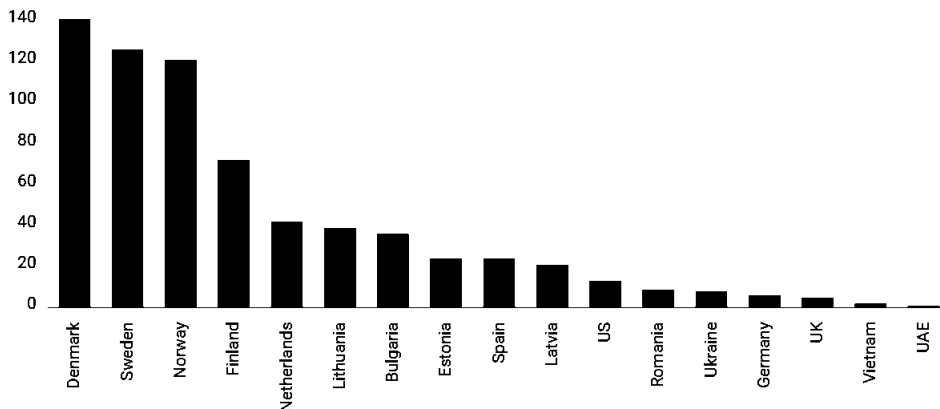
People and society

Employee wellbeing and work environment

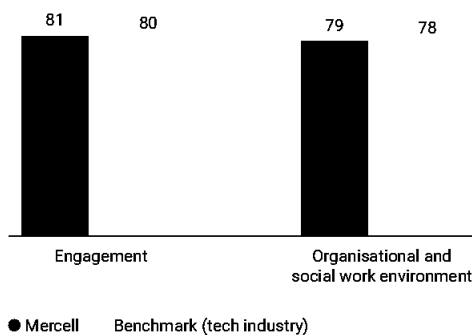
Mercell should be an attractive place to work, and the company is committed to creating and maintaining a good and inclusive working environment that respects labor rights and personal wellbeing. 692 people work at Mercell, in 17 different countries. All employees must treat each other with respect and understanding and deliver feedback and challenge in an appropriate and respectful manner.

The company does not accept any form of harassment or discrimination, and all entities and suppliers are required to have a systematic approach to the management of Health, Safety, Security and Environment (HSSE), in line with our code of conduct. The turnover rate in 2021 was 15.14 per cent (excl. contractors).

Employees per country



Employment Satisfaction



Mercell conducted an employment satisfaction survey in November 2021, with a response rate of 78 per cent. The report shows that overall satisfaction is good and the company scores slightly higher than industry average on most areas. 84 per cent report that they enjoy their job and 90 per cent are willing to make an extra effort for the company. 93 per cent of Mercell's leaders report to be motivated at their work, and 65 per cent of the leaders are perceived to be good or excellent. 84 per cent report clarity in how team contributes to overall goals. Mercell exceeds industry benchmark when it comes to involvement in decisions (84 per cent) and regular follow-up (81 per cent). The survey highlighted that Mercell needs to improve its internal communication as well as recovery time after periods with heavy workload. Mercell will follow up on the identified areas of improvement and take actions to further improve work environment and wellbeing.

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Sustainability at Mercell

84%

Enjoy their job at Mercell

The Covid-19 pandemic has impacted how Mercell's employees work. Home offices have, in certain periods, been used to a large extent and Mercell has strived to facilitate good and healthy home office solutions. The company has regularly informed employees about recommendations regarding covid-19 and initiated activities focused on health for employees (mini competitions counting steps). Sick leave has naturally risen during the pandemic, but it looks like the situation is getting back to normal.

37%

Women in management positions

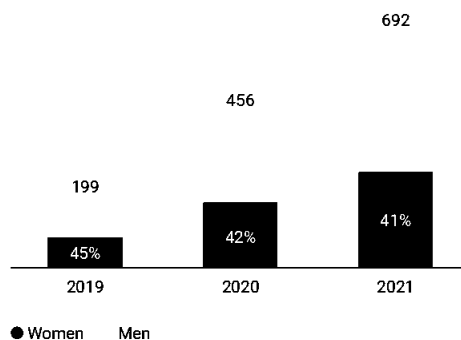
Diversity and equal opportunities

Being open and inclusive is key to attracting and retaining the best people across different perspectives, backgrounds, genders and nationalities. The company's commitment to an inclusive work culture, based on diversity, equal employment opportunity and fair treatment of all employees is underlined in the Group Code of Conduct. The company does not accept any form of harassment or discrimination based on race, color, religion, gender, sexual orientation, national origin, age, or disability in our own operations or with our suppliers. Guidelines emphasize the importance of cultural sensitivity, and the importance of considering that what is acceptable in one culture may not be in another.

2 out of 5

Women in Board of Directors

Number of employees and share of women 2019-2021



1 out of 6

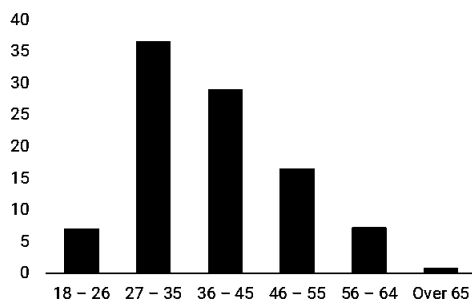
Women in Executive Management

Mercell works to reflect diversity in society and among its customers, and maintain a balance in age, gender and cultural background among its employees. The technology industry is known to have a male overrepresentation and Mercell is satisfied to have a relatively good gender balance, with a stable share of 40 per cent women in the workforce (41 per cent in 2021 compared to 42 per cent in 2020). The representation of women in management positions is also good. 37 per cent of managers are

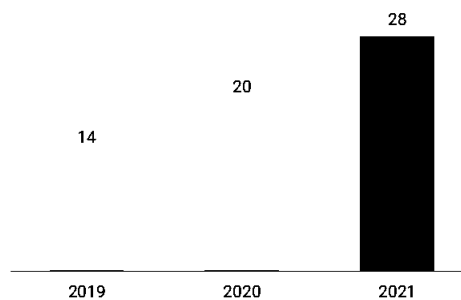
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Employees per age group (%)



Number of nationalities in work force



women and 2 women were recruited to the Board of Directors in 2021. Only 1 out of 6 executive leaders are women. Mercell will continue to foster an environment and development trajectory where women are included at all levels of management.

There were no official cases of discrimination reported in 2021. Activities to assess the risk of discrimination in our company has been started and a plan to strengthen equality and inclusivity is under development. This work includes analysis of pay conditions by reference to gender, which has been conducted in several of our teams. The results of our overall annual assessment of discrimination and data on equality of pay will be reported regularly, in line with legal requirements.

Mercell strives to have diversity in the workforce also when it comes to age and nationalities and to foster a culture of diversity, inclusion and learning. The company's workforce is spread across the age spectrum, with most of the staff (66 per cent) between the age of 27 and 45. International operations and growth into new geographical areas gives Mercell the benefit of an increasingly diverse workforce. The employees spanned 28 different nationalities in 2021 (compared to 20 in 2020).

Data Security and privacy as a human right

Mercell recognizes the fundamental right to data privacy for all individuals and is committed to managing personal data about its staff, customers, suppliers and business partners in a professional, lawful and ethical way. Mercell may only process personal data for legitimate purposes and the data must be accurate and relevant for the purpose for which it was collected, as well as properly

protected from inappropriate access or misuse. When it is to be transferred to third parties, it must be appropriately safeguarded. Non-compliance may cause harm to individuals, fines or litigation, and put Mercell's reputation at risk.

In 2021, Mercell conducted a GDPR transformation program with help from independent experts to ensure the highest level of data privacy in its operations across all entities. In this work, Mercell has mapped all activities which include processing of personal data and looked at which internal systems that handle personal data in accordance with article 30 in GDPR. Mercell has procured a new compliance IT-system to ensure a robust and systematic approach to compliance, also when it comes to data security and privacy. The system will be updated to include policies and processes from the GDPR transformation program.

Mercell has also created and updated many of its documents to fully comply with GDPR, including internal control processes and documented compliance with GDPR, group privacy policy and updated data processing agreements to include GDPR. Privacy statements have been updated and the use of suppliers has been identified and reviewed. Mercell has also developed a policy for handling deviations and implemented a compliance system to ensure overall control and compliance and to efficiently handle any incidents and made a template for conducting Data Protection Impact Assessments (DPIA). The transformation program is still running, and some final implementation will be done at the end of the program.

The Group CEO is responsible for the group information security and privacy policies, and the Group CPTO is responsible for implementation and overseeing adherence. Mercell supplier code of conduct requires

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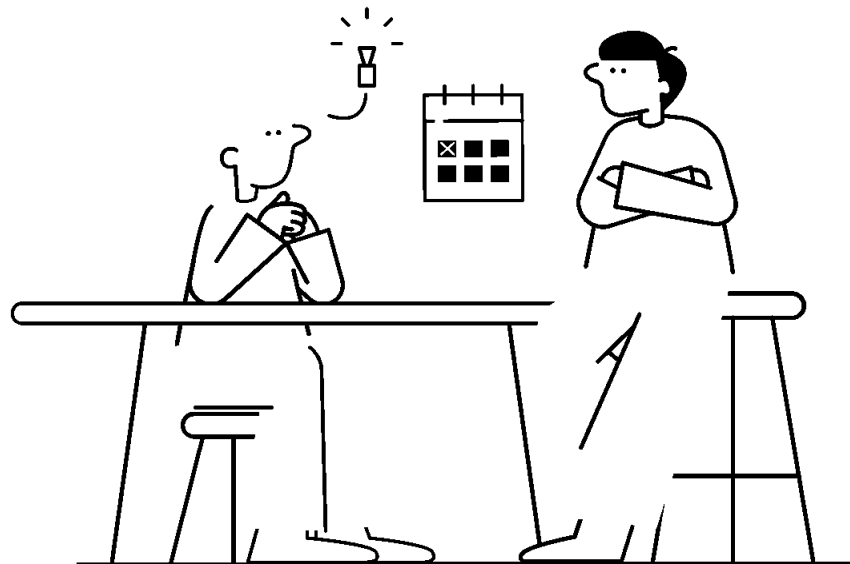
Sustainability at Mercell

its suppliers to demonstrate a high level of information security. Mercell's main businesses and platforms are certified under the International Standard for Information Security (ISO 27001).

All information security threats, and privacy incidents have been assessed and handled continuously throughout 2021. In 2021, Mercell registered three privacy breaches with data privacy authorities, and was in dialogue with the authorities regarding two other cases. One of the reported incidents has been closed, and Mercell does not expect any reactions from the Data Inspectorate related to the other cases.

Key activities going forward

- Update compliance IT-system with updated privacy policies
- Conduct groupwide training in the new privacy policies
- Continue work to strengthen diversity



Climate and Environment

Green energy operations

Mercell supports the transition to a low-carbon and resource efficient economy to combat climate change and ensure long-term competitiveness. The company has started the process of measuring the carbon footprint of its operations but is still at an early stage. According to the GHG protocol, Mercell mainly has indirect emissions from electricity consumption in office buildings and district heating and cooling (scope 2) as well as indirect emissions from business travels, data storage and cloud services (scope 3).

Mercell's main impact areas



Business travel



Cloud storage



Office buildings

The next step for Mercell is to develop structures for collecting data on energy consumption and business travels across all entities. The table below shows the KPIs we are working on and include numbers on emissions and waste from our headquarters in Norway Mercell is aiming to provide consolidated numbers on carbon emissions and waste for the entire Group from next year.

Mercell has already taken steps to increase its energy efficiency. In 2020 Mercell moved headquarters in Norway to premises with BREEAM certificate class Excellent. This building also has energy classification A, which ensures low energy consumption. ESG emission criteria were also taken into consideration when choosing new offices in Denmark. For collaborating across entities Mercell primarily uses electronic meetings. Some entities, such as Sweden, have developed travel policies where environmental impact is taken into consideration.

As a technology company offering software-as-a-service, Mercell has an environmental impact related to cloud computing and data storage, as data centers require much energy. Based on best practices for green technology, Mercell will start to incorporate environmental concerns into its cloud strategy.

KPIs - Environmental impact

Emissions

Electricity ¹ (Norway HQ)	126 483 KWh	1.0 ton CO2
Heating (Norway HQ)	66 587 KWh	0.7 ton CO2
Travel (Norway HQ)	40 087 km	4.7 ton CO2
Total CO2 emissions (Norway HQ)		6.4 ton CO2
CO2 emissions per employee (Norway HQ)		0.05 ton CO2
Total CO2 emissions (Mercell Group)		In progress
CO2 emissions per employee (Mercell Group)		In progress

Waste

Total waste (Norway HQ)	2717 kg
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¹ Location based method

Key activities going forward

- Collect data on energy consumption and business travels across all entities
- Establish a group travel policy to reduce the company's carbon footprint
- Develop a green server/cloud strategy



Corporate Governance report

1. Corporate Governance in Mercell Holding ASA

The Company has, with effect from the listing on the Oslo Stock Exchange, adopted and implemented a corporate governance regime, with processes, procedures and tools which follow the Public Companies Act, the Accounting Act, the Auditors Act, the Securities Trading Act, the EU Regulation No 596/2014 on Market Abuse ("MAR"), the Issuer Rules for Oslo Børs as well as the Norwegian Code of Practice for Corporate Governance, last updated 14 October 2021 (the "Corporate Governance Code"). Neither the Board of Directors nor the General Meeting have adopted any resolutions which are deemed to have a material adverse effect on the Group's corporate governance regime.

Mercell has established principles and procedures for sound Corporate Governance, including risk management and internal controls, rules of procedure for the Board of Directors and management, and equal treatment of shareholders. The Company's "Corporate Governance Policy", the "Mercell - Code of Conduct" as well as the "Mercell - Supplier Code of Conduct" have been approved and adopted by the Board of Directors. The Company is reporting in accordance with the Norwegian Code of Practice for Corporate Governance.

2. Business

The Company's business falls within the scope of business as defined in its Articles of Association.

Mercell is a platform provider for public eTendering and procurement in Europe, offering services to both the buyer and the supplier side in a tendering and procurement process. Buyers use Mercell to simplify the tendering and procurement process, including for interaction with suppliers. Suppliers in all industries use the Mercell tender notification system to receive notification of relevant public tenders and other relevant information about business opportunities within the public sector.

The Company's main products within the pre-award phase of the procurement process are the tender notification solution, bid delivery tool and the tender manager tool

(pre-award/source-to-contract). The Group has also entered the post-award/purchase-to-pay market through its acquisitions of Akseess Innkjøp, Truelink, Comcare, Tricom in 2020 and Ibistic in 2021. Following these acquisitions, Mercell now covers the full customer journey from source to pay. The Group's software offers a wide array of functionality with a clear value proposition for its customers, both on the supplier side and on the buyer side.

As of 31 December 2021, the Group had 692 employees, which included 81 contractors.

In accordance with the Norwegian Code of Practice for Corporate Governance, Mercell is required to have clear goals, strategies and risk profile for the business, so that the company creates value for shareholders in a sustainable way, taking into consideration financial, social and environmental factors.

Mercell works proactively to ensure sustainability, integrity and responsibility in its operations. In order to maintain our financial strength and achieve our ambitions as a platform provider for public eTendering and procurement in Europe, it is crucial that we understand and manage risks related to environmental, social and governance areas. Our internal governance structures enhance and ensure that our operations manage related risks in an adequate manner and in accordance with the short- and long-term objectives and strategies as set out for our operations by our Board of Directors and shareholders.

It is an objective of our Board of Directors to keep oversight over sustainability in our operations, which encompass strategy, operational model, reporting and frameworks. Moreover, the Board of Directors keeps oversight over management of risks, related frameworks, controls and processes including environmental, social and governance factors as drivers of existing risks. The Board of Directors evaluates the Company's objectives, strategies and risk profiles relating to financial, social and environmental objectives on an annual basis.

Sustainability considerations are integrated in internal processes and business operations and tailored to diverse local contexts and stakeholder expectations. The company is a signatory to the United Nations Global Compact and is committed to its 10 principles, and draw on the



goals set out in the Paris Agreement to focus on relevant factors that impact us or that we can have a significant impact on – by reducing the negative impact or increasing the positive impact of our business activities as well as our internal operations.

Mercell plays an important role in society through its efforts to bring together vendors and project owners. Our opportunity to create long-term value in a sustainable way depends on the ability to listen to and respect the views of our stakeholders over time, as through such dialogue we are able to identify what society expects of us and how we best can contribute to the better of society. Both the nature and concept of Mercell's business model provide for significant unrealized potential for our customers, as well as their stakeholders respectively, to embed and enhance sustainable choices and societal goals in their tendering and procurement projects through strong governance and clear, transparent incentives. Our digitized processes and solutions also offer our own operations, our customers as well as other stakeholders of our products and services the prospect of a reduced impact of inefficiency in internal operations.

3. Equity and dividends

Equity and capital structure

The primary objective of the Group's capital management is to maximize value creation over time. The Group seeks to optimize the capital structure by balancing risk and return on equity against collateral for lenders, requirements for liquidity and investment capacity.

On 31 December 2021, the Company's consolidated equity was NOK 2 126 million, which is equivalent to 47 per cent of total assets. The Board of Directors considered the capital structure at year-end to be satisfactory in relation to the Company's existing business, but non-satisfactory to fund new acquisitions in accordance with the Company's inorganic growth strategy to consolidate the European market through acquisitions.

The Company has stated an intent to refrain from making any major acquisitions in 2022. As such, the Company's capital structure is viewed as satisfactory for the existing business.

Registered share capital increases in 2021:

- 9 November 2021: 540 612 new shares were issued in the Employment Share Ownership Program at a

subscription price of NOK 5.387432221, with a related share capital increase of NOK 108 122.40.

- 7 June 2021: Completion of a private placement raising gross proceeds of NOK 400 million, increasing the share capital of the Company with NOK 9 248 555 by issuance of 46 242 775 new shares at a subscription price of NOK 8.65 per share
- 11 May 2021: In order to facilitate an exercise of 387 345 options pursuant to the Company's share option program, the Company's share capital was increased with NOK 77 469 by the issuance of 387 345 new shares at a subscription price of NOK 1.50.
- 20 April 2021: In order to facilitate an exercise of 530 570 options pursuant to the Company's share option program, the Company's share capital was increased with NOK 106 114 by the issuance of 530 570 new shares at a subscription price of NOK 1.50
- 11 February 2021: Completion of a private placement raising gross proceeds of NOK 434 million increasing the share capital of the Company with NOK 8 272 046 by issuance of 41 360 230 new shares at a price of NOK 10.5 per share.

In addition, the Company completed an issuance of SEK 500 million in additional bonds on 2 June 2021, under the existing SEK 1 100 million 5-year senior secured bond issue. The new outstanding amount of the bond issue was SEK 1 600 million.

Dividend policy

The Company has not stated an explicit dividend policy.

The Company's projections for operating cash flow and capital requirements for investments show that the organic growth plans for the existing business are fully funded, and that the company will generate a solid cash flow to equity from 2022 onwards. This will in turn strengthen the financial position for the company. Mercell has not paid any dividends during the financial years ended 31 December 2020, 2019, or 2018.

Board authorizations

At the Annual General Meeting held on 22 April 2021 the General Meeting resolved to grant the Board of Directors (i) an authorization to increase the Company's share capital by up to NOK 18 200 000 in order to ensure flexibility for the Company going forward, related to financing of further growth, issuances of shares as consideration in connection



with acquisitions of other companies, businesses or assets, or in order to finance such acquisitions, or in general to strengthen the Company's equity and (ii) an authorization to increase the Company's share capital by up to NOK 2 730 000 to be used to facilitate the completion and settlement of the Company's option and investment programs. The authorizations are valid until the Company's annual General Meeting in 2022, but no longer than to and including 30 June 2022. NOK 11 470 386.4 of the authorizations remains after deducting cumulative share capital increases since the Annual General Meeting on 22 April 2021.

4. Equal treatment of shareholders and transactions with related parties

Pre-emption rights to subscribe

According to the Norwegian Public Limited Liability Companies Act, the Company's shareholders have pre-emption rights in share offerings settled in cash contribution. Such pre-emption rights may, however, be set aside, either by the General Meeting or by the Board of Directors if the General Meeting has granted a board authorization which allows for this. Any resolution to set aside pre-emption rights shall be justified by the common interests of the Company and the shareholders, and such justification will be publicly disclosed through a stock exchange notice from the Company. The Board of Directors set aside the shareholders' pre-emptive rights in all share capital increases completed in 2021. For the private placements completed in 2021 not relating to exercise of employee options nor the Employment Share Ownership Program, the justifications for such deviations were included in the relevant stock exchange notices announcing the private placements. For the share capital increase related to the exercise of employee options and the Employment Share Ownership Program, the deviation from the shareholders pre-emptive rights was required in order for the Company to honor such obligations.

Trading in own shares

The board of directors does not hold any authorization to acquire own (treasury) shares and the Company has as such not acquired any own shares in 2021.

5. Freely negotiable shares

The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the Company. Each of the Shares carries one vote.

6. General meetings

The General Meeting is the highest authority of the Company. All shareholders in the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The Annual General Meeting shall deal with and decide on the approval of the annual accounts and the annual report, including distribution of dividend, as well as any other matters that are to be dealt with by the General Meeting pursuant to applicable law.

The Board of Directors will make its best efforts with respect to the timing and facilitation of general meetings to ensure that as many shareholders as possible may exercise their rights by participating in general meetings, thereby making the general meeting an effective forum for the views of shareholders and the Board of Directors. Extraordinary general meetings (EGM) can be called by the Board of Directors if deemed necessary or be requested by the company's auditor or shareholders representing at least 5 per cent of the company's share capital.

Notice

In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. For Norwegian public limited liability companies listed on a regulated market, the Norwegian Public Limited Liability Companies Act requires that written notice of general meetings, which sets forth the date and time of, the venue for and the agenda of the general meeting, is sent to all shareholders with a known address no later than 21 days before the date of the general meeting, unless the articles of association stipulate a longer deadline. The latter is currently not the case for the Company.

The Annual General Meeting was held electronically on 22 April 2021 as a consequence of the covid-19 outbreak and the related governmental restrictions. The Company was at the time a private limited liability company, and the notice was thus sent with one week notice.

Participation and execution

All shareholders who are registered as such on the date of the general meeting have the right to attend and exercise their voting rights at that meeting. The Articles of Association stipulate that the Board of Directors may resolve that shareholders who want to participate at the general meeting have to notify the Company about this by



a deadline which shall not be less than three days prior to the general meeting.

The shareholders may cast their votes in writing, including through electronic communication, in a period prior to the general meeting. The board of directors may establish specific guidelines for such advance voting. It must be stated in the notice of the general meeting which guidelines have been set. A shareholder may vote at the general meeting either in person or by proxy appointed at its own discretion.

The notice to the Annual General Meeting in 2021 included sufficient details regarding the proposed resolutions enabling shareholders to form a view on all matters considered at the general meeting. Furthermore, shareholders could vote on each individual matter on the agenda, including on each individual candidate nominated for election. Shareholders who were prevented from attending the meeting were given the opportunity to vote through proxies or by advance voting.

The chairperson of the Board of Directors was appointed as the chairman of the Annual General Meeting in 2021, which is a deviation from the Corporate Governance Code. However, at the time of the Annual General Meeting in 2021, the Company was not listed on the Oslo Stock Exchange and was not a public limited liability company. The Board of Directors will propose that the Annual General Meeting in 2022 is chaired by an independent person.

7. Nomination committee

According to the Articles of Association, the Company shall have a nomination committee consisting of between two and three members as resolved by the general meeting, and the majority of committee members shall be independent of the Board of Directors and the Company's management. The members of the nomination committee are appointed for a two-year term. Eivind Bergsmyr (chair) and Inge Støve were elected as members of the Nomination Committee by the Annual General Meeting in 2021 for a term of two years, until the Annual General Meeting in 2023.

The nomination committee is responsible for nominating candidates for the election of shareholder-elected Board Members and the chairman of the Board of Directors, nominating members to the nomination committee and making recommendations for remuneration to these

members. The Annual General Meeting in 2021 approved guidelines for the Nomination Committee.

8. Board of Directors: Composition and Independence

Pursuant to the Company's Articles of Association, the shareholder elected members of the Company's Board of Directors shall consist of between four to seven members. The members of the Board of Directors are elected for a period of two years unless otherwise determined by the general meeting.

On 31 December 2021, the Board of Directors consisted of three men and two women. The following persons comprise the Company's Board of Directors, whereby the three first board members were elected by the Annual General Meeting in 2020, while Anne Lise Waal and Berit Lid Scharff were elected by the Annual General Meeting in 2021:

- Joar Welde (chairperson).
Served since 2018, term expires in 2022;
- Erik Fjellvær Hagen (board member).
Served since 2018, term expires 2022;
- Helge Nielsen (board member).
Served since 2013, term expires 2022;
- Anne Lise Waal (board member).
Served since 2021, term expires 2023; and
- Berit Lid Scharff (board member).
Served since 2021, term expires 2023.

All members of the Board of Directors are considered independent of the company's executive management and material business contacts. The company's annual report and website provides information showing the expertise of the members of the Board of Directors. The Board of Directors considers its composition to be diverse and represent required competencies including financial and industrial experience. Board members are encouraged to own shares in the company.

9. The work of the Board of Directors

The rules of procedure for the Board of Directors
The board of directors is responsible for the overall management of the company and shall supervise the



Corporate Governance report

company's day-to-day management and the Company's activities in general. The Norwegian Public Limited Liability Companies Act regulates the duties and procedures of the Board of Directors.

In 2021, the board held six ordinary meetings and 26 extraordinary meetings.

The board of directors has adopted rules of procedure for the board of directors and the duties and obligations of the CEO towards the board of directors.

The Board of Directors evaluates its performance and expertise annually.

The audit committee

The primary purpose of the audit committee is to act as a preparatory and advisory committee for the Board of Directors in monitoring the Group's internal control of the risk management and financial reporting. This includes but is not limited to:

- All critical accounting policies and practices;
- Quality, integrity and control of the Group's financial statements and reports;
- Compliance with legal and regulatory requirements;
- Qualifications and independence of the external auditors; and
- Performance of the internal audit function and external auditors.

The audit committee reports and makes recommendations to the board of directors, but the board of directors retains responsibility for implementing such recommendations. The audit committee shall comprise two or three Board Members who are appointed for a two-year term.

The appointed members of the audit committee in the company are Joar Welde (chair), Helge Nielsen and Berit Lid Scharff. The composition of the Company's audit committee is fully compliant with the requirements for qualifications and competence in accounting and auditing set out in the Norwegian Public Limited Companies Act and is also compliant with the Corporate Governance Code.

The remuneration committee

The primary purpose of the remuneration committee is to assist the Board of Directors in matters relating to the

remuneration of the Management, as well as reviewing recruitment policies, career planning and management development plans, and prepare matters relating to other material employment issues in respect of the management. The remuneration committee shall report and make recommendations to the board of directors, but the board of directors retains responsibility for implementing such recommendations.

The Board of Directors has established a remuneration committee comprising Joar Welde (chair), Erik Fjellvåg Hagen and Anne Lise Waal.

10. Risk management and internal control

The Group is exposed to a range of risks affecting its financial performance, including market risk, credit risk and liquidity risk. The Group seeks to minimize potential adverse effects of such risks through sound business practice and risk management.

11. Remuneration of the Board of Directors

At the Annual General Meeting held on 22 April 2021, the following remuneration was approved to the members of the Board of Directors for the period from the Annual General Meeting in 2021 to the annual General Meeting in 2022.

- The chairman of the Board of Directors shall receive NOK 600 000 for the period. All other Board Members shall receive NOK 300 000 for the period.
- The Company may compensate the Board Members for any extraordinary tasks performed for the Company beyond their directorship.
- For Board Members not having served through the entire periods, the remuneration shall be adjusted pro rata based on the relevant Board Member's term of service.

The remuneration of the Board of Directors is not linked to the Company's performance and the Company has not granted share options to the members of the Board of Directors.

In the financial year 2021, no members of the Board of Directors and/or companies with which they are associated carried out any specific assignments for the Company in addition to their appointment as a member of the Board of Directors.



The Company has directors' and general manager liability insurance which covers the cost of compensation claims made against the Company's directors and general manager for alleged wrongful acts.

12. Remuneration of executive management

Remuneration to the members of management during the financial year 2021 comprised salary, bonus, pension, share based options and other compensation, collectively amounting to their total remuneration. The total remuneration for the executive management for the fiscal year 2021 can be found in note 2.3 in the Company's Annual Report for the financial year 2021. The Annual General Meeting held on 22 April 2021 approved guidelines for determination of salary and other remuneration to executive personnel in Merzell, which is available at the Company's websites.

13. Information and communications

Mercell's spokespersons for investor communication are the CEO and the CFO. Merzell's communication with the capital markets shall be based on transparency and fulfill the requirement of treating all market participants equally when it comes to access to information. To ensure accessibility, transparency, compliance, and outreach to and for all stakeholders, a well-functioning and compliant Investor Relation website (IR web) is a high priority in Merzell.

Relevant information regarding the pricing of the Merzell's securities shall be published on the company's website, as well as through the official distribution channels of Oslo Børs. Merzell integrates stock exchange releases, press releases, reports and presentations and general meeting documents with its IR web and will offer a subscription alternative for Merzell's investors through the home page for such documents.

Mercell shall strive to integrate digital solutions to increase the quality and efficiency of the IR activities. Social media is used selectively to support overall IR strategy and to deliver capital market story to relevant stakeholders.

The Board of Directors has established guidelines for the Company's reporting of financial and other information based on openness and taking into account the requirement for equal treatment of all participants in the securities market. Further, the Board of Directors has

established guidelines for the Company's contact with shareholders other than through general meetings.

14. Take-overs

To the extent known to the Company, there are no persons or entities that, directly or indirectly exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. The Shares have not been subject to any public takeover bids during the current or last financial year.

The Board of Directors has prepared a set of main principles for how it will act in the event of a take-over bid in the Company's Corporate Governance Policy which is available at Merzell's website.

15. Auditor

The company's auditor, BDO AS, was appointed by the annual general meeting and is regarded as independent in relation to Merzell Holding ASA. The Board of Directors receives an annual confirmation from the auditor that the requirements regarding independence and objectivity have been satisfied.

The Board of Directors requires the auditor to prepare an annual plan for the implementation of the audit, which is made known to the audit committee and the Board of Directors. The Board of Directors further requires an annual meeting with the auditor, in conjunction with the approval of the annual report. This meeting includes an opportunity for a review with the auditor, without the presence of the company's day-to-day management. The Board of Directors has separate guidelines for using the auditor for services other than auditing. As a guiding principle, the company's auditor cannot be contracted if the service rendered can be considered to compromise the auditor's independence in the eyes of an outside party. The Board of Directors discloses the amount of remuneration to be paid to the auditor, distributed between auditing and other services, to the annual general meeting, which makes the final decision to approve the auditor's remuneration. The auditor shall attend the annual general meeting.



Consolidated financial statements



Consolidated financial statements

Consolidated statement of comprehensive income

Merzell Holding ASA
1 January - 31 December

All amounts in NOK 1 000	Note	2021	2020
Revenues	2.2	706 296	311 906
Total operating revenue		706 296	311 906
Cost of goods sold		24 146	5 565
Salary and personnel expenses	2.3	304 393	187 015
Other operating expenses	2.4	242 374	94 300
M&A costs	6.2	30 379	48 751
Total operating expenses before depreciation and amortization		601 291	335 629
EBITDA		105 005	-23 723
Depreciation and amortization	3.1, 3.3, 3.4	173 864	52 012
Impairment losses	3.3	14 814	-
Operating profit or loss		-83 672	-75 735
Financial income	4.5	64 991	30 665
Financial expense	4.5	97 788	109 205
Net financial items		-32 797	-78 539
Profit/loss before tax		-116 469	-154 275
Tax expense	5.1	-3 234	-8 025
Profit/ loss for the period		-113 235	-146 250
Other comprehensive income			
<i>Items which may subsequently be reclassified to profit or loss:</i>			
Translation differences in subsidiaries		-185 538	8 476
Other comprehensive income or loss for the period		-185 538	8 476
Total comprehensive income or loss for the period		-298 772	-137 774
Net loss for the year attributable to:			
Equity holders of the parent company		-113 235	-146 250
Non-controlling interest		-	-
Total comprehensive income attributable to:			
Equity holders of the parent company		-298 772	-137 774
Non-controlling interest		-	-
Earnings per share			
Basic earnings per share (NOK)	7.1	-0.237	-0.552
Diluted earnings per share (NOK)	7.1	-0.237	-0.552

Pemco Dokumentnøkkel: OE3EJLS18H-PFTI4-PNE6L-PIXF-L336A



Consolidated financial statements

Consolidated statement of financial position

Mercell Holding ASA

All amounts in NOK 1 000	Note	31 Dec 2021	31 Dec 2020
Deferred tax assets	5.1	30 018	26 703
Goodwill	3.2, 3.5	3 045 761	2 114 806
Intangible assets	3.1, 3.5	1 033 642	811 442
Right-of-use assets	3.4, 3.5	62 551	58 329
Property, plant & equipment	3.3, 3.5	12 557	6 361
Other non-current assets	2.2	23 613	14 549
Other non-current receivables	2.3	5 388	5 600
Total non-current assets		4 213 531	3 037 789
Trade and other receivables	2.5	180 940	118 049
Contract assets	2.7	1 900	122
Cash and cash equivalents	4.4	96 691	327 984
Total current assets		279 531	446 155
Total assets		4 493 062	3 483 944
Share capital		100 533	82 720
Share premium		2 579 756	1 791 125
Other equity		-554 494	-255 916
Total equity	4.6	2 125 795	1 617 930
Non-current interest-bearing liabilities	4.2	1 578 206	1 144 186
Deferred tax liabilities	5.1	174 250	151 462
Other non-current liabilities	6.3	5 474	4 526
Other non-current financial liabilities	4.1	594	1 262
Total non-current liabilities		1 758 525	1 301 436
Current interest-bearing liabilities	4.2	23 187	15 713
Trade and other payables	2.6	100 188	88 705
Contract liabilities	2.7	360 685	235 682
Other current financial liabilities	2.6	124 682	224 478
Total current liabilities		608 742	564 578
Total liabilities		2 367 267	1 866 014
Total equity and liabilities		4 493 062	3 483 944

The Board of Directors of Mercell Holding ASA
Oslo, 24 March 2022

Sign.

Joar Welde
Chair of the Board

Helge Nielsen
Board Member

Anne Lise Waal
Board Member

Berit Lid Scharff
Board Member

Erik Fjellvær Hagen
Board Member

Terje Wibe
CEO

Pemco Dokumentnøkkel: OE3EJLS18H-PFTI4-PNE6L-PIXF-L336A



Consolidated statement of changes in equity

Mercell Holding ASA

All amounts in NOK 1 000	Note	Paid-in equity		Other equity		Total equity
		Share capital	Share premium	Cumulative translation differences	Retained earnings	
Equity as at 1 January 2021		82 720	1 791 125	17 126	-273 041	1 617 930
Net loss for the period		-	-	-	-113 235	-113 235
Other comprehensive income		-	-	-185 538	-	-185 538
Total comprehensive income		-	-	-185 538	-113 235	-298 772
Issuance of share capital	4.6	17 812	820 759	-	-	838 572
Transaction costs		-	-32 129	-	-	-32 129
Share-based payments		-	-	-	195	195
Equity as at 31 December 2021		100 533	2 579 756	-168 412	-386 080	2 125 795
Equity as at 1 January 2020		44 596	190 715	8 650	-127 858	116 103
Net loss for the period		-	-	-	-146 250	-146 250
Other comprehensive income		-	-	8 476	-	8 476
Total comprehensive income		-	-	8 477	-146 249	-137 774
Issuance of share capital	4.6	38 124	1 712 272	-	-	1 750 396
Transaction costs		-	-111 862	-	-	-111 862
Share based payments	6.3	-	-	-	1 066	1 066
Equity as at 31 December 2020		82 720	1 791 125	17 126	-273 041	1 617 930

Translation differences arise in connection with exchange-rate differences of consolidated foreign entities.



Consolidated financial statements

Consolidated statement of cash flows

Mercell Holding ASA

All amounts in NOK 1 000	Note	2021	Restated 2020 ¹
Cash flow from operating activities:			
Profit/loss before tax		-116 469	-154 275
Income tax paid	5.1	-3 127	-382
Depreciation and amortization	3.1, 3.3, 3.4	173 864	52 011
Impairment losses	3.1, 3.3, 3.4	14 814	-
Net financial items	4.5	32 797	78 539
Extinguishment of government loan		-3 922	-
Working capital adjustments:			
Changes in trade and other receivables		-25 409	-2 006
Changes in trade and other payables		-689	19 027
Changes in contract liabilities	2.7	47 164	127 488
Changes in other non-current assets	2.2	-5 677	-6 179
Changes in other operating items	2.6	-24 205	-93 394
Net cash flows from operating activities		89 140	20 830
Cash flow from investing activities			
Purchase of property, plant and equipment	3.3	-1 745	-3 496
Development of software and other intangible assets	3.1	-165 019	-54 225
Acquisition of subsidiaries, net of cash acquired	6.2	-1 153 219	-2 166 000
Net cash flows from investing activities		-1 319 983	-2 223 721
Cash flow from financing activities			
Proceeds from share issue	4.6	838 572	1 750 396
Repayments of borrowings	4.3	-40 420	-312 142
Repayment of sellers credit including interest		-150 612	-
Proceeds from long term debt	4.3	495 392	1 252 348
Transaction costs on issue of shares	6.2	-32 129	-111 862
Payments for the principal portion of the lease liability	3.4, 4.3	-20 826	-9 479
Payments of interest for the lease liability	3.4, 4.3	-4 570	-3 071
Interest paid	4.5	-82 323	-59 251
Other financing activities		-400	-
Net cash flows from financing activities		1 002 684	2 506 939
Net change in cash and cash equivalents	4.4	-228 159	304 048
Foreign exchange effects on cash and cash equivalents		-3 134	100
Cash and cash equivalents as at beginning of the period	4.4	327 984	23 836
Cash and cash equivalents as at 31 Dec		96 691	327 984

¹ The cash flow for the year-ended 2020 have been restated due to adjustment in the presentation of sellers credit related to acquisitions in 2020. In the consolidated statement of cash flows for 2020, the cash flow effect related to the sellers credit was included in operating activities as a part of changes in other operating items, and was offset by a similar amount under investing cash outflows related to acquisitions of subsidiaries. A more appropriate presentation would have been to present the investing cash flows related to investments in subsidiaries net of the sellers credit.



Notes to the consolidated financial statements

Section 1 General information, significant accounting policies, judgements, estimates and assumptions

Note 1.1 Corporate information

Mercell Holding ASA and its subsidiaries (collectively “the Group”, or “Mercell”) is a publicly listed company on Oslo Stock Exchange, with the ticker symbol MRCEL. Mercell Holding ASA was admitted to trading on Oslo Stock Exchange 9 July 2021. Mercell Holding ASA is incorporated and domiciled in Norway. The Company’s principal offices are located in Askekroken 11, N-0277 Oslo Norway.

Mercell is a digital platform for public procurement,

where buyers and suppliers meet in a unique, web-based marketplace. Mercell makes public procurement safe and transparent and contributes to effective and fair competition in the full tender process.

The consolidated financial statements of the Group for the year ended 31 December 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 24 March 2022.

Note 1.2 Basis for preparation

The consolidated financial statements of the Group comprise of the consolidated statement of comprehensive income, financial position, cash flow and changes in equity and related notes.

The consolidated financial statements of the Group for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by The European Union (“EU”).

The consolidated financial statements have been prepared on a historical cost basis. Further, the financial statements are prepared based on the going concern assumption. The Group has not experienced significant negative economic impact on its business related to COVID-19.

All figures are presented in NOK thousands (000), except when otherwise stated.



Note 1.3 General accounting policies

Mercell has selected a presentation in which the description of accounting policies as well as estimates, assumptions and judgmental considerations are disclosed in the notes to which the policies relate. A summary of the Group's general accounting policies not disclosed in the notes, are therefore summarized below:

Presentation and functional currency

The consolidated financial statements are presented in NOK, which is also the functional currency in the parent company.

The functional currency is determined in each entity in the Group based on the currency within the entity's primary economic environment. Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. Monetary items in foreign currency are at the end of the reporting period translated to functional currency using the closing rate. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

For presentation purposes, balance sheet items are translated from functional currency to presentation currency by using exchange rates at the reporting date. Items within comprehensive income are translated from functional currency to presentation currency by applying monthly average exchange rates. If currency rates are fluctuating significantly, transaction date exchange rates are applied for significant transactions. Translation differences are recognised in other comprehensive income ("OCI").

Basis of consolidation

The consolidated financial statements comprise the financial statements of Mercell Holding ASA and its subsidiaries as at 31 December 2021. References are made to note 6.1 for consolidated subsidiaries.

The subsidiaries are consolidated when control is achieved as defined by IFRS 10. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.



A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period,

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Group classifies all other liabilities as non-current.

Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares (transaction costs) are shown as a deduction from the proceeds.

Statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method.

Distribution to shareholders

The Group recognises a liability to make distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws of Norway, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Government grants

Government grants are recognised when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Grants are deducted from the cost which the grant is meant to cover. Investment grants are capitalised and recognised systematically over the asset's useful life. Investment grants are recognised as a deduction of the asset's carrying amount. References are made to note 2.3 and 2.6.

Changes in accounting policies

There are no new amended accounting standards or interpretations issued by the IASB effective from 1 January 2021 that have a significant impact on the Group's financial statements of 2021.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued and relevant for the Group, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, when they become effective. Adopting the standards not yet effective are not expected to have any material impact on the Group's financial performance or financial position.

- Amendments to IFRS 3 - Reference to the Conceptual Framework - effective in 2022 financial statements
- Amendments: IFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities - effective in 2022 financial statements
- Amendments to IFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021 - effective in 2022 financial statements
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current - effective in 2023 financial statements
- Amendments to IAS 8: Definition of Accounting Estimates - effective in 2023 financial statements
- Amendments to IAS 1: Disclosure of Accounting Policies - effective in 2023 financial statements



Note 1.4 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are listed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Significant estimates and assumptions:

- Value in use calculations in relation to impairment testing of goodwill (note 3.5)
- Purchase price allocation in business combinations (note 6.3)
- Capitalisation of internal development costs and useful life of intangible assets (note 3.1)
- Measurement of deferred tax assets (note 5.1)



Section 2 Operating performance

Note 2.1 Operating Segments

Mercell provides workflow services for public procurement officers and their suppliers. The workflow systems for the public buyer cover the entire user journey from when the need to purchase arises until the payment has been performed. Mercell enables suppliers to find relevant tenders and submit bids to tenders, in addition to supporting the post-award workflow process with e.g. catalogue management and invoice management. These services cover the entire procurement process and are divided into three segments: pre-award buyer, pre-award supplier and post-award. The three segments represent the Group's operating segments, which are monitored separately by the chief operating decision maker ("CODM"), defined as the Board of Directors, for the purposes of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on EBITDA. The CODM does not review segment assets and segment liabilities and the information for segment assets and segment liabilities are as such not presented.

Pre-award buyer and supplier

Our pre-award service is a marketplace matching pre-award buyers and suppliers, with workflow solutions aimed at public buyers needing to create, publish, evaluate bids and finally award tenders. In addition, we enable suppliers to find relevant tenders and to submit bids for tenders. Our solutions in the pre-award market are delivered on a marketplace matching buyers with relevant suppliers, by making sure that the buyers conduct the tender process fully compliant to the EU-directives, making the process efficient, transparent, and secured. These services simplify and streamline the entire sourcing to contract – or sourcing to contract (S2C) phase, for both sides of the platform.

Post-award

Our post-award services are cloud-based eProcurement workflow solutions covering the procure to pay (P2P)

process. The services enable public buyers to manage contracts, call of on contracts using e-commerce solutions and manage the invoice process. In addition, the buyer can analyze their procurement operations using Mercell spend analytics tools. Towards the suppliers we enable them to upload catalogues of their products and services and manage the ordering and invoice flow.

No operating segments have been aggregated to form the reportable operating segments.

Other and Eliminations

The remaining of the Group's activities and business are shown in the "Other" column below. These activities mainly relate to the administrative and financial components of the Group. The "Eliminations" column consists of inter-segment transactions.

Transactions between the segments are made as a part of the day-to-day operating business and the applicable business terms. The management group monitors the segments' operating profit regularly and is using the information to generate analyzes of the different segments' performance as well as making decisions with regards to allocation of resources.

Geographical markets

Reference is made to note 2.2 Revenue for information on the Group's geographical markets.

Information about major customers

The Group does not have any customers that amount to 10 per cent or more of the Group's total revenues.



Consolidated financial statements

For the year ended 31 December 2021

All amounts in NOK 1 000	Pre-award Buyers	Pre-award Suppliers	Post award	Other	Eliminations	Consolidated IFRS
Revenues	265 261	351 043	89 992	-	-	706 296
Total operating revenue	265 261	351 043	89 992	-	-	706 296
Salary and personnel expenses	125 440	138 456	38 007	-	2 490	304 393
Other costs	91 406	96 847	63 417	36 727	-21 876	266 520
M&A-cost	-	-	-	30 379	-	30 379
Total operating expenses	216 846	235 303	101 423	67 105	-19 386	601 291
EBITDA	48 415	115 740	-11 431	-67 105	19 386	105 005

For the year ended 31 December 2020

All amounts in NOK 1 000	Pre-award Buyers	Pre-award Suppliers	Post award	Other	Eliminations	Consolidated IFRS
Revenues	78 565	183 354	49 986	-	-	311 905
Total operating revenue	78 565	183 354	49 986	-	-	311 905
Salary and personnel expenses	43 300	100 648	42 932	-	136	187 015
Other costs	27 917	89 034	14 372	-31 692	233	99 863
M&A-cost	-	-	-	48 751	-	48 751
Total operating expenses	71 217	189 682	57 304	17 059	368	335 629
EBITDA	7 349	-6 327	-7 318	-17 059	-368	-23 723
IFRS adjustments	8 915	-1 056	1 071	2 184	-11 114	-
EBITDA (Pre-IFRS)	-1 566	-5 271	-8 389	-19 243	10 746	-23 723

In the Group's consolidated financial statements for the year ended 31 December 2020, operating segments (pre-award buyers, pre-award suppliers and post-award), were presented to the Board pre-IFRS adjustments. IFRS adjustments were made as an adjustment in the "eliminations" column. In 2021, segment reporting is presented to the Board post-IFRS and IFRS adjustments are reflected in the Group's operating segments. Following the tables above shows the differences between presented EBITDA for operating segments in the Group's annual report 2020 (pre-IFRS) and operating segments presented post-IFRS.



Note 2.2 Revenue from contracts with customers

Mercell Group is a software platform provider for public e-tendering in the Nordic region. The Group has a two-sided SaaS platform that provides workflow solutions to both buyers and supplier resulting in significant network effects. Revenue comprise of license/subscription-based revenue, which is almost exclusively recurring. Other sources of revenue include consulting and training, courses, seminars and integration and improvements services.

The Group's revenue from contracts with customers are reported in three segments as describe in note 2.1: pre-award buyers, pre-award suppliers and post-award.

Accounting policies

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for services. The Group has concluded that it is the principal in all its revenue arrangements (and recognise revenue gross).

The Group's revenue mainly relates to license fees, which are typical SaaS contracts consisting of a software licensing model where software is licensed on a subscription basis and centralized on Mercell's platform. Revenue from SaaS arrangements, where the customer cannot take possession of the software licence and where the software licence cannot be separated from its related hosting services are considered as "right to access" licenses and revenue is recognised over time (i.e. over the subscription period).

Revenue from workshops/training and consultancy services is recognised over time, because the customer simultaneously receives and consumes the benefits provided by the Group.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., service type warranties). In determining the transaction price for the sale of a service, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and any consideration payable to the customer.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal, in the amount of cumulative revenue recognised, will not occur when the associated uncertainty with the variable consideration is subsequently resolved.



Consolidated financial statements

Specification of revenue from contracts with customers per segment 2021

All amounts in NOK 1 000	Pre-award Buyers	Pre-award Suppliers	Post-award	Total
SaaS license	251 047	341 225	78 625	670 896
Other services	14 215	9 818	11 367	35 400
Total revenue from contracts with customers	265 261	351 043	89 992	706 296
Geographical markets				
Norway	44 860	110 512	10 948	166 320
Denmark	17 911	47 995	79 044	144 950
Sweden	63 007	164 947	-	227 954
Finland	47 321	6 114	-	53 435
Baltics	4 807	18 846	-	23 654
UK	13 483	1 189	-	14 672
Netherlands	66 163	105	-	66 268
Other	7 710	1 334	-	9 044
Total revenue from contracts with customers	265 261	351 043	89 992	706 296
Timing of revenue recognition				
Services transferred at a point in time	-	-	-	-
Services transferred over time	265 261	351 043	89 992	706 296
Total revenue from contracts with customers	265 261	351 043	89 992	706 296
Inter-segment revenue	-	-	-	-
Segment revenue as presented in note 2.1	265 261	351 043	89 992	706 296

Specification of revenue from contracts with customers per segment 2020

All amounts in NOK 1 000	Pre-award Buyers	Pre-award Suppliers	Post-award	Total
SaaS license	74 441	174 904	45 765	295 111
Other services	4 125	8 449	4 221	16 795
Total revenue from contracts with customers	78 566	183 353	49 986	311 905
Geographical markets				
Norway	28 761	78 375	6 873	114 009
Denmark	12 219	50 271	43 112	105 603
Sweden	12 668	28 268	-	40 936
Finland	466	4 958	-	5 424
Baltics	4 133	18 313	-	22 446
UK	10 389	343	-	10 732
Netherlands	4 092	8	-	4 101
Other	5 837	2 818	-	8 654
Total revenue from contracts with customers	78 565	183 354	49 986	311 905
Timing of revenue recognition				
Services transferred at a point in time	-	-	-	-
Services transferred over time	78 565	183 354	49 986	311 905
Total revenue from contracts with customers	78 565	183 354	49 986	311 905
Inter-segment revenue	-	-	-	-
Segment revenue as presented in note 2.1	78 565	183 354	49 986	311 905

Pemco Dokumentnøkkel: OE3E-LS18H-PFT14-PNE6L-PIXF-L336A

SaaS license fee

The Group's performance obligation is satisfied over time (as "right to access" licenses). The customer receives the right to access Mercell's intellectual property throughout the license period for which revenue is recognized over the license period. The software is run on Mercell's platform and the customer may only access the software through a network (cloud). The customer cannot take possession of the software/code and is not able to run the software on its own server.

Other services

Other services mainly consist of workshops/training and consultancy services provided by the Group in connection with the SaaS license. Generally, these services are not included in the license fee. Revenue is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The Group recognises revenue normally on the basis of hours incurred.

Contract balances

Contract assets relate to revenue earned from ongoing services. The Group presents its trade receivables arising from contracts with customers separately from contract assets and other receivables. The Group does not have significant amount of contract assets.

Contract liabilities relate to consideration received in advance for SaaS license. The SaaS license is normally pre-paid by the customer for 12 months. As such, the balance of account at the end of the year represents the Group's deferred revenue related to performance obligations that will be satisfied within 12 months. The Group contract liabilities is disclosed in note 2.7.

Significant financing components

As most of the customers only pays in advance 12 months or less, the Group does not have any significant financing components.

Costs to obtain a contract

All amounts in NOK 1 000	2021	2020
Balance as of 1 January	14 549	8 369
Costs to obtain contracts during the year	14 139	9 180
Amortization for the period	-5 075	-3 000
Balance as of 31 December	23 613	14 549

Contract costs (accounting policies)

Under IFRS 15, the incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) is recognized as an asset if the Group expects to recover them either directly through reimbursement or indirectly through the margin inherent in the contract. For costs incurred exceeding the expected inherent margin, only the recoverable amount is capitalised as an asset and the remaining amount expensed as incurred.

Contract costs recognized as an asset is amortized on a systematic basis that is consistent with the transfer to the customer of the services to which the asset relates. Those services could be provided under a specific contract or a specifically anticipated (i.e. future) contract.

The amortization period for capitalized sales commission in the Group is determined based on the anticipated contract to which the costs relates to (i.e., the initial contract term plus any expected renewals periods).

The Group has incremental costs to obtain contracts such as sales commissions. Sales commissions is recognised as an asset and amortized on a straight-line basis over the anticipated contract period. The Group has determined that the anticipated contract period is normally five years.

In the statement of financial position, costs of obtaining a contract is presented separately from any contract assets or contract liabilities. The costs are presented under the line other non-current assets. In the income statement, the costs are classified as other operating expenses.



Note 2.3 Salary and personnel expenses

Accounting policies

Salary and personnel expenses comprise of all types of remuneration to personnel employed by the Group (i.e. not contracted manpower) and are expensed when incurred. Ordinary salaries can be both fixed pay and hourly wages and is earned and paid periodically. Holiday pay is earned on the basis of ordinary pay and is normally paid in the holiday months of the following year. The employer's national insurance contribution (social security) is calculated and expensed for all payroll related costs including pensions. Pension contributions are earned on a monthly basis.

Norwegian entities within the Group has a defined contribution pension plan for its employees which satisfies the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

The scheme is a defined contribution plan. Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Specification of the Group's salary and personnel expenses

All amounts in NOK 1 000	2021	2020
Salaries	190 437	142 485
Social security costs	47 365	16 083
Pension costs	25 685	14 561
Other employee expenses	40 906	13 885
Salary and personnel expenses	304 393	187 015
Numbers of FTEs	594	382

To offset revenue losses and finance salary costs during the COVID-19 pandemic, the Mercell Group received government support in the US during the third quarter. A government assisted loan was also partly forgiven (50 per cent) in 2021 in Finland. The total amount of approximately NOK 4.9 million has been presented as a reduction in salary and personnel expenses in accordance with IAS 20.



Remuneration to Management 2021

All amounts in NOK 1 000	Salary	Bonus	Pension	Share based options ¹	Other compensation	Total remuneration
Terje Wibe (CEO)	3 000	2 000	109	164	134	5 407
Fredrik Eeg (CFO)	1 650	1 000	85	259	23	3 017
Arild Nilsen (CPO)	2 200	1 000	102	107	139	3 549
Geir Henning Pettersen (CTO) ¹	938	-	60	6	15	1 018
Lars Vangen Jordet (CCO)	1 500	1 000	85	231	12	2 829
Katy Agahd (Head of HR) ²	770	-	50	7	20	847
Guro Becker (Head of HR) ³	433	96	33	-	9	571
Total	10 491	5 096	524	773	353	17 237

¹ Geir Henning Pettersen left his position as CTO 30 September 2021. Compensation is only reflected for the period of time that the executive served as a part of the Group management.

² Katy Agahd left her position as Head of HR 9 August 2021. Compensation is only reflected for the period of time that the executive served as a part of the Group management.

³ Guro Becker joined the Group management 9 August 2021. Compensation is only reflected for the period of time that the executive served as a part of the Group management.

Jacob Møller served as Head of M&A and as a part of the Group management in 2021. The Group insourced these management services through Ploot Invest AS. Ploot Invest AS charged NOK 3.5 million for the management services in 2021. In 2020, Ploot Invest AS charged NOK 1.2 million for management services related to the position as Head of M&A (from September until year end 2020).

The CEO and CPO are entitled to severance pay equal to up to nine months base salary if the Company terminates their employment.

Remuneration to Management 2020

All amounts in NOK 1 000	Salary	Bonus	Pension	Share based options ¹	Other compensation	Total remuneration
Terje Wibe (CEO)	2 400	4 800	192	856	-	8 248
Fredrik Eeg (CFO)	1 500	2 400	120	1 416	45	5 482
Arild Nilsen (CPO)	2 120	2 400	170	569	51	5 310
Geir Henning Pettersen (CTO)	1 092	2 400	87	82	34	3 695
Lars Vangen Jordet (CCO)	625	450	31	1 293	-	2 399
Katy Agahd (Head of HR)	1 132	306	91	82	-	1 611
Total	8 869	12 756	691	4 299	131	26 745

¹ Share based options are reported on an expensed basis. References are made to note 6.3.

One external consultant is included in the share-based option program.



Consolidated financial statements

Remuneration to Board 2021

All amounts in NOK 1 000	Board remuneration
Joar Welde (Chairman of the Board)	720
Helge Nielsen (Member of the Board)	460
Erik Fjellvær Hagen (Member of the Board)	300
Anne Lise Waal (Member of the Board) ¹	227
Berit Lid Scharff (Member of the Board) ²	227
Inge Arne Støve (Member of the Board) ³	260
Bjørn-Thor Epland (Member of the Board) ⁴	233
Ole-Bjørn Gjerde (Member of the Board) ⁵	233
Total compensation to Board of Directors	2 660

¹ Anne Lise Waal joined the Board 23 April 2021.

² Berit Lid Scharff joined the Board 23 April 2021.

³ Inge Arne Støve left his position in the Board 23 April 2021.

⁴ Bjørn-Thor Epland left his position in the Board 23 April 2021.

⁵ Ole-Bjørn Gjerde left his position in the Board 23 April 2021.

Remuneration to Board 2020

All amounts in NOK 1 000	Board remuneration
Joar Welde (Chairman of the Board)	200
Helge Nielsen (Member of the Board)	125
Inge Arne Støve (Member of the Board)	125
Bjørn-Thor Epland (Member of the Board)	125
Ole-Bjørn Gjerde (Member of the Board)	125
Erik Fjellvære Hagen (Member of the Board)	125
Total compensation to Board of Directors	825

A loan of NOK 4 million has been granted to the CEO's holding company Camiveo AS. The loan is interest calculated in 2021 and has a balance equal to NOK 4.3 million (NOK 4.2 million) as of 31 December 2021 included accrued interest. The amount is recognised as a non-current receivable.

Pemco Dokumentnøkkel: OE3EJ-LS18H-PFT14-PNE6L-PIXF-L336A



Note 2.4 Other operating expenses

Other operating expenses are recognised when they occur and represent a broad range of operating expenses incurred by the Group in its day-to-day activities. Other operating expenses consist of expenses that are not classified on the lines for cost of goods, salary and personnel expenses, depreciation and amortisation.

Other operating expenses

All amounts in NOK 1 000	2021	2020
Audit and accounting services	15 098	9 680
Consulting fees	147 293	34 351
Office equipment	918	5 254
IT costs	39 507	9 684
Other operating expenses	39 558	35 330
Other operating expenses	242 374	94 299

Auditor fees

All amounts in NOK 1 000	2021	2020
Statutory auditing services	5 215	1 932
Other assurance services	784	415
Technical preparation accounts and tax papers	47	525
Other services	477	1 193
Total remuneration to the auditor	6 522	4 065

The amounts above are excluding VAT. All technical preparation and other services from BDO were made before Merzell Holding ASA was listed on the Oslo Stock Exchange.



Note 2.5 Trade and other receivables

Accounting policies

The Group's trade receivables consist solely of amounts receivable from revenue from contracts with customers. Trade receivables are generally on terms of 30 days. Other receivables consist mainly of prepaid expenses and government grant receivables related to SkatteFUNN.

Trade receivables are financial assets which are initially recognized at transaction price determined under IFRS 15 and in later periods measured at amortised cost using the effective interest rate method adjusted for an allowance for expected credit losses.

The Group recognises an allowance for expected credit losses (ECLs) for its financial assets. ECLs are based on the cash flows that the Group expects to receive. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors (or Group's of debtors) and the economic environment.

All amounts in NOK 1 000	31 Dec 2021	31 Dec 2020
Trade receivables from customers at nominal value - external	156 528	92 905
Allowance for expected credit losses	-4 296	-2 022
Trade receivables	152 232	90 883
Government grant (SkatteFUNN)	4 400	4 750
Other receivables and prepaid expenses	24 308	22 416
Other receivables	28 708	27 166
Total trade and other receivables	180 940	118 049
Allowance for expected credit losses		
At the beginning of the period	2 022	-
Provision for expected credit losses	2 274	2 022
At the end of the period	4 296	2 022

Set out below is the information about the credit risk exposure on the Group's trade receivables:

All amounts in NOK 1 000	Days past due				Total
	Not due	< 30 days	31-90 days	Over 90 days	
31 December 2021					
Trade receivables	105 212	27 796	14 550	4 675	152 232
31 December 2020					
Trade receivables	53 602	26 485	7 231	3 564	90 883

For details regarding the Group's procedures on managing credit risk, reference is made to note 4.8



Note 2.6 Trade and other current financial liabilities

Accounting policies

Trade payables and other current financial liabilities are present contractual obligations arising from a result of past events where settlement is expected to result in an outflow of resources (payment).

Trade payables and other current financial liabilities are measured at fair value of their transaction price upon initial recognition and subsequently at amortized cost. Trade payables and other current liabilities are expected to be settled within the normal operating cycle within twelve months after the reporting period.

All amounts in NOK 1 000	31 Dec 2021	31 Dec 2020
Trade payables	26 989	26 407
Public duties payable	49 218	45 598
Tax payable	23 980	16 700
Trade and other payables	100 188	88 705
Salary payable and vacation accruals	40 661	30 446
Accrued expenses	35 597	26 015
Other current liabilities	48 424	168 017
Other current financial liabilities	124 682	224 478

Other current liabilities as of 31 December 2021 consist of contingent consideration of NOK 30.6 million related to the acquisitions of Negometrix and Ibisite.

Other current liabilities as of 31 December 2020 includes a sellers credit including interest of NOK 158 million related to the acquisition of Visma Commerce and contingent consideration of NOK 3 million related to the acquisition of Comcare.

For trade and other payables ageing analysis, reference is made to note 4.3



Note 2.7 Contract assets and liabilities

Accounting policies

Contract assets

A contract asset is initially recognized for revenue earned from rendering of services because the receipt of consideration is conditional on successful completion of the services. Upon completion of the services and acceptance by the customer, the amount recognized as contract assets is reclassified to trade receivables.

As the Group's contracts with customer are generally prepaid 12 months or less in advance, the Group does not have a significant amount of contract assets.

Contract liabilities

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract liabilities relate to consideration received in advance for revenue from contracts with customers. Revenue is recognized when the group fulfils the performance obligations in the contract. Contract liabilities are shown in the table below:

All amounts in NOK 1 000	31 Dec 2021	31 Dec 2020
Contract liabilities related to SaaS license	360 685	235 682
Total	360 685	235 682
Current contract liabilities	360 685	235 682
Non-current contract liabilities	-	-
Changes in contract liabilities related to performance obligations		
Amounts included in contract liabilities at the beginning of the year	235 682	108 194
New contract liabilities	720 122	314 271
Contract liabilities from acquired business	75 778	125 122
Performance obligations satisfied in the period	-670 896	-311 906
At 31 December	360 685	235 682

The Group's contract liabilities are mainly related to revenue from SaaS subscription which are generally prepaid 12 months or less in advance. The Group's contract liabilities are classified as current as the related performance obligations will be satisfied generally within 12 months. References are made to note 2.2. for further descriptions.



Section 3 Fixed assets

Note 3.1 Intangible assets

Accounting policies

The Group's intangible assets mainly comprise of technology, customer relationships and other intangible assets acquired through the acquisition of subsidiaries. Additionally, intangible assets comprise capitalized development costs related to development of Merzell's platform and other solutions part of the Group's intellectual property.

Intangible assets acquired

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Capitalization of internal development costs

Development expenditures on an individual project, which represents new applications/technology, are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Other costs are classified as research and are expensed as incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment

losses. Amortization of the asset begins when the asset is available for use and is amortized over the period of expected future benefit.

Significant accounting estimates, assumptions and judgements

Capitalization of internal development costs

Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The assessment of when product development is capitalized is highly subjective, as the outcome of these projects may be uncertain.

Useful lives of intangibles assets

Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The initial assessment and review of economic useful lives requires management to make estimates and assumptions on the Group's IP, technological developments and competition in the future.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of comprehensive income in the line for depreciation and amortization.



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All amounts in NOK 1 000	Internally developed software ¹	Technology	Customer relationship	Other intangible assets allocated from acquisition ²	Total
Acquisition cost 1 January 2020	181 854	11 567	36 424	1 069	230 914
Additions	54 225	-	-	-	54 225
Additions through acquisitions	-	100 635	572 452	32 489	705 576
Disposals	-	-	-	-	-
Translation differences	-	455	3 504	-354	3 605
Acquisition cost 31 December 2020	236 079	112 656	612 380	33 204	994 320
Additions	152 029	-	-	-	152 029
Additions through acquisitions	-	73 692	195 422	11 266	280 379
Disposals	-	-	-	-	-
Translation differences	-	-10 018	-38 751	-1 619	-50 387
Acquisition cost 31 December 2021	388 108	176 330	769 051	42 851	1 376 340
Acc.amortization and impairments 1 January 2020	140 609	1 280	2 424	81	144 394
Year's amortization	20 458	4 489	10 998	2 715	38 661
Year's impairments	-	-	-	-	-
Translation differences	-	-84	-41	-52	-178
Acc.amortization and impairments 31 December 2020	161 067	5 686	13 381	2 744	182 878
Year's amortization	33 662	32 343	75 660	4 416	146 082
Year's impairments ¹	14 814	-	-	-	14 814
Translation differences	-	-297	-745	-34	-1 076
Acc.amortization and impairments 31 December 2021	209 543	37 732	88 296	7 126	342 697
Carrying amount 31.12.2020	75 012	106 970	598 999	30 460	811 442
Carrying amount 31.12.2021	178 564	138 598	680 756	35 725	1 033 642
Economic life	5 years	5 years	5-10 years	4-7 years, Indefinite ²	
Depreciation method	Linear	Linear	Linear	Linear	

¹ Reference is made to note 3.5 for impairment assessments related to internally developed software.

² Other intangible assets allocated from business combination include brand and backlog. Brand has indefinite useful life.



Internally developed software

The Group performs a range of research and development projects related to the Merzell's platform and various solutions. Research and development expenses that were not capitalized are included in the consolidated statement of comprehensive income as other operating expenses. Internally development software includes received government grants (SkatteFUNN).

Acquisitions during 2021 and 2020.

Technology, customer relationships and other intangible assets allocated from business combination during 2020 are acquired through business combination of Aksess Innkjøp, Truelink, Tricom, Comcare and Visma Commerce. Technology, customer relationships and other intangible assets allocated from business combination during 2021 are acquired through business combination of Negometrix, CTM Solution, Ibistic and Cloudia. References are made to note 6.2.

Technology

The economic life of technology is assumed to be 5 years.

Customer relationship

The economic life of customer relationship is assumed to range between 5-10 years. This is based on historical data such as churn and sales pattern.

Other intangible assets

Other intangible assets allocated from business combination include brand and backlog. The economic life of other intangible assets is assumed to range between 4-7 years, except from brands which has indefinite useful live. The determined range in economic life for backlog is depending on the secured ARR revenue from the current portfolio for customers based on their contract expiry dates.

Reference is made to note 3.5 for impairment assessments and impairment testing of intangible assets with indefinite useful life.



Note 3.2 Goodwill

Accounting policies

Goodwill is an intangible asset which may not individually be recognised as an intangible asset due to the requirements in IAS 38. The value of goodwill is primarily related to synergies, assembled workforce and their competency to generate and commercialize new technology as well as high growth expectations. Goodwill also arises due to the requirement to recognise deferred tax liabilities for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in a business combination at amounts that do not reflect fair value.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the

amount recognised for the net identifiable assets acquired and liabilities assumed).

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. 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 (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

For the group's principles related to impairment of Goodwill, see below.

All amounts in NOK 1 000	Goodwill
Acquisition cost 1 January 2020	234 692
Additions through acquisitions	1 864 589
Translation differences	15 526
Acquisition cost 31 December 2020	2 114 806
Additions through acquisitions	1 069 077
Translation differences	-138 122
Acquisition cost 31 December 2021	3 045 761
Acc. Impairment 1 January 2020	-
Year's impairment	-
Translation differences	-
Acc. Impairment 31 December 2020	-
Year's impairment	-
Translation differences	-
Acc. Impairment 31 December 2021	-
Carrying amount 31.12.2020	2 114 806
Carrying amount 31.12.2021	3 045 761

References are made to note 6.2 for goodwill arising on business combination in 2020 and 2021. For impairment testing and assessment of goodwill, reference is made to note 3.5.



Note 3.3 Property, plant and equipment

Accounting policies

Property, plant and equipment ("PP&E") is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the PP&E and borrowing costs for similar construction projects if they meet the recognition criteria. The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset.

All amounts in NOK 1 000	Motor vehicles	Furniture and equipment	Total
Acquisition cost 1 January 2020	-	10 778	10 778
Additions through acquisition	-	3 106	3 106
Additions	-	3 496	3 496
Disposals	-	-	-
Translation differences	-	-	-
Acquisition cost 31 December 2020	-	17 379	17 379
Additions through acquisition	1 823	8 578	10 402
Additions	0	2 046	2 046
Disposals	0	-302	-302
Translation differences	-70	-182	-252
Acquisition cost 31 December 2021	1 753	27 521	29 274
Acc.dep. & write-downs 1 January 2020	-	9 463	9 463
Year's depreciation	-	1 556	1 556
Year's impairments	-	-	-
Acc.dep. & write-downs 31 December 2020	-	11 019	11 019
Year's depreciation	228	5 470	5 698
Year's impairments	-	-	-
Acc.dep. & write-downs 31 December 2021	228	16 489	16 717
Carrying amount 31.12.2020	0	6 360	6 360
Carrying amount 31.12.2021	1 525	11 032	12 557
Economic life	5 years	5-8 years	
Depreciation method	Linear	Linear	

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The useful lives and methods of depreciation of PP&E are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Group assess, at each reporting date, whether there is an indication that property, plant and equipment may be impaired. If such indication exists, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. No indicators for impairment of property, plant and equipment were identified in 2021.

Right-of-use assets are presented in note 3.4. References are made to note 3.5 for impairment considerations.



Note 3.4 Leases

Accounting policies

The Group account for its leases according to IFRS 16 Leases.

The Group as a lessee recognises its leases in the financial position as a lease liability with a corresponding right-of-use asset, except for leases with a lease term of twelve months or less or leases where the underlying asset is considered to have a "low value". Lease contracts is only accounted for in accordance with IFRS 16 to the extent that the contract conveys the Group the right to control the use of an identified asset for a period of time in exchange for consideration. Leases held by subsidiaries acquired through a business combination are recognised at acquisitions date.

The lease liability is initially measured 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 payments are discounted using the Group's incremental borrowing rate. The lease term represents the non-cancellable period of the lease, together with periods covered by an option to extend the lease when the Group is reasonably certain to exercise this option, and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that 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 and index or rate.

The right-of-use asset is initially measured at cost being the corresponding amount of the initial measurement of the lease liability. The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses, applying the same policies for impairment as for property, plant and equipment (Note 3.5).

The Group uses its incremental borrowing rate (IBR) to measure the lease liability. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). The Group uses a revised discount rate when lease payments are updated for a change in the lease term or a revised assessment of a purchase option.

The Group leased assets

The Group leases several assets, mainly office buildings and cars. Other assets consist of rent of server and collocation/racks. Leases of office buildings generally have lease terms between 2 and 9 years, while motor vehicles and collocation/racks generally have lease terms between 2 and 5 years. The Group also leases some office spaces, cars, hardware and other equipment that are expensed as incurred as they are either considered short term or of low value. For leases of office buildings, non-lease components (i.e., service elements) are excluded from the lease payments. The Group has chosen the practical expedient to not separate non-lease components from the lease payments for motor vehicles and other leased assets.



The Group's right-of-use assets are recognised in the consolidated statement of financial position separately from PPE and presented in the table below:

Right-of-use assets

All amounts in NOK 1 000	Office Buildings	Motor vehicles	Other assets	Total
Balance as at 1 January 2020	20 263	643	1 700	22 605
Additions	28 214	693	346	29 253
Additions through acquisitions	16 625	119	-	16 744
Depreciation	-9 292	-420	-1 978	-11 690
Translation differences	1 219	10	187	1 416
Carrying amount 31 December 2020	57 030	1 044	255	58 329
Additions	1 834	1 252	5 656	8 742
Additions through acquisitions	19 948	383	-	20 331
Disposals	-424	-	-	-424
Remeasurement	-880	80	-	-800
Depreciation	-18 710	-844	-2 605	-22 159
Translation differences	-1 184	-97	-187	-1 468
Carrying amount 31 December 2021	57 615	1 817	3 118	62 551
Remaining lease term or useful life	2-9 years	2-5 years	2-5 years	
Depreciation plan	Straight-line	Straight-line	Straight-line	

The Group presents its lease liabilities under non-current interest-bearing liabilities the statement of financial position. The Group's liabilities are presented in the table below:

Change in the lease liabilities

All amounts in NOK 1 000	Total
Balance as at 1 January 2020	22 765
New leases recognised during the period (Additions)	29 253
New leases recognised during the period (Additions through acquisitions)	17 009
Cash payments	-12 550
Accretion of interest	3 071
Translation differences	1 430
Total lease liabilities 31 December 2020	60 979
New leases recognised during the period (Additions)	9 125
New leases recognised during the period (Additions through acquisitions)	20 324
Disposals	-611
Remeasurement	-800
Cash payments	-25 645
Accretion of interest	4 571
Translation differences	-1 642
Total lease liabilities 31 December 2021	66 301



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Classification non-current vs current

All amounts in NOK 1 000	2021	2020
Current lease liabilities in the financial position	23 187	15 713
Non-current lease liabilities in the financial position	43 114	45 266

Maturity of lease liabilities

For undiscounted lease liabilities and maturity of cash outflows, see note 4.3

Summary of other lease expenses recognised in profit or loss

All amounts in NOK 1 000	2021	2020
Operating expenses in the period related to short-term leases	538	303
Operating expenses in the period related to low value assets	728	548
Total lease expenses included in other operating expenses	1 266	851

Extension, termination and purchase options

The Group has several lease contracts of office buildings that include extension and termination options. Management applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, they consider all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

As of 31 December 2021, the Group has evaluated that it is reasonable to exercise extension options related to leases of two office buildings. The Group has also evaluated that it is reasonable to not exercise one termination option related to lease of one office building. The Group does not have any lease contracts that includes purchase options.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options to that are not included in the lease term:

Undiscounted potential future rental payments

All amounts in NOK 1 000	2021
Periods covered by extension options expected not to be exercised	6 732
Periods covered by termination options expected to be exercised	17 484
Total undiscounted potential future rental payments as of 31.12.2021	24 216

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The Group as a lessor

The Group has one sublease arrangements of office buildings. Subleases where the Group is the intermediate lessor, are considered finance leases when the head leases and the subleases have corresponding or similar terms. At initial recognition, the right-of-use asset held the under sublease are derecognised and the net investment in the lease are recognised in the financial position as a receivable. Any differences between the net investment and the right-of-use asset held by the Group are recognised immediately in the profit or loss.

Net investment held under sublease

All amounts in NOK 1 000	2021	2020
Office buildings	152	266

Note 3.5 Impairment assessments

Accounting policies

At the end of each reporting period, the Group reviews for both external and internal indicators of impairment of property, plant and equipment ("PP&E"), right-of use assets, intangible assets and goodwill. Impairment indicators will typically be changes in market developments, competitive situations and technological developments. Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment and when circumstances indicate that the carrying amount may be impaired.

For the purpose of impairment testing, assets, except goodwill, are grouped together into the smallest group of assets that generates independent cash flows (cash-generating units, CGUs). Goodwill is allocated to the cash-generating units that is expected to benefit from the synergies of the combination.

An impairment loss is recognised in the consolidated statement of comprehensive income if the carrying amount of an asset (CGU) exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Recoverable amounts of each CGU are estimated based on value in use calculations. In assessing value, the

estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. Estimated cash flows are based on management's experience and market knowledge for the given period.

Impairment losses recognised in respect of cash-generating units are first allocated to reduce the carrying amount of any goodwill. Any remaining amount is then allocated to reduce the carrying amounts of the other assets in the unit on a pro rata basis. Impairment losses are reversed if the loss no longer exist for intangible and fixed assets. Impairment losses relating to goodwill cannot be reversed in future periods.

Impairment assessment of PP&E, right of use assets and intangible assets

The Group considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. Significant non-budgeted churn, significant reduction in prices, development of new solutions or technological changes, material deviations in budgeted ARR growth or budgeted margins are some of the financial indicators being considered as indications of impairment. If such indications exist, impairment testing is performed. Based on an

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overall assessment of the relevant factors, no indicators of impairment have been identified as at 31 December 2021.

The Group identified two R&D projects (internally developed software) in the second quarter that were discontinued:

After the acquisition of Negometrix, the Group's approach within the pre-award buy side domain has recently shifted from building a new platform from scratch, to basing its common platform on a modified and enhanced version of the Negometrix NX4 platform. The Group identified that previously capitalized costs amounting to NOK 9.2 million were to be discontinued and therefore impaired.

The Group initiated a project to develop a common eProcurement platform in 2020. During the project one of the modules in Comcare was decided to be replaced by

a module in Tricom. The Group identified that previously capitalized costs amounting to NOK 5.6 million were to be discontinued and therefore be impaired.

Impairment testing of goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives are as a minimum tested annually even though no indications exist. The Group performed its annual impairment test of goodwill and intangible assets with indefinite useful lives in December 2021.

The CGUs are equal to the defined operating segments in accordance with note 2.1: Pre-award supplier, Pre-award buyer and Post-award. The carrying amounts of each CGU are disclosed below.

Goodwill and brand with indefinite expected life specified on cash-generating units

CGU	Carrying amount of goodwill		Carrying amount of brand	
	2021	2020	2021	2020
Pre-award supplier	1 891 890	1 570 961	6 154	6 558
Pre-award buyer	927 891	333 137	13 333	3 099
Post-award	225 981	210 708	2 410	1 805
Total	3 045 761	2 114 806	21 896	11 463

The majority of the goodwill presented in the table above derives from the acquisitions of Visma Commerce in December 2020 and Cloudia Oy in June 2021, which are expected to have a positive development. For more details, reference is made to note 6.2.

Recoverable amounts of each CGU are estimated based on value-in-use calculations. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management approved forecasts have been applied for the first four years while a declining growth rate has been assumed from year five to year ten. A terminal value, estimated by a Gordons growth formula, has been applied for the period following year 10. All forecasts have been analyzed on a CGU basis and on a combined basis.

The recoverable amounts of all the above CGUs have been determined from value in use calculations based on cash flow projections from formally approved budgets covering a four year period to 31 December 2025. Operating margins have been based on past experience and future expectations in the light of anticipated economic and market conditions. Discount rates are based on the Group's beta adjusted to reflect management's assessment of specific risks related to the cash generating unit. Growth rates beyond the first four years are based on economic data pertaining to the region concerned.



The key assumptions applied to determine the recoverable amounts are summarised below:

Discount rate

The discount rate reflects the current market assessment of the risks specific to the CGU. The discount rate for the Group is estimated based on the weighted average cost of capital (WACC). The main components of the WACC are the risk-free rate, the market equity premium, the CGU's Beta, interest cost of debt, expected debt/enterprise value ratio and the corporate tax rate. The pre-tax discount rate is determined by an iterative computation so that value in use determined using pre-tax cash flows and a pre-tax discount rate equals value in use determined using post-tax cash flows and a post-tax discount rate (WACC).

Terminal revenue growth rate

The terminal growth rate is the estimated long-term rate of growth in the economy where the business operates, aligned with long term global inflation targets.

Long term Cash EBITDA margin

The long term cash EBITDA margin is determined from an analysis of historical levels before tax, adjusted for expected changes to salary, other expenses, capital expenditures and changes to working capital.

The key assumptions used to determine the recoverable amount for each CGU is presented below:

31 December 2021

CGU	Pre-tax discount rate	Terminal revenue growth rate	Long term cash EBITDA margin
Pre-award supplier	10.1%	1.5%	35.4%
Pre-award buyer	10.3%	1.5%	33.2%
Post-award	10.4%	1.5%	22.7%

The recoverable amount of the cash generating units are higher than their carrying amount and no impairment loss has been recognised in the current or prior period. Pre-award supplier is expected to have the largest revenue potential among the segments as a consequence of the acquisitions, synergy effects and as a result of the initiatives which are put in place. The segment is expected to benefit from a combination of new sales, up-sale/cross-sales, price optimization and churn mitigating initiatives. The growth is expected to be lowest in Post-award due to a potential lower market maturity and a more competitive environment.

A sensitivity analysis is presented below for Post-award as the risk related to changes in key assumptions is considered to be higher for this CGU. The following changes in key assumptions, in isolation, would result in the recoverable amount being approximately equal to the carrying amount:

- Increase in pre-tax discount rate by 2.47 per cent
- Decrease in long term Cash EBITDA margin by 6.01 per cent
- Terminal revenue growth rate could be reduced to 0 per cent, and still not lead to impairment.

Sensitivity analysis

Future events could cause the key assumptions to deviate from the amounts used in the forecast period. Management believes that no reasonably possible change in the key assumptions would cause the carrying amount of Pre-award supplier and Pre-award buyer to exceed its recoverable amount.



Section 4 Financial instruments and Capital structure

Note 4.1 Overview of financial instruments

Classification of financial instruments

The Groups' financial instruments are grouped in the following categories:

Financial Assets at amortised cost

Financial assets at amortised cost includes mainly trade and other receivables and cash and cash equivalent.

Trade and other receivables are part of the Group's business model with the sole objective to collect contractual cash flows. Additionally, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, thereby passing the "SPPI test", constituting debt instruments measured at amortised cost.

Financial Liabilities at amortised cost

Financial liabilities at amortised cost includes the Group's interest-bearing liabilities, trade and other payables and other financial liabilities

Initial recognition and subsequent measurement

The Group's financial assets and liabilities are initially recognised at fair value plus directly attributable transaction expenses. Subsequently, these instruments are measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in profit or loss upon impairment, when the instruments are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income.

The Group's financial assets at amortised cost includes trade receivables. Trade receivables do not contain a significant financing component and are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

Impairment of financial assets

Financial assets valued at amortised cost are subsequently impaired by recognising an allowance for expected credit losses (ECLs). The Group's financial assets consist mainly of trade and other receivables and hence, the Group applies a simplified approach in calculating ECLs where the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group bases its ECLs on its historical losses, adjusted for forward-looking factors specific to the debtors (or Group of debtors) and the economic environment.

Derecognition of financial instruments

A financial asset is derecognized when the rights to receive cash flows from the asset have expired, the Group has transferred its rights to receive cash flows from the asset or The Group has assumed an obligation to pay the received cash flows in full under a "pass-through" arrangement.



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A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

31 December 2021

All amounts in NOK 1 000	Financial instruments at amortised cost	Total
Trade and other receivables	180 940	180 940
Other non-current receivables	5 388	5 388
Cash and cash equivalents	96 691	96 691
Total financial assets	283 019	283 019
Interest-bearing liabilities	1 601 394	1 601 394
Other financial liabilities	125 276	125 276
Trade and other payables	100 188	100 188
Total financial liabilities	1 826 857	1 826 857

31 December 2020

All amounts in NOK 1 000	Financial instruments at amortised cost	Total
Trade and other receivables	118 049	118 049
Other non-current receivables	5 600	5 600
Cash and cash equivalents	327 984	327 984
Total financial assets	451 634	451 634
Interest-bearing liabilities	1 159 899	1 159 899
Other financial liabilities	225 739	225 739
Trade and other payables	88 705	88 705
Total financial liabilities	1 474 344	1 474 344

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Note 4.2 Interest-bearing liabilities

Specification of the Group's interest-bearing liabilities

All amounts in NOK 1 000	31 Dec 2021	31 Dec 2020
Interest-bearing bond debt	1 518 402	1 098 920
Other interest-bearing debt	16 690	-
Lease liability (note 3.4)	43 114	45 266
Non-current interest-bearing liabilities	1 578 206	1 144 186
Lease liability, due within 12 months (note 3.4)	23 187	15 713
Current interest-bearing liabilities	23 187	15 713

In December 2020, the Group signed a SEK 2 billion callable open bond issue and completed an initial bond issue of SEK 1.1 billion for the financing of the acquisition of Visma Commerce. The bond carries an interest of STIBOR + 6 per cent, payable on a quarterly basis and matures in December 2025. The bond was also used to refinance Mercell's previous outstanding EUR 14.5 million and SEK 153 million senior secured floating rate note issuance, which originally had maturity on 6 May 2023.

In June 2021, the Company completed a tap issue of SEK 500 million additional bonds for the financing of the Cloudia acquisition. The issuance was completed under the existing SEK 1.1 billion five-year senior secured bond issue with identical terms.

On 6 July 2021, the Company entered into an agreement for a NOK 100 million Super Senior Revolving Credit Facility (the "SSRCF") with Danske Bank, Norway Branch as lender. As at 31 December 2021 no part of this facility had been utilised.

The Group's listed interest-bearing debt is presented in the table below:

Interest-bearing bond debt

All amounts in NOK 1 000	Interest rate	Maturity	31 Dec 2021	31 Dec 2020
Interest bearing debt - MSEK 1 100 + carried interest	6.00%	08.12.2025	1 034 212	1 098 920
Interest bearing debt - MSEK 500 + carried interest	6.00%	08.12.2025	484 191	-
Total interest-bearing bond debt			1 518 402	1 098 920

Covenant requirements

The Group have no maintenance covenants for its interest-bearing debt. As of 31 December 2021, there are two incurrence tests that regulates the Groups ability to distribute dividends and issue new debt.

If the Company utilizes the SSRCF in Danske Bank covenant requirements take effect. The covenants requirements are measured by leverage ratio, where the leverage ratio is defined by the ratio of Total Net Debt to EBITDA. EBITDA is measured under the same terms as in the bond agreement. The Company shall ensure that the leverage ratio does not exceed 8.00:1.00 for the period ending 31.12.2022.

For reconciliation of changes in liabilities incurred as a result of financing activities, see note 4.3.

For undiscounted liabilities and maturity of cash outflows, see note 4.3.



Assets pledged as security for secured liabilities

The Group's bond debt is secured in (i) stocks in Material Group Companies¹ (i.e. subsidiaries which has 10 per cent of total EBITDA or income including possible additional entities that are necessary to ensure that the sum of all the Material Group Companies include in total at least 80 per cent of total EBITDA and income) with exception of issuer, (ii) in bank accounts belonging to Material Group Companies, (iii) in Accounts Receivables (factoringpart) to Material Group Companies, (iv) in internal loans that have a duration of at least 12 months and minimum SEK 20 million and (v) guaranties from Material Group Companies.

¹ Material Group Companies as of 31 December 2021 consists of Merzell Midco AS, Merzell Norge AS, Merzell Commerce AS, Merzell Commerce AB, Merzell Svenska AB, Merzell CTM AB, Udbudsvagten A/S, Merzell A/S, Ibistic International A/S, Clodia Oy and Merzell Nederland BV.

Note 4.3 Ageing of financial liabilities

Contractual undiscounted cash flows from financial liabilities, including interest payments is presented below:

31 December 2021

All amounts in NOK 1 000	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 5 years	Total
Interest-bearing debt	96 068	96 068	96 331	1 675 268	-	1 963 735
Trade and other current financial liabilities	124 682	-	-	-	-	124 682
Lease liabilities	24 514	10 848	7 266	5 287	21 042	68 957
Total financial liabilities	245 263	106 916	103 598	1 680 555	21 042	2 157 374

31 December 2020

All amounts in NOK 1 000	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 5 years	Total
Interest-bearing debt	66 917	66 917	66 917	67 100	1 166 917	1 434 767
Trade and other current financial liabilities	224 478	-	-	-	-	224 478
Lease liabilities	19 353	17 183	7 620	5 577	25 870	75 603
Total financial liabilities	310 747	84 100	74 537	72 677	1 192 787	1 734 847



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Reconciliation of changes in liabilities incurred as a result of financing activities:

All amounts in NOK 1 000	1 January 2021	Cash flow effects		Addition of borrowings from aquisitions	Foreign exchange movement	New leases	Other	31 December 2021
		Repayments of borrowings and lease liabilities	Proceeds from borrowings					
Non-current interest-bearing debt	1 098 920	-40 420	495 392	54 395	-84 952	-	11 757	1 535 092
Non-current lease liability (note 3.4)	45 266	-	-	-	-1 642	29 449	-29 960	43 114
Non-current interest-bearing liabilities	1 144 186	-40 420	495 392	54 395	-86 594	29 449	-18 202	1 578 206
Non-current interest-bearing debt	-	-	-	-	-	-	-	-
Non-current lease liability (note 3.4)	15 713	-21 074	-	-	-	-	28 549	23 187
Non-current interest-bearing liabilities	15 713	-21 074	-	-	-	-	28 549	23 187

All amounts in NOK 1 000	1 January 2020	Cash flow effects		Addition of borrowings from aquisitions	Foreign exchange movement	New leases	Other	31 December 2020
		Repayments of borrowings and lease liabilities	Proceeds from borrowings					
Non-current interest-bearing debt	148 562	-312 126	1 252 348	-	5 152	-	4 984	1 098 920
Non-current lease liability (note 3.4)	16 036	-	-	-	1 430	46 263	-18 462	45 266
Non-current interest-bearing liabilities	164 598	-312 126	1 252 348	-	6 582	46 263	-13 478	1 144 186
Current-interest-bearing debt	16	-16	-	-	-	-	-	-
Current lease liability (note 3.4)	6 729	-9 479	-	-	-	-	18 462	15 713
Current interest-bearing liabilities	6 745	-9 495	-	-	-	-	18 462	15 713

The "other" column includes the effect of reclassification of non-current portion of the lease liabilities and accrued interest and amortization.

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Note 4.4 Cash and cash equivalents

Accounting policies

Cash and cash equivalents in the statement of financial position comprise cash at banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

All amounts in NOK 1 000	31 Dec 2021	31 Dec 2020
Bank deposits, unrestricted	91 863	326 534
Bank deposits, restricted	4 828	1 450
Total in the statement of financial position	96 691	327 984

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The amount included in "Bank deposits, restricted" consists only of withholding payroll taxes.

The Group has a Cash Pool arrangement in Danske Bank where most of the subsidiaries are included.

Note 4.5 Financial income and expenses

Accounting policies

Interest income and interest expenses on interest-bearing debt and receivables is calculated using the effective interest method.

Foreign currency gains or losses are reported as gain or loss on foreign exchange within in finance income or finance expense.

Interest expenses on lease liabilities represents the interest rate implicit in the lease used to measure the lease liabilities recognized in the statement of financial position.



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All amounts in NOK 1 000	2021	2020
Finance income		
Interest income	971	1 290
Foreign exchange gains	64 021	29 375
Total financial income	64 991	30 665
Finance expenses		
Interest expenses	95 405	62 322
Interest expense on lease liabilities	4 570	3 071
Foreign exchange losses	-	34 133
Other finance expenses	-2 187	9 679
Total financial expenses	97 788	109 205

Foreign exchange currency gain/loss

Foreign exchange currency gain/loss relates mainly to the Group's SEK 1.6 million bond debt.

Interest income and expenses

Interest income represents mainly interest income on cash deposits, and interest expenses represents mainly interest expenses on external financing and lease liabilities, measured and classified at amortised cost in the statement of financial position.

Note 4.6 Share capital and shareholders information

On 11 February 2021 Mercell carried out a private placement raising gross proceeds of approximately NOK 434 282 thousand in new equity through issuance of 41 360 thousand shares at a subscription price of NOK 10.50 per share.

On 20 April and 11 May 2021, the share capital increased due to the exercise of share options. There were in total issued 918 thousand new shares at a strike price of NOK 1.5 per share.

On 5 June 2021 Mercell carried out a private placement raising gross proceeds of approximately NOK 400 000 thousand in new equity through issuance of 46 242 thousand new shares at a subscription price of NOK 8.65 per share.

On 9 November 2021, the share capital increased due to new shares subscribed in the Employment Share Ownership Program. There were in total issued 541 thousand new shares at a subscription price of NOK 5.4 per share.

As of 31 December 2021, the Company had 502 664 thousand shares outstanding.



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The share capital in Merzell Holding ASA consists of the following

Share capital in Merzell Holding ASA	Number of shares issued and fully paid	Par value per share (NOK)	Carrying amount
At 1 January 2020	222 981 653	0.2	44 596 331
Issuance of share capital 7 July 2020	66 700 000	0.2	13 340 000
Issuance of share capital 31 July 2020	110 670	0.2	22 134
Issuance of share capital 3 December 2020	123 810 000	0.2	24 762 000
At 31 December 2020	413 602 323	0.2	82 720 465
Issuance of share capital 11 February 2021	41 360 230	0.2	8 272 046
Issuance of share capital 20 April 2021	530 570	0.2	106 114
Issuance of share capital 11 May 2021	387 345	0.2	77 469
Issuance of share capital 5 June 2021	46 242 775	0.2	9 248 555
Issuance of share capital 9 November 2021	540 612	0.2	108 122
At 31 December 2021	502 663 855	0.2	100 532 771

Shareholders in Merzell Holding ASA at 31 December 2021	Total shares	Ownership	Voting rights
STATE STREET BANK AND TRUST COMP	42 300 000	8%	8%
CITIBANK, N.A.	31 061 034	6%	6%
SKANDINAVISKA ENSKILDA BANKEN AB	29 247 857	6%	6%
BARCLAYS CAPITAL SEC. LTD FIRM	27 531 921	5%	5%
VIKING VENTURE 16B AS	25 912 103	5%	5%
THE BANK OF NEW YORK MELLON SA/NV	25 349 288	5%	5%
VIKING VENTURE 16 AS	21 291 748	4%	4%
VERDIPAPIRFONDET DNB NORGE	16 812 196	3%	3%
J.P. MORGAN SECURITIES LLC	16 289 141	3%	3%
UBS SECURITIES LLC	15 000 000	3%	3%
MORGAN STANLEY & CO. LLC	14 773 417	3%	3%
MORGAN STANLEY & CO. INT. PLC.	14 242 622	3%	3%
BANQUE DE LUXEMBOURG S.A.	10 541 567	2%	2%
NORDNET BANK AB	10 151 870	2%	2%
GRIEG HOLDINGS II AS	9 567 947	2%	2%
EUROCLEAR BANK S.A./N.V.	8 716 968	2%	2%
MYRLID AS	8 600 000	2%	2%
CAMIVEO AS	7 023 897	1%	1%
UBS AG	6 970 000	1%	1%
GLABELLA AS	6 542 397	1%	1%
Other shareholders	154 737 882	31%	31%
Total	502 663 855	100%	100%

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Shareholders in Mercell Holding ASA at 31 December 2020	Total shares	Ownership	Voting rights
MORGAN STANLEY & CO. LLC	57 958 354	14.01%	14.01%
VIKING VENTURE 16B AS	41 463 436	10.02%	10.02%
VIKING VENTURE 16 AS	34 070 142	8.24%	8.24%
STATE STREET BANK AND TRUST COMP	25 402 720	6.14%	6.14%
SKANDINAVISKA ENSKILDA BANKEN AB	17 117 857	4.14%	4.14%
VERDIPAPIRFONDET NORGE SELEKTIV	15 769 009	3.81%	3.81%
GRIEG HOLDINGS II AS	14 567 947	3.52%	3.52%
VERDIPAPIRFONDET DNB NORGE	13 974 398	3.38%	3.38%
MYRLID AS	11 206 878	2.71%	2.71%
JPMORGAN CHASE BANK, N.A., LONDON	9 174 897	2.22%	2.22%
GOLDMAN SACHS & CO. LLC	8 522 661	2.06%	2.06%
STATE STREET BANK AND TRUST COMP	8 392 179	2.03%	2.03%
HSBC TRINKAUS & BURKHARDT AG	7 493 000	1.81%	1.81%
CAMIVEO AS	7 023 897	1.70%	1.70%
THE BANK OF NEW YORK MELLON SA/NV	6 451 756	1.56%	1.56%
VERDIPAPIRFONDET DNB SMB	6 145 035	1.49%	1.49%
HMH INVEST AS	5 840 000	1.41%	1.41%
DANSKE BANK A/S	4 800 000	1.16%	1.16%
VIKING VENTURE 16C AS	4 453 334	1.08%	1.08%
GLABELLA AS	4 357 512	1.05%	1.05%
Other shareholders	109 417 311	26.01%	26.01%
Total	413 602 323	100%	100%

Shares owned by members of the board and senior executives as 31 December 2021

Name	Title	31 Dec 2021	31 Dec 2020
Terje Wibe (Camiveo AS)	CEO	7 023 897	7 023 897
Fredrik Eeg (Mineo AS)	CFO	400 000	-
Arild Nilsen (Vikas Invest AS)	CPO	400 000	-
Helge Nielsen (Helida AS)	Board member	2 000 000	2 000 000
Ole-Bjørn Gjerde (Kvasshovd AS)	Board member ¹	-	2 010 000
Inge Arne Støve (Nero Invest AS)	Board member ²	-	500 000

¹ Ole-Bjørn Gjerde left his position in the Board 23 April 2021.

² Inge Arne Støve left his position in the Board 23 April 2021.

The board of directors is granted an authorisation to increase the Company's share capital by up to NOK 2 730 000 in connection with the Company's share option program. The authorisation is valid until the Company's annual general meeting in 2022, but no longer than to and including 30 June 2022. During 2021 the Company has issued capital of NOK 211 059. In addition, the board of directors is granted an authorisation to increase the Company's share capital by up to NOK 18 200 000 in order to finance further growth. The authorisation is valid until the Company's annual general meeting in 2022, but no longer than to and including 30 June 2022. During 2021 the Company has issued capital of NOK 9 248 555.



Note 4.7 Fair value disclosures

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Set out below is information on fair value of the Group's interest bearing bond debt:

All amounts in NOK 1 000	Date	Carrying amount	Fair value	Level 1	Level 2	Level 3
Liabilities disclosed at fair value						
Interest-bearing bond debt	31.12.2021	1 518 402	1 582 588	X		
Interest-bearing bond debt	31.12.2020	1 098 920	1 147 850	X		

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value disclosures

Management has assessed that the fair values of cash and short-term deposits, non-current loans from credit institutions, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and the current risk-free interest rates.

The interest-bearing debt as of 31 December 2021 includes a NOK 1 600 million bond issue which is traded publicly on Oslo Børs.

The fair values of the Group's interest-bearing debt are determined by using the DCF method using a discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair values of the Group's interest-bearing debt are in most cases similar to carrying amount, as the interest rates are floating and as the own non-performance risk as at 31 December 2021 was assessed to be insignificant.



Note 4.8 Capital and Risk Management

Capital management

The primary objective of the Group's capital management is to maximize value creation over time. The Group seeks to optimize the capital structure by balancing risk and return on equity against collateral for lenders, requirements for liquidity and investment capacity.

The Group manages its capital structure and adjusts in light of changes in economic conditions and the requirements of the financial covenants. The Group considers a solid equity ratio to be important to achieving its strategic goals in the future. Management regularly uses the ratio between net interest-bearing debt / earnings before interest, tax and depreciation & amortization (NIBD/EBITDA) to assess the Group's financial flexibility, as well as the ability to assume new debt. NIBD and EBITDA are also key ratios related to incurrence tests for the Group's non-current interest-bearing debt. See note 4.2 for further information.

Net interest-bearing debt (NIBD) corresponds to the sum of "Non-current interest-bearing liabilities", "Current interest-bearing liabilities" and "Cash and cash equivalents" in the statement of financial position. The equity ratio corresponds to the carrying amount of "Total equity" divided by the "total equity and liabilities" in the consolidated statement of financial position. The NIBD was NOK 1 505 million (NOK 994 million) and EBITDA was NOK 105 million (NOK -24 million) as at 31.12.2021.

Financial risk

The Group's principal financial liabilities, comprise interest-bearing debt, lease liabilities, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, cash and short-term deposits that derive directly from its operations. The Group do not hold derivative financial instruments.

The Group is exposed to a range of risks affecting its financial performance, including market risk, credit risk and liquidity risk. The Group seeks to minimise potential adverse effects of such risks through sound business practice and risk management.

Risk management is carried out by Group management under policies approved by the Board. The Board reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Group comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include interest bearing debt, cash and cash and cash equivalents, trade receivables, lease liabilities and trade and other payables.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing debt which have base interest rates in STIBOR. The Group does not currently hedge the base interest rates. The current interest rate environment is low and the Group may enter into contracts to offset some of the risk depending on the future expected interest rates.

Interest rate sensitivity

The sensitivity to a possible change in interest rates related to the Group's interest-bearing debt, with all other variables held constant, on the Group's profit before tax, is illustrated below. In calculating the sensitivity analyses, the Group assumes that the sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective financial risks.



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Interest rate sensitivity (STIBOR 3 months)

All amounts in NOK 1 000	Increase / decrease in basis points	Effect on profit after tax (+/-)	Effect on equity
31 December 2021	+/- 100	11 844	11 844
31 December 2020	+/- 100	8 572	8 572

Interest-bearing liabilities

All amounts in NOK 1 000	31 Dec 2021	31 Dec 2020
Interest-bearing bond debt (note 4.2)	1 518 402	1 098 920

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates as the Group has foreign subsidiaries. The Group has investments in foreign subsidiaries which has functional currency in SEK, DKK, EUR and GBP. In addition, the Group interest-bearing debt is denominated in SEK. Interest is accumulated and paid quarterly. As these payments are in SEK, this represents a risk of exposure to foreign currency.

The Group does not hedge currency exposure with the use of financial instruments at the current time, but monitors the net exposure over time.

Foreign currency sensitivity

The following table illustrates the sensitivity for a hypothetical increase or decrease in the foreign exchange rates related to the Group's interest-bearing debt in the period, holding all other variables constant:

Foreign currency sensitivity

All amounts in NOK 1 000	Date	Change in FX rate	Effect on profit before tax	Effect on equity (after tax)
Increase / decrease in NOK/SEK	31 Dec 2021	+/- 10%	151 840	118 435
Increase / decrease in NOK/SEK	31 Dec 2020	+/- 10%	109 892	85 716

10 per cent is used as it is considered to be a reasonable fluctuation in SEK/ NOK based on calculations on previous years variance.

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Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group monitors its risk to a shortage of funds by monitoring its working capital, overdue trade receivables and establishing credit facilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities and bond debt to finance working capital and capital investments, without incurring any significant economical losses.

For overview of ageing of financial liabilities refer to note 4.3.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade

receivables). As the counterparty to Cash and cash equivalents is respectable banks the credit risk associated is considered to be small.

The Group manages its credit risks by trading only with creditworthy third parties. It is the Group's policy that all customers wishing to trade on credit terms are subject to credit verification procedures, which include an assessment of credit rating and review of prior payment issues. The Group ensures that the outstanding amounts do not exceed the set credit limits as means of mitigating the risk of financial loss from defaults. Receivable balances are monitored on an ongoing basis. In addition, the Group's customers are mainly public sector entities. As a result, the risk that counterparties do not have the financial ability to meet their obligations is considered low in the markets in which the group operates.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 4.1

No agreements have been entered into for set-off/netting of financial instruments.



Section 5 Tax

Note 5.1 Tax expense

Accounting policies

Income tax expense

Income tax expense consist of current income tax and change in deferred tax.

Current income tax

Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognized in equity (OCI) and not in the statement of profit or loss.

Deferred tax

Deferred tax assets and deferred tax liabilities are calculated based on the differences between the basis for tax assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date, with the exception of:

- initial recognition of goodwill, initial recognition of an asset or liability in a transaction which is not a business combination, and is not at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



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Reconciliation Deferred tax assets

All amounts in NOK 1 000

Deferred tax assets recognised in balance sheet 01.01.2020	15 535
Additions from acquisitions	4 752
Tax recognized in the income statement	6 415
Deferred tax assets recognised in balance sheet 31.12.2020	26 703
Deferred tax assets recognised in balance sheet 01.01.2021	26 703
Additions from acquisitions	-855
Tax recognized in the income statement	4 170
Deferred tax assets recognised in balance sheet 31.12.2021	30 018

Reconciliation Deferred tax liabilities

All amounts in NOK 1 000

Deferred tax liabilities recognised in balance sheet 01.01.2020	10 019
Additions from acquisitions	144 191
Tax recognized in the income statement	-3 398
Translation differences	650
Deferred tax liabilities recognised in balance sheet 31.12.2020	151 462
Deferred tax liabilities recognised in balance sheet 01.01.2021	151 462
Additions from acquisitions	54 052
Tax recognized in the income statement	-23 243
Translation differences	-8 020
Deferred tax liabilities recognised in balance sheet 31.12.2021	174 250

Current income tax expense

All amounts in NOK 1 000	2021	2020
Tax payable recognised in the income statement	24 180	1 789
Change deferred tax/deferred tax assets (ex. OCI effects)	-27 413	-9 814
Total income tax expense	-3 234	-8 025

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Deferred tax assets

All amounts in NOK 1 000	2021	2020
Property, plant and equipment	7 652	4 653
Property, plant and equipment (IFRS 16)	3 756	2 386
Other current assets	-74 146	10 837
Liabilities	47 384	31 636
Losses carried forward (including tax credit)	584 883	397 222
Basis for deferred tax assets:	569 530	446 734
Calculated deferred tax assets	125 297	98 281
- Deferred tax assets not recognised	95 279	71 579
Net deferred tax assets recognised in balance sheet	30 018	26 703

Deferred tax liabilities

All amounts in NOK 1 000	2021	2020
Property, plant and equipment (including leased assets)	777 936	665 232
Other current assets	46 092	15 989
Liabilities	553	296
Basis for deferred tax liabilities:	824 581	681 518
Deferred tax liabilities recognised in balance sheet	174 250	151 462

Reconciliation of income tax expense

All amounts in NOK 1 000	2021	2020
Income tax expense at corporate income tax rate in Norway (22%)	-25 624	-33 940
Effect of tax rates outside Norway	2 068	907
Non-taxable and non-deductible items	-9 484	1 513
Deferred tax assets not recognised current year	29 806	23 495
Recognised income tax expense	-3 234	-8 025

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Section 6 Group and related parties

Note 6.1 Group companies

The following subsidiaries are included in the consolidated financial statements 31 December 2021:

Consolidated entities	Country	Ownership	Registered office
Mercell Suomi OY	Finland	100%	Et. Esplanadi 22, Helsinki
Mercell Latvia SIA	Latvia	100%	Dzirnavu iela 37-41, LV-1010 Riga
Mercell Estonia OÜ	Estonia	100%	Rävala 15, 10143 Tallinn
UAB Mercell Lithuania	Lithuania	100%	Zirmuny g. 139, Vilnius
Mercell Danmark A/S	Denmark	100%	Klosterbakken 12, 5000 Odense C
Mercell Svenska AB	Sweden	100%	Kampegatan 6, 41104 Goteborg
Mercell Norge AS	Norway	100%	Askekroken 11, 0277 Oslo
Mercell Midco AS	Norway	100%	Askekroken 11, 0277 Oslo
Udbudsvagten A/S	Denmark	100%	Øster Allé 48, 2100 København Ø
Licitio A/S	Denmark	100%	Øster Allé 48, 2100 København Ø
EU-Supply LTD	United Kingdom	100%	10 Queen Street Place, London EC4R 1AG
EUS Holdings LTD	United Kingdom	100%	10 Queen Street Place, London EC4R 1AG
Mercell CTM AB	Sweden	100%	Sveavägen 159, 113 46 Stockholm
Mercell A/S	Denmark	100%	Havneparken 1, 7100 Vejle
Mercell Commerce AB	Sweden	100%	Lindhagensgatan 94, 112 18 Stockholm
Mercell Commerce AS	Norway	100%	Karenslyst allé 56, 0277 Oslo
Mercell Nederland BV	Nederland	100%	Rijnzathe 32, 3454 PV Utrecht, Netherlands
Mercell US Inc	USA	100%	228 East 45th Street, Suite 9E, New York, N.Y. 10017, USA
Negometrix Bulgaria	Bulgaria	100%	9 Shipchenski Prohod Blvd., fl.1, Slatina region, Geo Milev r.c, Sofia, Bulgaria
Commerce Hub BV	Nederland	100%	Rijnzathe 32, 3454 PV Utrecht, Netherlands
Ibistic International A/S	Denmark	100%	Årshugade 88, i Sal, 2100 København Ø
Ibistic Technologies A/S	Denmark	100%	Årshugade 88, i Sal, 2100 København Ø
Ibistic Technologies AS	Norway	100%	Askekroken 11, 0277 Oslo
CTM Solutions BV	Nederland	100%	Van Baerlestraat 13 A, 1071 AM in Amsterdam, the Netherlands
Cloudia Oy	Finland	100%	Ludviginkatu 3 A, FI-00130, Helsinki, Finland
Cloudia DMCC	Dubai	100%	Platinum Tower, Office 3106, Cluster I, Jumeirah Lake Towers, Dubai, United Arab Emirates
SafeTag Group AS	Norway	100%	Askekroken 11, 0277 Oslo
TrueDevelop Sp. z o.o	Poland	67%	Mazowiecka 11 app. 49 00-052 Warszawa

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The following subsidiaries are included in the consolidated financial statements 31 December 2020:

Consolidated entities	Country	Ownership	Registered office
Mercell Suomi OY	Finland	100%	Et. Esplanadi 22, Helsinki
Mercell Latvia SIA	Latvia	100%	Dzirnavu iela 37-41, LV-1010 Riga
Mercell Estonia OÜ	Estonia	100%	Rävala 15, 10143 Tallinn
UAB Mercell Lithuania	Lithuania	100%	Zirmuny g. 139, Vilnius
Mercell Danmark A/S	Denmark	100%	Klosterbakken 12, 5000 Odense C
Mercell Svenska AB	Sweden	100%	Kampegatan 6, 41104 Goteborg
Mercell Norge AS	Norway	100%	Askekroken 11, 0277 Oslo
Mercell Midco AS	Norway	100%	Askekroken 11, 0277 Oslo
Backup Team Aps	Denmark	100%	Øster Allé 48, 2100 København Ø
Udbudsvagten A/S	Denmark	100%	Øster Allé 48, 2100 København Ø
eLuence A/S	Denmark	100%	Øster Allé 48, 2100 København Ø
Licitio A/S	Danmark	100%	Øster Allé 48, 2100 København Ø
EU-Supply LTD	United Kingdom	100%	10 Queen Street Place, London EC4R 1AG
EUS Holdings LTD	United Kingdom	100%	10 Queen Street Place, London EC4R 1AG
EU-Supply Holding AB	Sweden	100%	Sveavägen 159, 113 46 Stockholm
DK filial av EU-Supply Holding AB	Danmark	100%	Algade 44, 4000 Roskilde
Akses Innkjøp AS	Norway	100%	Furulund 40, 8230 Sulitjelma
Truelink A/S	Denmark	100%	Havneparken 1, 7100 Vejle
Tricom ApS	Denmark	100%	Holmbladsgade 133, 2300 København S
Comcare A/S	Denmark	100%	Ørestads Boulevard 108, 2300 København S
Mercell Commerce AB	Sweden	100%	Lindhagensgatan 94, 112 18 Stockholm
Mercell Commerce AS	Norway	100%	Karenslyst allé 56, 0277 Oslo
SafeTag Group AS	Norway	100%	Askekroken 11, 0277 Oslo

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Note 6.2 Business combination

Accounting policies

A business combination is as a transaction or other event in which the Group obtains control of one or more businesses. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. Determining whether a particular set of assets and activities is a business should be based on whether the integrated set is capable of being conducted and managed as a business by a market participant.

Business combinations are accounted for according to IFRS 3 using the acquisition method, also called purchase price allocation (PPA). The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value according to IFRS 13, and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and included in other operating expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at



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the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments: Classification, is measured at fair value with the changes in fair value recognised in the statement of comprehensive income.

Goodwill arises in a business combination when the fair value of consideration transferred exceeds the fair value of identifiable assets acquired less the fair value of identifiable liabilities assumed. Goodwill acquired in a business combination is 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 acquiree are assigned to those units, and tested subsequently for impairment. Reference is made to note 3.2 for an overview of the Group's goodwill and note 3.5 gives an overview of the Group's CGUs and annual impairment testing of the CGU to which goodwill is allocated.

Significant accounting estimates, assumptions and judgements

In a business combination, the assets acquired and liabilities assumed are valued at fair value at the time of acquisition. The various assets and liabilities are valued on the basis of different models, requiring estimates and assumptions to be made. Goodwill is the residual in this type of purchase price allocation. Errors in estimates and assumptions can lead to an error in the split of the value between the various assets and liabilities incl. goodwill, but the sum of the total excess values will always be consistent with the purchase price paid.

The useful lives of the intangible assets acquired in a business combination are assessed as either finite or indefinite and may in some cases involve considerable judgements. Intangible assets acquired with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Acquisitions during 2021

Acquisition	Main business activity	Date of business combination	Proportion of voting equity acquired	Acquiring entity
Negometrix B.V.	Pre-award buyer	10 Feb 2021	100%	Mercell Holding ASA
CTMS B.V.	Pre-award buyer	11 May 2021	100%	Mercell Holding ASA
Ibistic International A/S	Post-award	11 May 2021	100%	Mercell Holding ASA
Cludia Oy	Pre-award buyer	08 Jun 2021	100%	Mercell Holding ASA

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Negometrix B.V.

On 10 February 2021, The Group acquired 100 per cent of the voting shares of Negometrix B.V., a Netherland-based company providing e-tendering solutions in the Netherlands, with an established foothold in the US market and an integrated technology hub in Bulgaria.

The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when Merzell Holding ASA obtained control of the legal entities, 10 February 2021. For tax and economic purposes, the effective date was 10 February 2021.

The acquisition-date fair value of the total consideration transferred was NOK 273.6 million in cash and estimated contingent consideration of NOK 15.7 million (not yet paid). Transaction costs of NOK 5.8 million were expensed and are included in M&A costs. From the date of acquisition, Negometrix has contributed NOK 59.9 million of revenue and NOK 6.5 million to the net profit before tax.

CTMS B.V.

On 11 May 2021, the Group acquired 100 per cent of the shares in CTM Solution B.V, a Netherland-based software-as-a-service distributor company providing e-procurement software that includes sourcing, tendering, and contract management.

The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when Merzell Holding ASA obtained control of the legal entities, 11 May 2021. For tax and economic purposes, the effective date was 11 May 2021.

The acquisition-date fair value of the total consideration transferred was NOK 17.9 million in cash. Transaction costs of NOK 1.1 million were expensed and are included in M&A costs. From the date of acquisition, CTMS has contributed NOK 4.7 million of revenue and NOK -77.2 thousand to the net profit before tax.

In relation to the acquisition of CTMS, there are no conditional earnout liability included in the purchase price. However, pursuant to the terms of the share purchase agreement, a conditional earnout amount is payable by the Group conditional upon the retainment of key employees, which is regarded as remuneration and matures 12

months from the closing of the acquisition. Assuming that all conditions are met, the total earnout amount will be EUR 0.5 million. If none of the relevant conditions are met, the total earnout amount will be zero. As at 31 December 2021, all conditions are met and a total amount of EUR 0.5 million has been accrued.

Ibistic International A/S

On 11 May 2021, the Group acquired 100 per cent of the shares in Ibistic International A/S, an Danish-based software-as-a-service distributor company which provides invoice and expense management.

The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when Merzell Holding ASA obtained control of the legal entities, 11 May 2021. For tax and economic purposes, the effective date was 11 May 2021.

The acquisition-date fair value of the total consideration transferred was NOK 37.5 million in cash, deferred payment and estimated contingent consideration of NOK 8.3 million (not yet paid). Transaction costs of NOK 0.8 million were expensed and are included in M&A costs. From the date of acquisition, Ibistic has contributed NOK 14.9 million of revenue and NOK 3.1 million to the net profit before tax.

Cloudia Oy

On 08 June 2021, the Group acquired 100 per cent of the shares in Cloudia Oy, a Finland-based software-as-a-service distributor company that provides sourcing, contract, and supplier management.

The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when Merzell Holding ASA obtained control of the legal entities, 8 June 2021. For tax and economic purposes, the effective date was 08 June 2021.

The acquisition-date fair value of the total consideration transferred was NOK 905.9 million in cash. Transaction costs of NOK 22.8 million were expensed and are included in M&A costs. From the date of acquisition, Cloudia has contributed NOK 47.9 million of revenue and NOK 6.1 million to the net profit before tax.



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In relation to the acquisition of Cludia Oy, a conditional earnout amount is payable by the Group conditional upon satisfaction of retention and performance targets for key employees for 2021. This element is regarded as remuneration and accrued over the vesting period, lasting one year from the acquisition date. Assuming that all conditions are met, the total earnout amount will be EUR 10 million, paid in Shares during 2022 (based on the Share price at the time of the share issue). If none of the conditions are met, the total earnout amount will be zero.

Based on the Group's forecast as of 31 December 2021, the conditions will not be met. An amount of NOK 34.2 million that have been accrued as salary and personnel

expenses in the second and third quarter of 2021 are reversed in the fourth quarter.

Based on the Group's forecast as of 31 December 2021, the conditions will not be met. An amount of NOK 34.2 million that have been accrued as salary and personnel expenses in the second and third quarter of 2021 are reversed in the fourth quarter.

Based on a provisional purchase price allocation (PPA), the below table illustrates the fair values of the identifiable assets in Negometrix, CTMS, Ibistic and Cludia at acquisition dates:

Acquisitions during 2021

	10 Feb 2021 Negometrix B.V.	11 May 2021 CTMS B.V.	11 May 2021 Ibistic International A/S	08 Jun 2021 Cludia Oy
Technology	30 803	-	2 443	40 445
Brand	1 683	-	688	8 895
Customer relationship	60 246	7 084	18 208	109 884
Deferred tax assets	1 403	-	51	19 668
Other non-current assets	3 387	678	420	4 156
Total non-current assets	97 522	7 762	21 811	183 048
Current assets				
Accounts receivables	17 433	1 129	3 929	12 858
Other current assets	2 244	-	279	1 389
Cash and cash equivalents	14 971	9 313	846	25 831
Total current assets	34 647	10 442	5 054	40 078
Total assets	132 169	18 203	26 865	223 125
Deferred tax liability	13 516	1 063	2 486	30 585
Other non-current liabilities	8 675	-	1 347	40 160
Total non-current liabilities	22 191	1 063	3 833	70 745
Accounts payable	2 047	4 930	661	1 033
Other current liabilities	38 959	5 089	9 567	74 271
Total current liabilities	41 005	10 018	10 229	75 304
Total liabilities	63 196	11 081	14 062	146 049
Total identifiable net assets at fair value	68 973	7 122	12 803	77 076
Purchase consideration	273 677	17 919	37 526	905 928
Goodwill arising on acquisition	204 705	10 796	24 723	828 851
Purchase consideration				
Cash consideration paid	257 967	17 919	20 760	905 928
Deferred consideration	-	-	8 476	-
Estimated contingent consideration (not yet paid)	15 700	-	8 290	-
Total consideration	273 667	17 919	37 526	905 928

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Provision for deferred tax is made for the difference between acquisition cost and acquired tax base in accordance with IAS 12. Offsetting entry of this non-cash deferred tax is goodwill. The remaining goodwill comprises the value of expected synergies arising from the acquisition and assembled workforce, which is not separately recognised.

None of the goodwill recognised is deductible for income tax purposes.

Analysis of cash flows on acquisition

	Negometrix B.V	CTMS B.V.	Ibistic International A/S	Cloudia Oy
Net cash acquired (included in the cash flow from investing activities)	14 971	9 313	846	25 831
Cash paid (included in the cash flow from investing activities)	257 967	17 919	22 365	905 928
Net cash flow from acquisition	-242 996	-8 606	-21 519	-880 097

Acquisition of Cloudia in July 2021

The net assets recognised for Cloudia in the interim financial statements for the second quarter 2021, were based on a provisional assessment of their fair value while the Group was finalizing the review and measurement of customer base. This review had not been completed by the date of interim financial statements for the second quarter 2021 were approved for issue by the Board of Directors. By the end of December 2021, the review was completed and customer-related assets were remeasured due to new information obtained related to facts and circumstance that existed at the date of acquisition. As a result, a reallocation between customer relationships and goodwill have been performed by a decrease in customer relationship of NOK 40.0 million and an increase in goodwill of NOK 32.0 million adjusted for an decrease in deferred tax liabilities of NOK 8.0 million.

Acquisitions during 2020

Acquisition	Main business activity	Date of business combination	Proportion of voting equity acquired	Acquiring entity
Aksess Innkjøp AS	Post-Award	28 Feb 2020	100%	Merzell Holding ASA
TrueLink A/S	Post-Award	14 May 2020	100%	Merzell Holding ASA
Tricom ApS	Post-Award	22 Jun 2020	100%	Merzell Holding ASA
Comcare A/S	Post-Award	03 Sep 2020	100%	Merzell Holding ASA
Visma Commerce	Pre-Award	10 Dec 2020	100%	Merzell Holding ASA

Aksess Innkjøp AS

On 28 February 2020, The Group acquired 100 per cent of the voting shares of Aksess Innkjøp AS, a Norwegian-based company operating a portal for handling digital commercial documents. Aksess Innkjøp AS is part of the post-award segment after the acquisition.

The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when Merzell Holding ASA obtained control of the legal entities, 28 February 2020. For tax and economic purposes, the effective date was 28 February 2020.

The acquisition-date fair value of the total consideration transferred was NOK 10 million in cash. Transaction costs of NOK 0.3 million were expensed and are included in M&A costs. From the date of acquisition, Aksess Innkjøp has contributed NOK 6.9 million of revenue and NOK -0.1 million to the net profit before tax in 2020.

TrueLink A/S

On 14 May 2020, the Group acquired 100 per cent of the voting shares of TrueLink A/S, a Denmark-based company operating a portal for handling digital commercial documents. TrueLink Group is part of the post-award segment after the acquisition.



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The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when Mercell Holding ASA obtained control of the legal entities, 14 May 2020. For tax and economic purposes, the effective date was 14 May 2020.

The acquisition-date fair value of the total consideration transferred was NOK 58.2 million in cash. Transaction costs of NOK 1.56 million were expensed and are included in M&A costs. From the date of acquisition, TruLink Group has contributed NOK 15.1 million of revenue and NOK 8.3 million to the net profit before tax in 2020.

Tricom ApS

On 22 June 2020, The Group acquired 100 per cent of the voting shares of Tricom A/S, a Denmark-based software-as-a-service ("SaaS") company which provides e-procurement solutions. Tricom A/S is part of the post-award segment after the acquisition.

The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when Mercell Holding ASA obtained control of the legal entities, 22 June 2020. For tax and economic purposes, the effective date was 20 June 2020.

The acquisition-date fair value of the total consideration transferred was NOK 114.5 million in cash. Transaction costs of NOK 1.76 million were expensed and are included in M&A costs. From the date of acquisition, Tricom A/S has contributed NOK 17.2 million of revenue and NOK -4.5 million to the net profit before tax in 2020.

Comcare A/S

On 3 September 2020, The Group acquired 100 per cent of the voting shares of Comcare A/S, a Denmark-based software-as-a-service ("SaaS") company which provides e-procurement solutions. Comcare A/S is part of the post-award segment after the acquisition.

The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when Mercell Holding ASA obtained control of the legal entities, 3 September 2020. For tax and economic purposes, the effective date was 3 September 2020.

The acquisition-date fair value of the total consideration transferred was NOK 91.6 million in cash. Transaction costs of NOK 1.43 million were expensed and are included in M&A costs. From the date of acquisition, Comcare A/S has contributed NOK 10.8 million of revenue and NOK -7.2 million to the net profit before tax 2020.

Visma Commerce

On 10 December 2020, The Group acquired the Opic and TendSign product suites (the "Target Group"), which is currently situated in the three entities: Visma Commerce AB, Visma Commerce AS and Visma Labs AB. Opic is a leading Swedish procurement information portal/monitoring service, aimed at small/medium sized businesses in Sweden and Norway. Sales is mainly targeted towards the private sector. TrendSign is a leading Swedish cloud services for digital procurement used by both public entities and private companies. Opic is part of the pre-award supplier segment and TendSign is part of the pre-award buyer segment after the acquisition.

The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when Mercell Holding ASA obtained control of the legal entities, 10 December 2020. For tax and economic purposes, the effective date was 10 December 2020.

The acquisition-date fair value of the total consideration transferred was NOK 2.215.8 million in cash. Transaction costs of NOK 43.8 million were expensed and are included in M&A costs. From the date of acquisition, Visma Commerce has contributed NOK 18.2 million revenue and NOK 9.2 million to the net profit before tax in 2020.



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The below table illustrates the fair values of the identifiable assets in Akseess Innkjøp, Truelink, Tricom, Comcare and Visma Commerce acquisition date:

Acquisitions during 2020

	28 Feb 2020 Akseess Innkjøp AS	14 May 2020 Truelink A/S	22 Jun 2020 Tricom ApS	03 Sep 2020 Comcare A/S	10 Dec 2020 Visma Commerce
Technology	622	3 449	4 473	4 504	88 001
Brand	-	658	430	919	8 865
Backlog	1 005	4 469	6 843	9 930	-
Customer relationship	1 823	8 009	15 018	15 440	533 687
Machines and equipment	77	-	476	2 486	-
Other non-current assets	4 538	375	-	-	-
Total non-current assets	8 065	16 959	27 238	33 278	630 553
Deposits	-	282	340	784	-
Accounts receivables	1 643	3 222	5 212	2 966	50 888
Other current assets	10	1 381	440	4 246	433
Cash and cash equivalents	13	5 322	3 622	-100	154 171
Total current assets	1 666	10 207	9 613	7 896	205 492
Total assets	9 731	27 166	36 852	41 174	836 045
Deferred tax liability	-	3 621	5 407	6 632	130 970
Total non-current liabilities	-	3 621	5 407	6 632	130 970
Accounts payable	-	273	1 169	-	11 582
Other current liabilities	3 833	7 114	10 665	16 902	127 428
Total current liabilities	3 833	7 387	11 834	16 902	139 010
Total liabilities	3 833	11 008	17 241	23 534	269 980
Total identifiable net assets at fair value	5 898	16 159	19 611	17 641	566 064
Purchase consideration	10 000	58 181	114 473	91 573	2 215 801
Goodwill arising on acquisition	4 102	42 022	94 862	73 933	1 649 736
Purchase consideration					
Cash consideration paid	10 000	58 181	114 473	88 507	2 057 867
Estimated contingent consideration (not yet paid)	-	-	-	3 066	-
Sellers credit	-	-	-	-	157 934
Total consideration	10 000	58 181	114 473	91 573	2 215 801

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Provision for deferred tax is made for the difference between acquisition cost and acquired tax base in accordance with IAS 12. Offsetting entry of this non-cash deferred tax is goodwill. The remaining goodwill comprises the value of expected synergies arising from the acquisition and assembled workforce, which is not separately recognised.

None of the goodwill recognised is deductible for income tax purposes.

Analysis of cash flows on acquisition

	Aksess Innkjøp AS	TrueLink A/S	Tricom ApS	Comcare A/S	Visma Commerce
Net cash acquired (included in the cash flow from investing activities)	13	5 322	3 622	-100	154 171
Cash paid (included in the cash flow from investing activities)	10 000	58 181	114 473	88 507	2 057 867
Net cash flow from acquisition	-9 987	-52 859	-110 851	-88 607	-1 903 697

The table below shows the Group's revenue and profit before tax for the twelve months period ended 31 December 2021 and 2020 if the business combinations had taken place at the beginning of the year:

All amounts in NOK 1 000	2021	2020
Revenue	706 296	311 906
Revenue from acquired entities pre acquisition	47 051	225 882
Pro forma revenue	753 347	537 787
All amounts in NOK 1 000	2021	2020
Loss before tax	-116 469	-154 275
Loss before tax from acquired entities pre acquisition	-930	-241 210
Pro forma profit before tax	-117 399	-395 485

Pemco Dokumentnøkkel: OE3EJL518H-PTT14-PNE6L-PIXF-L336A

Note 6.3 Share based payment

Accounting policies

Key personnel of the Group receive remuneration in the form of share-based payments, which are settled both with shares (equity-settled program) and in cash (cash-settled transactions).

Equity-settled programs

The equity-settled share option program gives the employee right to purchase shares. The program is measured at fair value at the date of the grant. The fair value of the issued options is expensed as an employee benefit cost with a corresponding increase in equity over the vesting period. Social security tax on the options is recorded as a liability and is recognized over the estimated vesting period.

Cash-settled programs

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. Social security tax on the options is recorded as a liability and is recognized over the estimated vesting period.

Option program

Equity settled programs

In 2018, the Group entered into a share option programme covering certain employees in senior positions (key personnel). As at 31.12.2021, 5 employees were included in the option program. A total of 8 267 710 options are included in the stock option program. In Q2 2020, there was an amendment to the original program, increasing the period the options be exercised over by two years. The amendment triggered a new valuation for the options as the time to maturity was increased. The options are divided into 36 tranches and will vest monthly.

Cash-settled programs

In 2020, the Group entered into a share option programme covering certain employees in senior positions (key personnel). As at 31.12.2021, 5 employees were included in the option program. A total of 3 500 000 synthetic options are included in the program. Options issued under the first tranche was subject to monthly vesting with 1/12 vested each month commencing at 9 July 2020, (the "Initial Vesting Date"), and could consequently be exercised in full at the earliest after one year. The Synthetic Options issued under the second tranche is also subject to monthly vesting, commencing one year after the Initial Vesting Date, and may consequently be exercised in full at the earliest two years after the Initial Vesting Date. The exercise period for the Synthetic Options issued in the first tranche will expire three years after the Initial Vesting Date, while the exercise period for the Synthetic Options issued in the second tranche will expire four years after the Initial Vesting Date.

Expense from share-based payment transactions

	2021	2020
Expense arising from equity-settled share-based payment transactions	195	1 066
Expense arising from cash-settled share-based payment transactions ¹	809	4 526
Total expense arising from share-based payment transactions	1 004	5 593



Consolidated financial statements

Equity-settled programs

Overview of outstanding options	2021	2020
Outstanding options 1 Jan	9 185 625	9 849 646
Options granted	-	-
Options forfeited	-	-553 351
Options exercised ¹	-917 915	-110 670
Options expired	-	-
Outstanding options 31 Dec	8 267 710	9 185 625
Of which exercisable	7 986 698	6 755 767

¹ Two employees exercised a total of 917 915 options with a strike price of NOK 1.5 in April and May 2021. The share price was NOK 11.1 for 530 570 of the options at the date of exercise (14 April 2021). For the 387 345 options exercised on 9 May 2021, the share price was NOK 9.1.

One employee resigned in May 2020 and exercised a total of 110 670 options with a strike price of NOK 1.5. The share price at date of exercise (16 July 2020) was NOK 8.3. 553 351 options were forfeited at a strike price of NOK 1.5 in 2020.

The strike price for all equity-settled options is NOK 1.5.

Cash-settled programs

Overview of outstanding options	2021	2020
Outstanding options 1 Jan	3 500 000	-
Options granted	-	3 500 000
Options forfeited	-	-
Options exercised	-	-
Options expired	-	-
Outstanding options 31 Dec	3 500 000	3 500 000
Of which exercisable	2 589 041	839 041

The outstanding options are subject to the following conditions:

Cash-settled programs

Expiry date	Average weighted strike price (NOK)	Number of share options
09.07.2023	7.38	1 750 000
09.07.2024	7.38	1 750 000
Number of options		3 500 000

Pemco Dokumentnøkkel: OE3EJ-LS18H-PFT14-PNE6L-PIXF-L336A



Equity-settled programs

Expiry date	Average strike price (NOK)	Number of share options
27.06.2025	1.5	4 492 812
07.01.2026	1.5	3 264 771
31.12.2021	1.5	233 451
01.08.2026	1.5	276 676
Number of options		8 267 710

The calculations are based on the following assumptions:

Cash-settled programs

- The share price is calculated using standard Black & Scholes conditions.
- The volatility is estimated using the historic volatility of the share price. The expected volatility is therefore stipulated to be the same as the historic volatility calculated on the basis of the first six months of price data, which equals a volatility of 63 per cent.
- The estimated dividend per share is NOK 0 per annum.
- Risk-free interest rate is equal to the return on a Norwegian government bond on the allocation date. The duration of the stock option is matched against the maturity of the corresponding bond.

Equity-settled programs

- The share price is calculated using standard Black & Scholes conditions
- The volatility is estimated using the historic volatility of similar listed companies. The expected volatility is therefore stipulated to be the same as the historic volatility of the similar companies, which equals a volatility between 35 per cent and 46 per cent.
- The estimated dividend per share is NOK 0 per annum.
- Risk-free interest rate is equal to the return on a Norwegian government bond on the allocation date. The duration of the stock option is matched against the maturity of the corresponding bond.



Section 7 Other information

Note 7.1 Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that might be issued under the equity-settled share based option program.

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

All amounts in NOK 1 000	2021	2020
Net profit for the year (controlling interest's share)	-113 235	-146 250
No. of shares outstanding as at 1 January 2021	413 602	222 982
Share issue during the year (note 4.6)	89 062	190 621
No. of shares (in 1000) outstanding as at 31 December 2021	502 664	413 602
Weighted average number of shares for the purpose of basic earnings per share	477 378	264 756
Basic and diluted ¹ profit for the year attributable to ordinary equity holders of the parent	-0.237	-0.552

¹ The Group has issued equity-settled share-based options (see note 6.3) that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the periods presented.



Note 7.2 Subsequent events

The escalation of the conflict between Russia and Ukraine which led to armed conflicts in Ukraine on 24 February 2022 has an uncertain impact on the world economy. One of the Group's platforms has over time been developed and maintained by a team of 8 persons located in Ukraine. The operation of the platform is carried out in Denmark, and the customers using the platform are currently unaffected as the platform is fully operational. Still, further development of the platform will most likely be delayed because of the new challenging circumstances. As a countermeasure, we are working to train new people so that ongoing maintenance can be performed by personnel within the EU. Until further notice, all new development in the platform will be put on hold and customers are informed and familiar with the situation. The Group has also started a more long-term effort to plan the transfer of customers to our new P2P platform. We expect these adverse effects to be limited as there are no immediate effects experienced by customers and appropriate countermeasures are put in place to ensure continuous maintenance of the platform.

Indirect effects, such as financial market volatility, sanctions-related knock-on effects, general economic market conditions and other future responses of international governments, might have an impact on the Group's financial results and financial position. The Group's management continues to monitor the situation and has an ongoing assessment of potential impact on the Group's financial results and financial position.

On 24 February 2022, the Group announced in the quarterly report that ARR in Cloudia was revised downwards by approximately EUR 2 million after an invoice audit. As a result, the Group are withholding the planned earn-out associated with the transaction of approximately EUR 10 million, and are exploring other options to be compensated for the ARR shortfall.



Consolidated financial statements

Key performance indicators (KPI)

This section includes information about Key performance indicators applied by the Group.

These Key performance indicators are shown to improve the ability of stakeholders to evaluate the Group's financial performance.

The Group applies the following KPIs;

Annual recurring revenue (ARR)

ARR is the value of the contracted recurring revenue components of subscriptions at any given point in time, normalized to a one year period, including certain transaction based revenues tied to the subscriptions. Organic ARR growth is used to measure the Group's ability to grow by increased ARR from existing and new customers, as opposed to growth through acquisitions. Organic ARR growth is defined as ARR adjusted for the effects from acquisitions, divestments and foreign currency effects. Organic ARR growth excludes ARR acquired at the time of acquisition. ARR growth in acquired companies are included from the subsequent months they have been acquired.

ARR is calculated based on monthly subscriptions fee per 31.12 multiplied by 12 in order to represent an annualized figure. The Group presents ARR because it considers it to be an important supplemental measure for stakeholders to understand the overall picture of revenue generation in the Group's operating activities. Organic growth is an important key figure to Mercell and to stakeholders as it illustrates the underlying operational growth by excluding effects related to acquisitions and other non-operational items.

All amounts in NOK 1 000	2021	2020
Annual recurring revenue	793 234	552 000
Organic ARR growth	18%	32%

* Organic ARR growth 2020 is not adjusted for foreign currency effects

Organic revenue growth

Organic revenue growth is used to measure the Groups ability to grow by additional sales to existing and new customers as opposed to growth through acquisitions. Organic growth is defined as revenue adjusted for the effects from acquisitions, divestments and foreign currency effects. Organic growth is an important key figure to Mercell and to stakeholders as it illustrates the underlying operational growth by excluding effects related to acquisitions and other non-operational items.

All amounts in NOK 1 000	
Revenue 2020	311 906
Pro forma adjustment for companies aquired in 2020	224 205
Sum revenue 2020 including pro forma adjustments	536 111
Revenue 2021	706 296
Excluding companies aquired in 2021	-126 466
Sum revenue 2021 excluding companies aquired in 2021	579 830
Organic revenue growth 2021	8%

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Consolidated financial statements

All amounts in NOK 1 000

Revenue 2019	154 251
Pro forma adjustment for companies acquired in 2019	33 796
Sum revenue 2019 including pro forma adjustments	188 047
Revenue 2020	311 906
Excluding companies acquired in 2020	-68 179
Sum revenue 2020 excluding companies acquired in 2020	243 727
Organic revenue growth 2020	30%

EBITDA and Adjusted EBITDA

The Groups earnings before interest, tax, depreciation and amortization (EBITDA) is used to provide consistent information on Mercell's operating performance relative to other companies and frequently used by analysts, investors and other stakeholders. EBITDA, as defined by Mercell, includes total operating revenue. It excludes depreciation, amortization and impairment loss. Mercell's definition of EBITDA may differ from that of other companies.

For a reconciliation of EBITDA refer to the consolidated statement of comprehensive income.

Adjusted EBITDA is a measurement which is used in the internal reporting to management which is also considered to be relevant for external stakeholders. Adjusted EBITDA is used to better show the underlying performance, as it adjusts for certain items that are considered extraordinary, such as acquisitions and costs incurred related to its initial public offering. Mercell's definition of adjusted EBITDA may differ from that of other companies.

EBITDA and Adj. EBITDA

All amounts in NOK 1 000	2021	2020
Revenue	706 296	311 906
EBITDA	105 005	-23 723
EBITDA Margin	15%	-8%
M&A cost ¹	30 379	48 751
Other items ²	37 511	44 086
Adjusted EBITDA	172 895	69 114
Adjusted EBITDA Margin	24%	22%

¹ Specification of M&A cost:

All amounts in NOK 1 000	2021	2020
Legal due diligence	10 398	10 952
Technical due diligence	1 325	33 844
Financial due diligence	4 252	3 956
Financial M&A support	-	-
Transfer tax	14 404	-
M&A cost	30 379	48 751

Pemco Dokumentnøkkel: OE3EJ-LS18H-PFT14-PNE6L-PIXF-L336A



Consolidated financial statements

²Specification of other items:

All amounts in NOK 1 000	2021	2020
Advisory fees, listing process	28 875	17 319
Advisory fees, other	7 682	-
Severance pay	-	11 075
Management bonus IPO	-	6 941
Management compensation for acquired entities	-	3 115
Fees for admission to listing	-	749
Contingent remuneration arising from business combinations	5 546	-
Revolving credit facility	1 860	-
System implementation	390	-
Post merger integration	2 761	-
Effects of prior period adjustments	-9 604	4 887
Other items	37 511	44 086

2020 has been restated to show the effects of prior period adjustment made in 2021 relating to this period.

Net interest-bearing debt

The Group defines net interest-bearing debt as cash and cash equivalents, reduced for current and non-current interest-bearing debt, including lease liabilities. It is managements belief that this measure is useful to present as it shows the actual financial indebtedness of the group.

All amounts in NOK 1 000	2021	2020
Cash and cash equivalents	96 691	327 984
Less:		
Interest-bearing debt to credit institutions (note 4.2)	1 518 402	1 098 920
Non-current lease liability (note 4.2)	43 114	-
Current interest bearing liabilities (note 4.2)	16 690	45 266
Current lease liabilities (note 4.2)	23 187	15 713
Other interest-bearing current liabilities - short term debt related to the acquisition of Visma Commerce (note 2.7)	-	161 591
Net interest bearing debt	1 504 703	993 506

Pemco Dokumentnøkkel: OE3EJ-LS18H-PFT14-PNE6L-PIXF-L336A



Consolidated financial statements

Pemso Dokumentnøkkel: OE3EJLS18H-PFTI4-PNE6L-PIXF-L336A



Parent company financial statements



Statement of comprehensive income

1 January - 31 December

All amounts in NOK 1 000	Note	2021	2020
Operating income and operating expenses			
Revenues	5	67 104	60 687
Total operating revenue		67 104	60 687
<hr/>			
Salary and personnel expenses	1	37 913	36 131
Impairment of tangible and intangible assets	2	14 814	-
Other expenses	1	125 881	40 832
Total operating expenses before depreciation		178 608	76 963
<hr/>			
Depreciation of tangible and intangible fixed assets	2	33 102	20 480
<hr/>			
Operating profit/loss		-144 606	-36 756
<hr/>			
Financial income and expenses			
Income from subsidiaries	5	574	2 532
Interest income from group companies	12	304	949
Other interest income		683	588
Other financial income		236 361	27 003
Interest expense to group companies	12	1 656	622
Other interest expenses	10, 12	93 685	59 809
Other financial expenses		129 306	40 680
Net financial items	12	13 276	-70 039
<hr/>			
Result before tax		-131 330	-106 796
<hr/>			
Tax expense	11	-	-
<hr/>			
Result for the year		-131 330	-106 796
<hr/>			
Allocation of result for the year			
Other equity	7	-131 330	-106 796
Total brought forward		-131 330	-106 796

Pemco Dokumentnøkkel: OE3EJ-LS18H-PFT14-PNE6L-PIXF-L336A



Parent company financial statements

Statement of financial position

All amounts in NOK 1 000	Note	2021	2020
ASSETS			
Non-current assets			
Intangible assets			
Technology platform	2	150 544	67 851
Total intangible assets		150 544	67 851
Property, plant and equipment			
Property, plant & equipment	2	1 443	1 727
Total property, plant and equipment		1 443	1 727
Non-current financial assets			
Investments in subsidiaries	3	3 665 946	2 460 056
Loan to group companies	4	473 058	289 080
Other long-term receivables	1	4 809	4 495
Total non-current financial assets		4 143 813	2 753 632
Total non-current assets		4 295 800	2 823 210
Current assets			
Receivables			
Accounts receivables		238	-
Other short-term receivables	4	14 180	14 287
Receivables from group companies		23 437	-
Total receivables		37 854	14 287
Bank deposits, cash and cash equivalents			
Bank deposits, cash and cash equivalents	6	5 877	120 896
Total bank deposits, cash and cash equivalents		5 877	120 896
Total current assets		43 731	135 184
Total assets		4 339 531	2 958 394

Pemco Dokumentnøkkel: OE3EJ-LS18H-PFT14-PNE6L-PIXF-L336A



Statement of financial position

All amounts in NOK 1 000	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Paid in equity			
Share capital	7, 8	100 533	82 720
Share premium	7	2 579 756	1 791 125
Total paid-up equity		2 680 289	1 873 846
Retained earnings			
Other equity	7	-191 703	-158 133
Total retained earnings		-191 703	-158 133
Total equity		2 488 585	1 715 713
Liabilities			
Long-term liabilities			
Liabilities to group companies	4, 12	250 808	118 366
Non-current interest-bearing liabilities	9, 10	1 518 402	1 098 920
Other non-current liabilities	1	5 831	4 797
Total of long-term liabilities		1 775 041	1 222 083
Current liabilities			
Liabilities to financial institutions	9	-	141
Trade payables		8 751	9 637
Public duties payable		2 554	2 950
Liabilities to group companies	4	49 093	12
Other current liabilities		15 507	7 859
Total current liabilities		75 904	20 598
Total liabilities		1 850 945	1 242 681
Total equity and liabilities		4 339 531	2 958 394

The Board of Directors of Merzell Holding ASA
Oslo, 24 March 2022

Sign.

Joar Welde
Chair of the Board

Helge Nielsen
Board Member

Anne Lise Waal
Board Member

Berit Lid Scharff
Board Member

Erik Fjellvær Hagen
Board Member

Terje Wibe
CEO



Parent company financial statements

Statement of cash flows

All amounts in NOK 1 000	2021	2020
Operating activities		
Profit/loss before tax	-131 330	-106 796
Income tax paid	-	-
Gain/losses sale shares and other investments	-	483
Depreciation and impairment	97 564	29 743
Income from subsidiaries	-	-
Change in trade payables	-886	6 350
Change in other operating items	32 507	1 177
Net cash flows from operating activities	54 908	-69 043
Investing activities		
Purchase of property, plant and equipment	-256	-1 917
Development of software and other intangible assets	-130 068	-56 518
Payments on sale of shares	-	102
Acquisition of subsidiaries, net of cash acquired	-1 058 216	-2 135 629
Proceeds from sales of shares in subsidiaries net of cash disposed	-147 673	-
Loans to subsidiaries	-183 977	-262 009
Net cash flows from investing activities	-1 520 192	-2 455 970
Financing activities		
Proceeds from long term debt	542 787	1 003 387
Net change in overdraft facilities	-	129
Net change in other long-term liabilities	1 034	-196
Proceeds from share issue	838 572	1 638 534
Transaction costs on issue of shares	-32 129	-
Net cash flows from financing activities	1 447 828	2 641 854
Net change in cash and cash equivalents	-115 020	116 841
Cash and cash equivalents at the beginning of the period	120 896	4 056
Cash and cash equivalents at the end of the period	5 877	120 896

Pemco Dokumentnøkkel: OE3EJ-LS18H-PFT14-PNE6L-PIXF-L336A



Notes to the parent company financial statements

Accounting principles

Basis for preparation

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway. Further, the financial statements are prepared based on the going concern assumption.

Use of estimates

In the preparation of the annual accounts estimates and assumptions have been made that have affected the profit and loss account and the valuation of assets and liabilities, and uncertain assets and liabilities on the balance sheet date in accordance with generally accepted accounting practice. Areas which to a large extent contain such subjective evaluations, a high degree of complexity, or areas where the assumptions and estimates are material for the annual accounts, are described in the notes.

Foreign currency

Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to NOK at the exchange rate on the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated to NOK using the exchange rate on the transaction date.

Revenues

In the parent company Merzell Holding ASA, revenues consist of invoicing of joint costs to the subsidiaries. Services are posted as income as they are delivered.

Tax

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 percent on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilised.

Classification and valuation of fixed assets

Fixed assets consist of assets intended for long-term ownership and use. Fixed assets are valued at acquisition cost less depreciation and write-downs. Long-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Plant and equipment is capitalised and appreciated over the economic lifetime of the asset. Significant items of plant and equipment that consist of several material components with different lifetimes are broken down in order to establish different depreciation periods for the different components. Direct maintenance of plant and equipment is expensed on an ongoing basis under operating costs, while additions or improvements are added to the asset's cost price and depreciated in line with the asset.



Parent company financial statements

Classification and valuation of current assets

Current assets and short-term liabilities consist normally of items that fall due for payment within one year of the balance sheet date. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Intangible assets

Intangible assets are the technology platform that consists of capitalized development costs that are amortized over their expected life.

Subsidiaries and associated companies

Subsidiaries and associated companies are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that dividends/ group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represents a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the parent company.

Receivables

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables. In addition an unspecified provision is made to cover expected losses on claims in respect of customer receivables.

Financial income and expenses

Interest income and interest expenses on interest-bearing debt and receivables is calculated using the effective interest method.

Foreign currency gains or losses are reported as gain or loss on foreign exchange within in finance income or finance expense.

Cash flow statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments.



Note 1 Personnel expenses, number of employees, remuneration, loan to employees, audit fee

Payroll expenses

All amounts in NOK 1 000	2021	2020
Salaries/wages	26 910	24 834
Skattefunn (R&D tax incentive scheme)	-	-
Social security fees	3 049	4 497
Pension expenses	1 343	867
Other remuneration	6 611	5 934
Total	37 913	36 131
Average number of employees during the accounting year	14	13

OTP (Statutory occupational pension)

The company is required to have a pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirement of this law.

Option program

Equity settled programs

In 2018, the Group entered into a share option programme covering certain employees in senior positions (key personnel). As at 31.12.2021, five employees were included in the option program. A total of 8 267 710 options are included in the stock option program. In Q2 2020, there was an amendment to the original program, increasing the period the options be exercised over by two years. The amendment triggered a new valuation for the options as the time to maturity was increased. The options are divided into 36 tranches and will vest monthly.

Cash-settled programs

In 2020, the Group entered into a share option programme covering certain employees in senior positions (key personnel). As at 31.12.2021, 5 employees were included in the option program. A total of 3 500 000 options are included in the program. Options issued under the first tranche will be subject to monthly vesting with 1/12 vested each month commencing at 9 July 2020, (the "Initial Vesting Date"), and may consequently be exercised in full at the earliest after one year.

The Synthetic Options issued under the second tranche will also be subject to monthly vesting, commencing one year after the Initial Vesting Date, and may consequently be exercised in full at the earliest two years after the Initial Vesting Date. The exercise period for the Synthetic Options issued in the first tranche will expire three years after the Initial Vesting Date, while the exercise period for the Synthetic Options issued in the second tranche will expire four years after the Initial Vesting Date.

Remuneration to executives

All amounts in NOK 1 000	Managing Director	Board
Salaries/wages	3 000	2 660
Bonus	2 000	-
Pension expenses	109	-
Other remuneration	298	-



Parent company financial statements

The Managing Director has a pension agreement that includes pension accrual in addition to the company's general defined contribution pension. Accrued liability per 31.12.2021 amounts to NOK 0.5 million.

A loan of NOK 4 million has been granted to the CEO's holding company Camiveo AS. The loan is interest calculated in 2021 and has a balance equal to NOK 4.3 million as of 31.12.21.

Auditor

Expenses paid to the auditor for 2021 amounts to NOK 2.8 million excl. VAT.

All amounts in NOK 1 000

Statutory auditing services	2 245
Other assurance services	255
Technical preparation accounts and tax papers	303
Other services	46
Total remuneration to the auditor	2 848

The amounts above are excluding VAT. All technical preparation and other services from BDO were made before Mercell Holding ASA was listed on the Oslo Stock Exchange.

Note 2 Fixed assets and intangible assets

Fixed assets and intangible assets

All amounts in NOK 1 000	Technology platform	Furniture, fixtures and equipment	Total
Acquisition cost 01.01.21	221 233	4 867	226 100
Additions	135 542	256	135 798
Disposals	-	-	-
Skattefunn (R&D tax incentive scheme)	-4 083	-	-4 083
Acquisition cost 31.12.21	352 691	5 123	357 814
Acc. depreciation/ impairment 31.12.21	202 147	3 680	205 827
Book value 31.12.21	150 544	1 443	151 987
Depreciation in the year	32 561	541	33 102
Write down in the year	14 814	-	14 814
Economic life	5 years	5-8 years	



Note 3 Investmetns in subsidiaries

Mercell Holding ASA wholly owned subsidiaries is Safe Tag Group AS and Mercell Midco AS.

Mercell Midco AS wholly owned subsidiaries: Udbudsvagten A/S, Licitio A/S, Mercell A/S, Mercell Danmark A/S, Mercell Svenska A/B, Mercell Norge AS, Mercell Commerce AB, Mercell Commerce AS, Mercell Suomi, Mercell Latvia, Mercell Estonia, Mercell Lithuania, Mercell CTM AB, EU Supply LTD, EUS Holding LTD, Mercell Nederland BV, Mercell US Inc, Commerce Hub BV, Negometrix Bulgaria, Ibistic International A/S, Ibistic Technologies A/S, Ibistic Technologies AS, CTM Solution BV, Cloudia Oy and Cloudia DMCC.

Mercell Holding ASA directly owns as of 31.12.2021 the following companies:

All amounts in NOK 1 000						
Company	Ownership/ voting rights	Location	Acquisition cost	Book value	Annual net profit/loss	Equity
Mercell Midco AS	100%	Oslo, Norway	2 447 430	3 665 916	-297	3 665 007
Safe Tag Group AS	100%	Oslo, Norway	2 359	30	-9 192	30
Total investments in subsidiaries			2 449 788	3 665 946		

During 2021 Mercell Holding ASA sold 100 per cent of the shares in Mercell Suomi, Mercell Lithuania, Mercell Latvia and Mercell Estonia to Commerce AB. Net gain from the transaction was NOK 97.6 million.

Note 4 Inter-company balances

Mercell Holding ASA has the following balances with companies in the Group:

Long-term loans to companies in the Group

All amounts in NOK 1 000	2021	2020
Mercell Estland OÜ	-	2 293
Mercell Latvia SIA	1 165	8 000
Mercell Lithuania UAB	89	10 014
Mercell Midco AS	433 897	251 702
Safe Tag Norge AS	11	-36
Mercell Suomi OY	8 772	9 471
Mercell Product & Technology AS	-	40
Licitio	-	5 358
Aksess Innkjøp AS (merged with Mercell Norge AS in 2021)	-	2 240
Cloudia Oy	20 809	-
Mercell Nederland BV	7 503	-
Mercell CTM AB	108	-
EU Supply Ltd	434	-
EUS Holdings Ltd	20	-
CTM Solution BV	124	-
Ibistic Technologies A/S	124	-
Total long-term loans to companies in the Group	473 058	289 080

The loans are calculated with interest.



Parent company financial statements

Long-term loans from companies in the Group

All amounts in NOK 1 000	2021	2020
Mercell Svenska AB	16 369	14 633
Mercell Danmark A/S	26 206	19 204
Mercell Norge AS	35 341	42 311
Mercell Sumi OY	5 319	3 277
Mercell A/S	16 785	13 090
Udbudsvagten A/S	6 570	4 952
Mercell CTM AB	21 413	18 869
eLuence	-	2 030
Commerce AB	104 070	-
Commerce AS	18 293	-
Ibistic Technologies AS	441	-
Total long-term loans from companies in the Group	250 808	118 366

Receivables to companies in the Group

All amounts in NOK 1 000	2021	2020
Mercell Norge AS (intra-group contribution)	574	2 532
Total receivables to companies in the Group	574	2 532

Other short-term receivables and liabilities are related to cash pool transactions. Total short-term receivables amount to NOK 14.2 million and total short-term liabilities amounts to NOK 49 million as of 31.12.2021.

Note 5 Related party transaction

Mercell Holding ASA charges the subsidiaries for accrued joint costs. Please refer to note 4 for balances with subsidiaries as of 31.12.21.

Transactions with subsidiaries

All amounts in NOK 1 000	2021	2020
Joint cost & Distribution fee to subsidiaries	66 913	60 687
Interest income received from subsidiaries	304	949
Interest expense paid to subsidiaries	1 656	622
Purchase of IT-services from subsidiaries	102 459	48 073
Marketing fee from subsidiaries	2 526	2 338
Other cost allocated to subsidiaries	4 052	4 599
Received intra-group contributions from subsidiaries	574	2 532



Note 6 Restricted bank deposits

All amounts in NOK 1 000	2021	2020
Restricted funds deposited on the tax deduction account (withheld employee tax)	1 721	1 450

Restricted funds deposited on the tax deduction account covers the tax employees tax obligation as of 31.12.2021.

The Group has established cash pool systems. Under these agreements, Merzell Holding ASA is the Group account holder and the other companies in the Group are sub-account holders or participants. The banks can offset balances in their favour against deposits so that the net position represents the net balance between the bank and the Group account holder.

Note 7 Equity

All amounts in NOK 1 000	Share capital	Share premium reserve	Retained earnings	Total Equity
Equity 31.12.2020	82 720	1 791 125	-158 133	1 715 713
Shareholder contribution	17 812	820 759	-	838 572
Transaction cost	-	-32 129	-	-32 129
Share-based bonus/remuneration	-	-	-	-
Gain sales of shares inta group	-	-	97 564	97 564
Annual net profit/loss	-	-	-131 135	-131 135
Equity 31.12.2021	100 533	2 579 756	-191 703	2 488 585



Parent company financial statements

Note 8 Share capital and shareholder information

The share capital consists of:

	Number of shares	Nominal value	Book value
Ordinary shares	502 663 855	0.20	100 532 771

Shareholders	Number of shares	Ownership	Voting rights
STATE STREET BANK AND TRUST COMP	42 300 000	8.42%	8.42%
CITIBANK, N.A.	31 061 034	6.18%	6.18%
SKANDINAVISKA ENSKILDA BANKEN AB	29 247 857	5.82%	5.82%
BARCLAYS CAPITAL SEC. LTD FIRM	27 531 921	5.48%	5.48%
VIKING VENTURE 16B AS	25 912 103	5.15%	5.15%
THE BANK OF NEW YORK MELLON SA/NV	25 349 288	5.04%	5.04%
VIKING VENTURE 16 AS	21 291 748	4.24%	4.24%
VERDIPAPIRFONDET DNB NORGE	16 812 196	3.34%	3.34%
J.P. MORGAN SECURITIES LLC	16 289 141	3.24%	3.24%
UBS SECURITIES LLC	15 000 000	2.98%	2.98%
MORGAN STANLEY & CO. LLC	14 773 417	2.94%	2.94%
MORGAN STANLEY & CO. INT. PLC.	14 242 622	2.83%	2.83%
BANQUE DE LUXEMBOURG S.A.	10 541 567	2.10%	2.10%
NORDNET BANK AB	10 151 870	2.02%	2.02%
GRIEG HOLDINGS II AS	9 567 947	1.90%	1.90%
EUROCLEAR BANK S.A./N.V.	8 716 968	1.73%	1.73%
MYRLID AS	8 600 000	1.71%	1.71%
CAMIVEO AS	7 023 897	1.40%	1.40%
UBS AG	6 970 000	1.39%	1.39%
GLABELLA AS	6 542 397	1.30%	1.30%
Other shareholders	154 737 882	30.78%	30.78%
Total	502 663 855	100%	100%

Shares owned by members of the board and senior executives as 31.12.2021:

	Position	Number of shares
Terje Wibe (Camiveo AS)	CEO	7 023 897
Fredrik Eeg (Mineo AS)	CFO	400 000
Arild Nilsen (Vikas Invest AS)	CPO	400 000
Helge Nielsen (Helida AS)	Board member	2 000 000

Joar Welde (Chairman of the board) and Erik Hagen (member of the board) are partners in Viking Venture AS. In addition, Erik Hagen is the chairman of the board for Viking Venture 16 AS, Viking Venture 16B AS og Viking Venture 16C AS.

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Note 9 Long-term Liabilities, pledged assets and guarantees

All amounts in NOK 1 000	2021	2020
Bank overdraft	-180	-141

The company has NOK 100 million in unused bank overdraft rights.

All amounts in NOK 1 000	2021	2020
Liabilities secured by mortgage	1 565 437	1 152 824
Registered pledges		
Furniture, fixtures and equipment	-	-
Inventories (SEK)	-	-
Furniture, fixtures and equipment (SEK)	-	-
Factoring agreement	-	-
Factoring agreement (SEK)	-	-
Pledged assets		
Shares in subsidiaries	3 665 946	2 961 439
Accounts receivables	-	-
Fixed assets	151 987	293 575
Bank accounts	5 877	120 896
Intercompany loans	473	289 080
Total	3 824 283	3 664 991

Assets pledged as security for secured liabilities

The Group's bond debt is secured in (i) stocks in Material Group Companies¹ (i.e. subsidiaries which has 10 per cent of total EBITDA or income including possible additional entities that are necessary to ensure that the sum of all the Material Group Companies include in total at least 80 per cent of total EBITDA and income) with exception of issuer, (ii) in bank accounts belonging to Material Group Companies,

(iii) in Accounts Receivables (factoringpart) to Material Group Companies, (iv) in internal loans that have a duration of at least 12 months and minimum SEK 20 million and (v) guaranties from Material Group Companies.

¹ Material Group Companies as of 31.12.2021 consists of Merzell Holding ASA, Merzell Midco AS, Merzell Norge AS, Merzell Svenska AB, Udbudsvagten A/S, Tricom Aps, Comcare A/S, Merzell Commerce AB, Merzell Commerce AS, Merzell CTM AB, Ibistic International A/S, Cloudia Oy and Merzell Nederland BV



Parent company financial statements

Guarantees

Type	Beneficiant	Currency	Amount
Tenant lease gurantee	Fabege AB	SEK	400
Tenant lease gurantee	Skøyen Atrium AS	NOK	3 071

In addition, Mercell Holding ASA has provided security for its subsidiaries for NOK 4 million.

Note 10 Long-term liabilities

All amounts in NOK 1 000	2021	2020
Long-term liabilities	1 559 200	1 147 850
Accrued establishment fee bonds	-47 035	-53 904
Long-term interest added to loans	6 237	4 974
Total long-term liabilities	1 518 402	1 098 920

Covenant requirements

The Group have no maintenance covenants for its interest-bearing debt. As of 31 December 2021, there are two incurrence tests that regulates the Groups ability to distribute dividends and issue new debt.



Note 11 Tax

This year's tax expense

All amounts in NOK 1 000	2021	2020
Tax payable		
Changes in deferred tax assets, intra-group contribution		
Changes in deferred tax assets, subsidiaries		
Tax expense on ordinary profit/loss		
Calculation of this year's tax base		
Profit/loss before tax	-131 330	-106 796
Permanent differences	27 753	-116 055
Impairment of receivables, subsidiaries	-	-
Impairment of investments, subsidiaries	-	-
Changes in temporary differences	-85 443	10 280
Allocation of loss to be brought forward	-	-
Basis for tax payable (taxable income)	-189 020	-212 571
Used tax loss carry-forwards	-	-

Deferred tax

All amounts in NOK 1 000	2021	2020	Difference
Overview of the tax effect of temporary differences			
Tangible assets	-8 371	-4 683	3 688
Liabilities	82 580	-6 294	-88 874
Provisions	553	296	-257
Total temporary differences	74 762	-10 680	-85 443
Accumulated loss to carry forward	-503 695	-314 675	189 020
Basis for deferred tax	-428 932	-325 355	103 577
Not included in the deferred tax calculations	428 932	325 355	-103 577
Deferred tax assets on the balance sheet, 22 %	-	-	-

Pemco Dokumentnøkkel: OE3EJ-LS18H-PFT14-PNE6L-PIXF-L336A



Parent company financial statements

Note 12 Financial income and financial expenses

All amounts in NOK 1 000	2021	2020
Financial income		
Intra-group contribution from subsidiaries	574	2 532
Intra-company interest income	304	949
Other interest income	683	588
Currency exchange rate gain (agio)	211 429	27 003
Realized gains from sales of shares	-	-
Other financial income	24 933	-
Total financial income	237 923	31 071
Financial expenses		
Impairment of financial fixed assets	-	-
Intra-company interest expenses	1 656	622
Other interest expenses	93 996	59 809
Currency exchange rate loss (disagio)	128 889	40 680
Other financial expenses	106	-
Total financial expenses	224 647	101 111
Net financial income and expenses	13 276	-70 039

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BDO AS
Munkedamsveien 45
Postboks 1704 Vika
0121 Oslo

Independent Auditor's Report

To the General Meeting in Mercell Holding ASA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mercell Holding ASA.

The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2021, income statement, and 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 2021, 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 comply with applicable statutory requirements,
- The accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2021, 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 as at 31 December 2021, 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.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.



To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Mercell Holding ASA for 18 years from the election by the general meeting of the shareholders on 29. June 2004 for the accounting year 2004.

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 the current period. 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.

Description of the key audit matter

Acquisition of Negometrix B.V and Cloudia Oy

In 2021, the Group acquired a 100 percent interest in Negometrix B.V for a purchase price of NOK 273,7 million in cash and estimated contingent consideration and Cloudia Oy for a purchase price of NOK 905,9 million in cash. Acquisitions of subsidiaries are accounted for using the acquisition method. Hence, identifiable assets acquired, and liabilities assumed are initially measured at fair value at the transaction date. Any consideration in excess of the net identifiable assets, is recorded as goodwill. In relation to the acquisitions, the Group has prepared purchase price allocations. The purchase price allocation requires the application of significant judgement by management, in particular with respect to identification and valuation of intangible assets such as customer relations and technology. Due to the materiality, complexity and estimation uncertainty, we considered accounting for business combinations to constitute a key audit matter in the audit of the group. The Group's accounting policy regarding acquisitions is disclosed in note 6.2 in the consolidated financial statements.

Intangible assets

Under IFRS, the Group is required to perform an annual impairment test of goodwill and intangible assets with an indefinite useful life.

How the key audit matter was addressed in the audit

Our audit procedures included an evaluation of the key assumption applied in the valuation model, such as revenue growth, EBITDA margin, churn rate and remaining useful life. We involved our internal valuation specialists to assist us with our assessment of the discount rates, expected inflation rates, and the appropriateness of the methodology and valuation model used. In addition, we performed the following audit procedures.

- we compared the Sale and Purchase Agreement (SPA) and the Purchase Price Allocation (PPA) with respect to consideration amounts
- we reviewed the opening balances and evaluated the related fair value adjustments
- We tested the mathematical accuracy of the calculations derived from the forecast mode

Furthermore, we have evaluated the adequacy of the disclosures provided in the notes covering business combinations.

Our audit procedures have included a detailed review of management's impairment test for each business unit to which intangible assets



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Impairment testing of intangible assets is a key aspect of our audit due to the complexity of the assessments and the significance of assumptions related to future market and/or economic conditions that underlie the assessment.

Investments in subsidiaries

The company has significant investments in subsidiaries that are measured at cost. Investments in subsidiaries are tested for impairment if indications of impairment are present. An impairment loss is recognized if the carrying amount exceeds the recoverable amount. The significant amounts involved, and the complexity of the valuation of the assets, lead us to classify the valuation of investments in subsidiaries as a key audit matter.

Other information

The Board of Directors and the Managing Director (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.

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 consolidated 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.

Opinion on the Board of Director's report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly for the statements on Corporate Governance and Corporate Social Responsibility.

are allocated. We have also assessed management's assumptions underlying the valuation and taken into account management's historical accuracy in determining the estimates. Internal specialists have assisted us in this process. We have also considered the assumptions described in note 3.5 and assessed the adequacy of the information provided in the notes against the requirements of IAS 36.

Our audit procedures included a detailed review, testing, and assessment of management's impairment tests, including the calculation of recoverable amounts. We have also assessed management's assumptions underlying the valuation and taken into consideration the historical accuracy in determining the estimates. Internal specialists have assisted us in this process. We have also considered the assumptions described in note 3.5.



Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view, for in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the 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 compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name 549300_mercell-2021-12-31-en.zip have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.



Auditor's Responsibilities

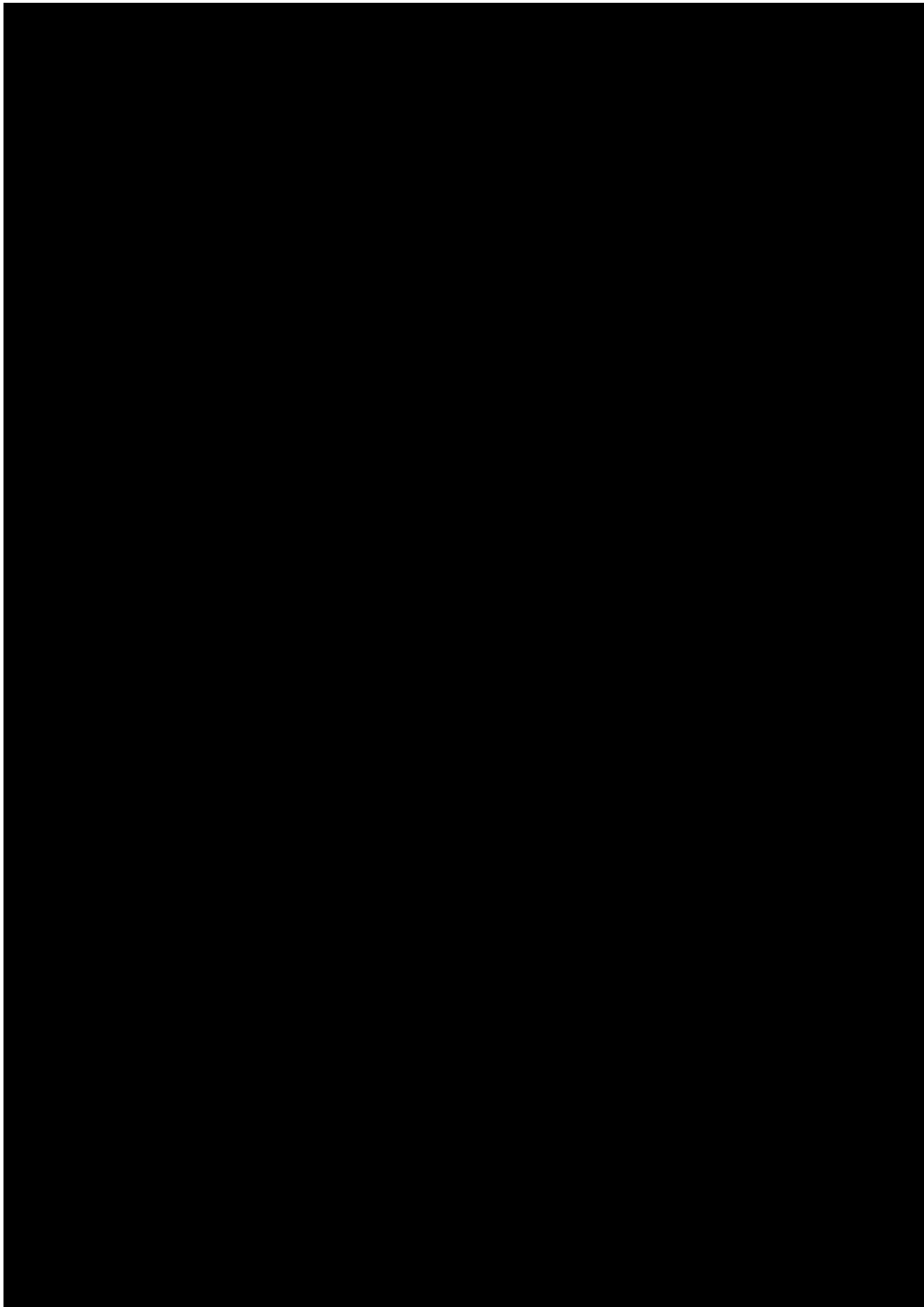
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

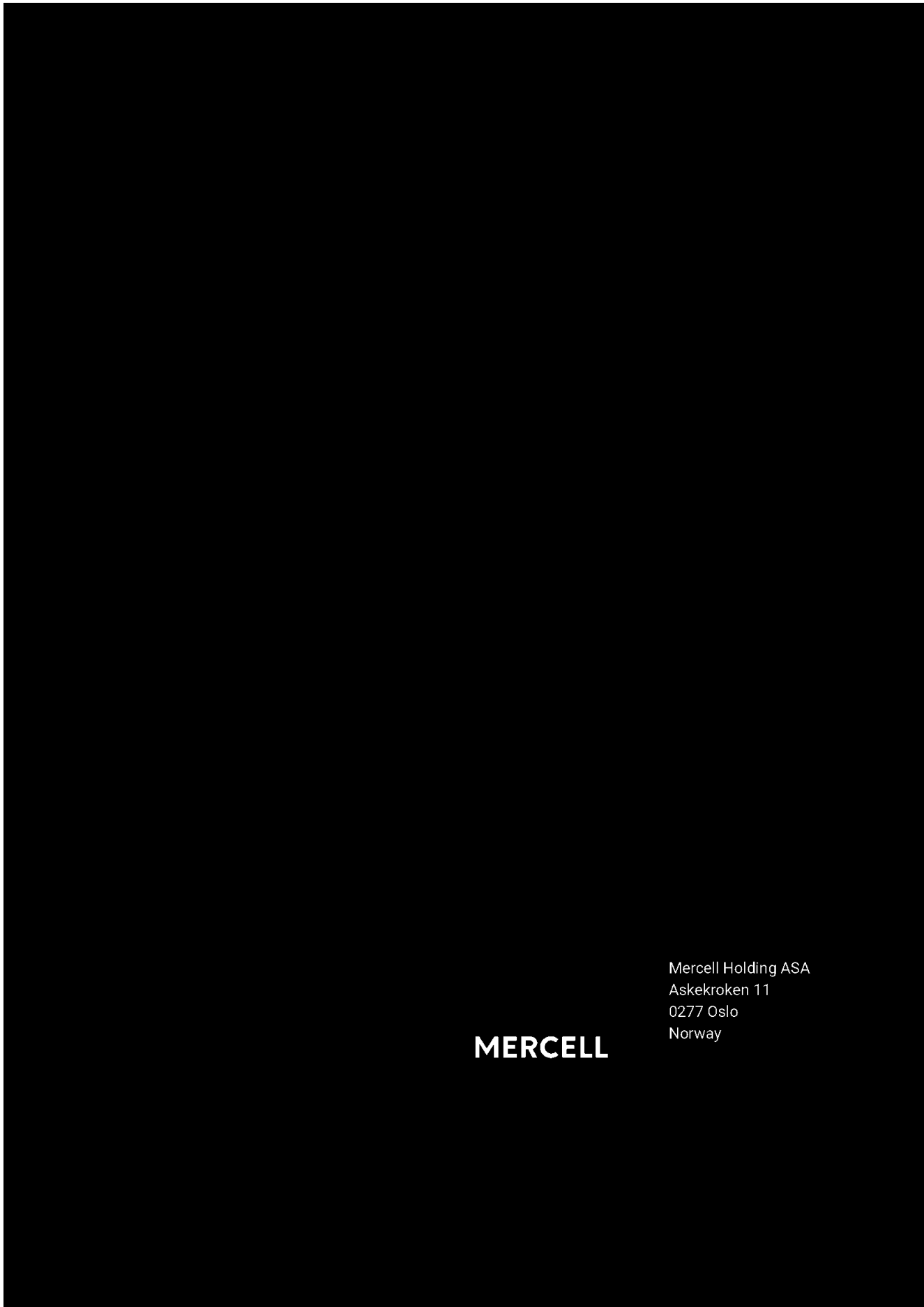
Oslo, 24. March 2022

BDO AS

Knut Nyerrød
State Authorised Public Accountant
(This document is signed electronically)

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MERCELL

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Askekroken 11
0277 Oslo
Norway



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Terje Wibe

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Helge Nielsen

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Independent Auditor's Report

To the General Meeting in Mercell Holding ASA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mercell Holding ASA.

The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2021, income statement, and 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 2021, 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 comply with applicable statutory requirements,
- The accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2021, 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 as at 31 December 2021, 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.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.



To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Merzell Holding ASA for 18 years from the election by the general meeting of the shareholders on 29. June 2004 for the accounting year 2004.

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 the current period. 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.

Description of the key audit matter

How the key audit matter was addressed in the audit

Acquisition of Negometrix B.V and Cloudia Oy

In 2021, the Group acquired a 100 percent interest in Negometrix B.V for a purchase price of NOK 273,7 million in cash and estimated contingent consideration and Cloudia Oy for a purchase price of NOK 905,9 million in cash. Acquisitions of subsidiaries are accounted for using the acquisition method. Hence, identifiable assets acquired, and liabilities assumed are initially measured at fair value at the transaction date. Any consideration in excess of the net identifiable assets, is recorded as goodwill. In relation to the acquisitions, the Group has prepared purchase price allocations. The purchase price allocation requires the application of significant judgement by management, in particular with respect to identification and valuation of intangible assets such as customer relations and technology. Due to the materiality, complexity and estimation uncertainty, we considered accounting for business combinations to constitute a key audit matter in the audit of the group. The Group's accounting policy regarding acquisitions is disclosed in note 6.2 in the consolidated financial statements.

Our audit procedures included an evaluation of the key assumption applied in the valuation model, such as revenue growth, EBITDA margin, churn rate and remaining useful life. We involved our internal valuation specialists to assist us with our assessment of the discount rates, expected inflation rates, and the appropriateness of the methodology and valuation model used. In addition, we performed the following audit procedures.

- we compared the Sale and Purchase Agreement (SPA) and the Purchase Price Allocation (PPA) with respect to consideration amounts
- we reviewed the opening balances and evaluated the related fair value adjustments
- We tested the mathematical accuracy of the calculations derived from the forecast mode

Furthermore, we have evaluated the adequacy of the disclosures provided in the notes covering business combinations.

Intangible assets

Under IFRS, the Group is required to perform an annual impairment test of goodwill and intangible assets with an indefinite useful life.

Our audit procedures have included a detailed review of management's impairment test for each business unit to which intangible assets

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Impairment testing of intangible assets is a key aspect of our audit due to the complexity of the assessments and the significance of assumptions related to future market and/or economic conditions that underlie the assessment.

are allocated. We have also assessed management's assumptions underlying the valuation and taken into account management's historical accuracy in determining the estimates. Internal specialists have assisted us in this process. We have also considered the assumptions described in note 3.5 and assessed the adequacy of the information provided in the notes against the requirements of IAS 36.

Investments in subsidiaries

The company has significant investments in subsidiaries that are measured at cost. Investments in subsidiaries are tested for impairment if indications of impairment are present. An impairment loss is recognized if the carrying amount exceeds the recoverable amount. The significant amounts involved, and the complexity of the valuation of the assets, lead us to classify the valuation of investments in subsidiaries as a key audit matter.

Our audit procedures included a detailed review, testing, and assessment of management's impairment tests, including the calculation of recoverable amounts. We have also assessed management's assumptions underlying the valuation and taken into consideration the historical accuracy in determining the estimates. Internal specialists have assisted us in this process. We have also considered the assumptions described in note 3.5.

Other information

The Board of Directors and the Managing Director (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.

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 consolidated 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.

Opinion on the Board of Director's report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly for the statements on Corporate Governance and Corporate Social Responsibility.



Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view, for in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the 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 compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name 549300_mercell-2021-12-31-en.zip have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.



Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 24. March 2022

BDO AS

Knut Nyerrød
State Authorised Public Accountant
(This document is signed electronically)

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"By my signature I confirm all dates and content in this document."

Knut Nyerrød

Partner

On behalf of: BDO AS

Serial number: 9578-5999-4-1152926

IP: 79.160.xxx.xxx

2022-03-24 21:16:00 UTC



Knut Nyerrød

Statsautorisert revisor

On behalf of: BDO AS

Serial number: 9578-5999-4-1152926

IP: 79.160.xxx.xxx

2022-03-24 21:16:00 UTC



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Skatteetaten

Vår dato
29.10.2020

Din/Deres dato
14.10.2020

Saksbehandler
Lars Waalorp

800 80 000
Skatteetaten.no

Din/Deres referanse
AR393607212

Telefon
32212244

Org.nr
974761076

Vår referanse
2020/5994614

Postadresse
Postboks 9200 Grønland
0134 OSLO

MERCELL HOLDING AS
Postboks 4139 Sjølyst
0217 OSLO

Att. Soroush Asgharnia

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Mercell Holding AS, org.nr. 980 921 565

Vi viser til deres brev av 14. oktober 2020 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Mercell Holding AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Mercell Holding AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning, inkludert konsernregnskap, på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Mercell Holding AS er notert på Merkur Market og er en del av et internasjonalt konsern. Børsspråket på Merkur Market er engelsk, og selskapet utarbeider kvartalsrapporter på engelsk.

Selskapet yter tjenester til eget foretak/konsern innen databehandling, datalagring og tilknyttede tjenester. Konsernet er et multinasjonalt konsern som opererer i Norge, Danmark, Sverige, Finland, UK, Latvia, Litauen og Estland.

Skattekontorets 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."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., 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 skattekontorets 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.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet er notert på Merkur Market og inngår i et internasjonalt konsern. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.