



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 919 505 214  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: CONVENE HOLDING AS  
Forretningsadresse: Grandavegen 26  
6823 SANDANE

### 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: Steffen Voss  
Dato for fastsettelse av årsregnskapet: 28.04.2022

### 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, 30.07.2023



## Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Lønnskostnad	1	182 000	254 000
Annen driftskostnad	1	1 682 000	5 163 000
<b>Sum kostnader</b>		<b>1 864 000</b>	<b>5 417 000</b>
<b>Driftsresultat</b>		<b>-1 864 000</b>	<b>-5 417 000</b>
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i datterselskap og tilknyttet selskap	2	132 119 000	136 762 000
Renteinntekt fra foretak i samme konsern	2	1 503 000	2 445 000
Annen renteinntekt	2	1 000	12 000
<b>Sum finansinntekter</b>		<b>133 623 000</b>	<b>139 219 000</b>
Rentekostnad til foretak i samme konsern	2	4 840 000	3 037 000
Annen rentekostnad	2	105 222 000	114 860 000
Annen finanskostnad	2	375 000	
<b>Sum finanskostnader</b>		<b>110 437 000</b>	<b>117 897 000</b>
<b>Netto finans</b>		<b>23 186 000</b>	<b>21 322 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>21 322 000</b>	<b>15 905 000</b>
Skattekostnad på ordinært resultat	3		
<b>Ordinært resultat etter skattekostnad</b>		<b>21 322 000</b>	<b>15 905 000</b>
<b>Årsresultat</b>		<b>21 322 000</b>	<b>15 905 000</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		21 322 000	15 905 000
<b>Sum overføringer og disponeringer</b>		<b>21 322 000</b>	<b>15 905 000</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	4	1 630 001 000	1 630 001 000
Lån til foretak i samme konsern	5	47 597 000	9 646 000
<b>Sum finansielle anleggsmidler</b>		<b>1 677 598 000</b>	<b>1 639 647 000</b>
<b>Sum anleggsmidler</b>		<b>1 677 598 000</b>	<b>1 639 647 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	6	0	24 000
Andre fordringer	6	340 000	327 000
Konsernfordringer		159 152 000	177 179 000
<b>Sum fordringer</b>		<b>159 492 000</b>	<b>177 530 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		827 000	517 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>827 000</b>	<b>517 000</b>
<b>Sum omløpsmidler</b>		<b>160 319 000</b>	<b>178 047 000</b>
<b>SUM EIENDELER</b>		<b>1 837 917 000</b>	<b>1 817 694 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	7,8	90 000	90 000
Overkurs	7	599 950 000	599 950 000
<b>Sum innskutt egenkapital</b>		<b>600 040 000</b>	<b>600 040 000</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>Opptjent egenkapital</b>			
Annen egenkapital		-254 282 000	-257 604 000
<b>Sum opptjent egenkapital</b>		<b>-254 282 000</b>	<b>-257 604 000</b>
<b>Sum egenkapital</b>		<b>345 758 000</b>	<b>342 436 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Obligasjonslån	9	346 285 000	1 326 055 000
Gjeld til kredittinstitusjoner	9		74 625 000
Langsiktig konserngjeld	5,6,9	78 385 000	77 236 000
<b>Sum annen langsiktig gjeld</b>		<b>424 670 000</b>	<b>1 477 916 000</b>
<b>Sum langsiktig gjeld</b>		<b>424 670 000</b>	<b>1 477 916 000</b>
<b>Kortsiktig gjeld</b>			
Liabilities to bondholders/financial institutions	9	1 067 373 000	14 971 000
Leverandørgjeld	9	100 000	371 000
Annen kortsiktig gjeld	9	14 000	
<b>Sum kortsiktig gjeld</b>		<b>1 067 487 000</b>	<b>15 342 000</b>
<b>Sum gjeld</b>		<b>1 492 157 000</b>	<b>1 493 258 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 837 915 000</b>	<b>1 835 694 000</b>



## Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	3,4	380 827 000	423 671 000
Annen driftsinntekt	3,4	111 000	306 000
<b>Sum inntekter</b>		<b>380 938 000</b>	<b>423 977 000</b>
<b>Kostnader</b>			
Varekostnad		69 270 000	76 804 000
Lønnskostnad	5	94 635 000	100 304 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	8, 9, 10	137 300 000	138 698 000
Annen driftskostnad	5	50 639 000	55 311 000
<b>Sum kostnader</b>		<b>351 844 000</b>	<b>371 117 000</b>
<b>Driftsresultat</b>		<b>29 094 000</b>	<b>52 860 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt	6	1 069 000	716 000
<b>Sum finansinntekter</b>		<b>1 069 000</b>	<b>716 000</b>
Annen finanskostnad	6	117 101 000	124 652 000
<b>Sum finanskostnader</b>		<b>117 101 000</b>	<b>124 652 000</b>
<b>Netto finans</b>		<b>-116 032 000</b>	<b>-123 936 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-86 938 000</b>	<b>-71 076 000</b>
Skattekostnad på ordinært resultat	7	-15 411 000	-13 527 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-71 527 000</b>	<b>-57 549 000</b>
<b>Årsresultat</b>		<b>-71 527 000</b>	<b>-57 549 000</b>
Andre resultatkomponenter for IFRS-foretak		-451 000	1 433 000
Sum resultatkomponenter for IFRS-foretak		-451 000	1 433 000
<b>Totalresultat</b>		<b>-71 978 000</b>	<b>-56 116 000</b>
<b>Overføringer og disponeringer</b>			



## Konsernets resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Overføringer til/fra annen egenkapital		-71 978 000	-56 116 000
<b>Sum overføringer og disponeringer</b>		<b>-71 978 000</b>	<b>-56 116 000</b>



### Konsernets balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Forskning og utvikling	8	111 366 000	114 196 000
Licenses	8	2 687 000	4 735 000
Trademark	8	18 512 000	24 839 000
Customer related assets	8	128 524 000	172 491 000
other intangible	8	111 142 000	140 135 000
Right-of-use asset	10	12 533 000	12 881 000
Utsatt skattefordel	7	1 753 000	2 242 000
Goodwill		1 298 595 000	1 298 595 000
<b>Sum immaterielle eiendeler</b>		<b>1 685 112 000</b>	<b>1 770 114 000</b>
<b>Varige driftsmidler</b>			
Maskiner og anlegg	9	1 329 000	2 498 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	9	22 655 000	22 469 000
<b>Sum varige driftsmidler</b>		<b>23 984 000</b>	<b>24 967 000</b>
<b>Finansielle anleggsmidler</b>			
Investeringer i aksjer og andeler		21 000	21 000
<b>Sum finansielle anleggsmidler</b>		<b>21 000</b>	<b>21 000</b>
<b>Sum anleggsmidler</b>		<b>1 709 117 000</b>	<b>1 795 102 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer		9 136 000	4 672 000
<b>Sum varer</b>		<b>9 136 000</b>	<b>4 672 000</b>
<b>Fordringer</b>			
Kundefordringer	13	13 605 000	13 431 000
Other receivables	13	28 865 000	31 226 000
Accrued revenue	12	90 383 000	110 804 000
<b>Sum fordringer</b>		<b>132 853 000</b>	<b>155 461 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			



### Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Bankinnskudd, kontanter og lignende	14	68 778 000	65 348 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>68 778 000</b>	<b>65 348 000</b>
<b>Sum omløpsmidler</b>		<b>210 767 000</b>	<b>225 481 000</b>
<b>SUM EIENDELER</b>		<b>1 919 884 000</b>	<b>2 020 583 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital		90 000	90 000
Overkurs		599 950 000	599 950 000
<b>Sum innskutt egenkapital</b>		<b>600 040 000</b>	<b>600 040 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		-423 455 000	-351 476 000
<b>Sum opptjent egenkapital</b>		<b>-423 455 000</b>	<b>-351 476 000</b>
<b>Sum egenkapital</b>		<b>176 585 000</b>	<b>248 564 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	7	70 204 000	85 785 000
<b>Sum avsetninger for forpliktelser</b>		<b>70 204 000</b>	<b>85 785 000</b>
<b>Annen langsiktig gjeld</b>			
Obligasjonslån	17, 18,19	346 285 000	1 326 055 000
Gjeld til kredittinstitusjoner	17, 18, 19		74 625 000
Non-current lease liabilities	10, 19	4 549 000	4 493 000
Other non-current liabilities	17, 18, 19	189 850 000	183 531 000
<b>Sum annen langsiktig gjeld</b>		<b>540 684 000</b>	<b>1 588 704 000</b>
<b>Sum langsiktig gjeld</b>		<b>610 888 000</b>	<b>1 674 489 000</b>



## Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Kortsiktig gjeld</b>			
Liabilities to bondholders/financial institutions	17, 18, 19	1 067 373 000	14 971 000
Leverandørgjeld	15	12 460 000	23 965 000
Skyldige offentlige avgifter	15	15 526 000	17 399 000
current lease liabilities		8 835 000	9 263 000
other current liabilities		28 216 000	31 932 000
<b>Sum kortsiktig gjeld</b>		<b>1 132 410 000</b>	<b>97 530 000</b>
<b>Sum gjeld</b>		<b>1 743 298 000</b>	<b>1 772 019 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 919 883 000</b>	<b>2 020 583 000</b>



To the General Meeting of HI Bidco AS

## *Independent Auditor's Report*

### *Opinion*

We have audited the financial statements of HI Bidco AS, which comprise:

- The financial statements of the parent company HI Bidco AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of HI Bidco AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2021, the income statement, statement of comprehensive income, statement of changes in equity and statement of 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 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, and
- the 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 the 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.

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no  
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

## Independent Auditor's Report - HI Bidco AS



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 the Company for 4 years from the election by the general meeting of the shareholders on 18 October 2017 for the accounting year 2018.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 25 in the financial statements and the Board of Directors' report. The Company has two bonds which fall due in October 2022 and January 2023 respectively. In order to serve its debts, the Company is dependent upon reaching agreement with its existing contractual debt facilities to refinance its bond facilities or find alternative financing. Management has started the process to refinance the bonds. At the date of the financial statements no solution has been found. These matters and other matters as set forth in Note 25 and the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Company's (and the Groups) ability to continue as a going concern. We emphasize that the financial statements do not reflect impairment charges that may occur should a sale of assets be forced. Our opinion is not modified in respect of this matter.

### *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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that *Impairment of goodwill* is a key audit matter, as it involves similar complexity and risks as the previous year. Our audit of this matter is described below.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Impairment of goodwill</i></p> <p>The goodwill, which is stated at NOK 1 298 595 thousand, is subject to an impairment review when impairment indicators are present and at least annually as required by IFRS. No impairment was recognized in 2021.</p> <p>We consider goodwill to be a key audit matter due to the level of judgements made by management when performing their impairment review, the complexity of the test and the size of the goodwill amount compared to total assets. Judgement from management is related to the applied discount rate as well as future revenues, costs and the level of reinvestments needed.</p>	<p>We obtained an understanding of management's process related to the impairment review of goodwill. We tested whether relevant internal control activities had been implemented.</p> <p>We obtained management's impairment review. The review included documentation about how management assessed cash generating units (CGUs). We found the identified CGUs as reasonable. We satisfied ourselves that the impairment review contained the elements and was based on the methodology required by IFRS. We also tested the mathematical accuracy of the impairment model.</p> <p>We challenged management's assumptions on future revenues, costs and level of reinvestments. Our assessment included using historical financial data, future budgets approved by management and other</p>

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## Independent Auditor's Report - HI Bidco AS



See *Note 11 Impairment considerations* where management explains the impairment review performed and how goodwill is accounted for.

available data from external sources such as relevant benchmarks for growth. We also reviewed the sensitivity analysis performed by management and found that this appropriately reflected the sensitivity of key assumptions applied.

We evaluated the discount rate used by management by comparing the elements in the calculation of the discount rate against internal and external information.

We found management's assumptions reasonable and noted no material deviations

Finally, we considered the adequacy of financial statements disclosures in note 11 and found them to be appropriate and in accordance with IFRS requirements.

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### *Other Information*

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises 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 information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that 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 to the statements on Corporate Governance and Corporate Social Responsibility.

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### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated 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

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## Independent Auditor's Report - HI Bidco AS



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 and the Group'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 consolidated 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.

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### *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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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Independent Auditor's Report - HI Bidco AS



- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Trondheim, 28 April 2022  
**PricewaterhouseCoopers AS**

Kjetil Smørdal  
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Smørdal, Kjetil	BANKID_MOBILE	2022-04-28 12:48

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**c nvene**

Hi Bidco AS ("CONVENE GROUP")  
VAT NO 919 505 214 MVA  
Grandavegen 26, 6823 Sandane, Norway  
convenegroup.com

# Annual report 2021

ANNUAL REPORT FROM HI BIDCO AS  
(HERINAFTER REFERRED TO AS "CONVENE GROUP")

Published on  
**28<sup>th</sup> April 2022**



## Director's report

Convene Group delivers end-to-end solutions, directly integrated with leading professional systems, which ensure seamless payment and transaction management throughout Scandinavia. With our solutions, we handle all types of payments from mobile payment to invoicing, follow-up and financing. In this way, we ensure that all our customers are paid for the services they provide. We ensure ethical procedures, in a strictly regulated industry.

HI Bidco AS is the parent company in Convene Group (previously Melin Medical Group) and the company's business is investment in wholly owned companies, primarily in Norway. The company also has investments in Scandinavia through its subsidiaries. HI Bidco AS have issued two bond loans of total NOK 1,350 million. The bonds are listed on Oslo Børs (Oslo Stock Exchange) with ticker "HIBID".

Through subsidiary company Convene AS (previously Melin Medical AS), a majority of the business is related to providing payment and administrative solutions to the health sector in Norway. On a national basis, the Group handles more than 13 million payment transactions per year. Today, more than 7 million people have access to our services through health clinics, fitness centers and other healthcare providers across Scandinavia through our subsidiaries in Norway, Denmark and Sweden.

Convene specialises in providing payment solutions and administration systems that free up time that physicians and other health professionals spend on unnecessary administrative tasks. Convene's terminals and mobile payment solutions give patients the option of paying for the services they receive at the clinic in a simple and intuitive way. The company's invoicing solutions include complete systems for the administration of deductibles.

The subsidiary Convene Collection AS is an approved debt collection company and is responsible for the collection of monetary claims. The Group also has debt collection services in Denmark and Sweden.

The subsidiary CrediCare AS is also an approved debt collection company. It is located in Førde, Norway, and is a well-established provider of payment solutions and admin systems for the healthcare, dental, fitness and veterinary sectors.

Subsidiary company Gordion AB is located in Halmstad, Sweden, and is a turnkey provider of any type of solutions to facilitate self-service, including hardware, software, installation, service and support. Gordion AB operates in 14 European countries.

HI Bidco AS' office is located at Sandane, Norway.

### GOING CONCERN

The accompanying consolidated financial statement has been prepared with the assumption of going concern. As of

31.12.2021, the parent company and Group have a negative working capital as the senior secured callable bond, with carrying amount NOK 992 million (nominal value of NOK 1 000 million) is maturing 30 October 2022. In addition a 2nd Lien Bond with carrying amount NOK 346 million (nominal value of NOK 350 million) is maturing 30 January 2023. The Board is closely monitoring the situation and the responsibilities following § 3-4 and 3-5 in the Norwegian Limited Liability Companies Act. HI Bidco AS has engaged Arctic Securities AS and Pareto Securities AS as financial advisors and joint lead managers for a refinancing of its outstanding bond loans. In connection with this the Company has received several proposals for alternative structures to refinance the outstanding bond loans. Although no commitments have been made, the Company is confident in a successful refinancing process in due time before maturity of the 1st lien bond on 30 October 2022, reaching a sustainable debt structure going forward. Still, as no agreement has been made, the circumstances indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

### BUSINESS OUTLOOK

In general, the board and management are satisfied with the Group's financial performance in 2021, having increased underlying revenue growth and exceeding last year's EBITDA guiding of NOK 150-180 million, ending with a full-year EBITDA (excluding accrued revenue) of NOK 186.6 million. Despite the significant cut in debt collection and legal fees from 1 October 2020, the Group delivered a solid full year revenue, excluding accrued revenue, of NOK 401.2 million versus NOK 427.6 million in 2020. We still expect to see some adverse effects from the reduced fee levels in 2022, but with implemented cost measures as well as growth and strategic initiatives planned for 2022-2024, we expect to improve the Group's underlying performance in the coming years.

For 2022, Convene Group expects an EBITDA result (excluding accrued revenue) to end between NOK 185 million and NOK 205 million.

Growth and strategic initiatives

Convene Group has identified several growth initiatives in order to compensate for the headwinds from the reduced fee levels implemented from 1. October 2020, which are partly



expected to persist into 2022. The initiatives are also expected to drive profitable growth in the coming years.

Our new production platform, Leap, will enable us to scale the business and implement new features, like the new Financing-as-a-Service (FaaS) solution. During 2021, we have made good progress with development and testing of the new Leap / FaaS platform, with the first customers onboarded during the second half of 2021 as part of an initial pilot period. We are pleased that the pilot has provided us with positive answers. The FaaS product was subsequently launched in the general practitioner and specialist markets at the end of the first quarter of 2022.

The roll out of our mobile payment solutions has been a positive development during the Covid-19 period. It is a convenient payment alternative for our end-users as it offers the opportunity to pay within 24 hours after receiving the payment link, while clinics benefit from quicker payments of bills. For Convene Group, such a solution can shift the amount of card payments to payment via mobile phone. As such, it is a solution that can benefit all parties. In addition, we are in the pilot phase for a subscription service for mobile payments (Just Walk Home) with the aim to leverage further on the new payment technology.

The regulatory changes within the debt collection industry have been and are expected to continue to be a catalyst for consolidation in the market. Convene is one of the established players within the debt collection industry. The Group handles large amounts of smaller claims within the healthcare market as well as a smaller portfolio of external debt collection clients through the CrediCare brand. Going forward we aim to strengthen our position within the external debt collection market. We are in the process of implementing our business plan for this initiative, including strengthening the organisation (e.g. sales representatives).

In addition to our development projects, looking back at 2021, we have delivered on several important initiatives that improved our underlying profitability. This includes solid cost control, continued high share of digital distribution of invoices and growth within the dentist market.

#### Covid-19 update

2021 was highly affected by the coronavirus pandemic which continued into the beginning of 2022. The Group was, similar to almost all businesses, affected by the outbreak. HI Bidco's subsidiary companies were also in 2021 affected by reduced activity among general practitioners and physical therapists following the restrictions to help prevent the spread of the coronavirus. However, we continued to see a high volume of e-consultations and supported by the company's mobile pay solutions, this has offset the short-term revenue decline. Additionally, the Group is negatively impacted by the lengthy forced closure of fitness centers which reduces the number of debt collection claims handled on behalf of the clients.

At the time of preparation of the annual accounts, all restrictions in the Group's operating markets have been lifted. Although the potential aftermath effects of the pandemic are

uncertain, we expect no material effects from the pandemic going forward.

#### CONSOLIDATED FINANCIAL STATEMENTS

(Figures in parentheses relate to 2020)

Convene Group's revenues in 2021 amounted to NOK 380.9 million, down from NOK 424.0 million in 2020. Excluding the change in accrued revenue, this amounted to NOK 401.2 million in 2021 versus NOK 427.6 million in 2020. The decrease is primarily related to reduced debt collection and legal fees as a result of new and lower fee structure implemented by Norwegian authorities from October 2020. Adjusted for this the Group has seen an underlying revenue growth. Cost of sales and personnel expenses were down from NOK 76.8 million and NOK 100.3 million in 2020 to NOK 69.3 million and NOK 94.6 million in 2021. Despite this, the number of FTEs at the end of the year was 170 compared to 164 at the end of 2020.

In total, the Group's operating expenses were reduced with 5.2% from 2020. The reduction was a result of dedicated and hard work throughout the organisation leading to improved operational performance and solid cost control.

Net financial items were NOK -116.0 million, versus NOK -124 million in 2020 as a result of the lower floating interest rates during the year.

The Group's profit after tax was NOK -71.5 million in 2021 (NOK -57.5 million). The impairment test for 2021 shows no indication for impairment, and the Group has significant headroom.

Total cash flow from operations in the Group was NOK 72.4 million compared to NOK 78.2 million in 2020. The reduction is mainly driven by lower revenue income in 2021 offset by reduced cost levels and changes in net working capital. The difference between operating cash flow and the Group's operating profit of NOK 29.1 million (NOK 52.9 million), is mainly related to depreciation offset by net financial items as well as the reduction in accruals and changes in short term liabilities.

Total capital expenditures in the Group in 2021 were NOK 42.5 million (NOK 46.4 million). NOK 30.4 million (NOK 35.6 million) is intangible assets related to research and development (R&D) and licenses, including NOK 23.4 million in internally generated R&D. The R&D mainly relates to software and development of new hardware for our customers. In addition to further development of existing software, the Group's R&D is highly focused on new software as part of our business plan going forward. NOK 12.6 million (NOK 10.8 million) is related to machinery, including hardware for our terminals, and other equipment.

The Group's liquidity portfolio was NOK 68.8 million (NOK 65.3 million) as of 31.12.2021.

The Group's current liabilities amounted to 65.0 % (5.5 %) of total liabilities in the Group as of 31 December 2021. This is related to the upcoming maturity of the senior secured callable bond, with carrying amount of NOK 992 million, 30 October 2022.



Total assets for the Group at the end of the year were NOK 1,919.9 million (NOK 2,020.6 million). The equity ratio in the Group as of 31 December 2021 was 9.2 % (12.3 %).

#### Parent company

The parent company had no operating revenue in 2021 and 2020, and the company's profit after tax amounted NOK 21.3 million in 2021 (NOK 15.9 million). The parent company holds the Group's funding through issued debt and has financial income through group contribution.

The company's current liabilities amounted to 71.5 % (1.0 %) of total debt in the company as of 31 December 2021. This is related to the upcoming maturity of the senior secured callable bond, with carrying amount of NOK 992 million, 30 October 2022. Total capital at the end of the year was NOK 1,837.9 million (NOK 1,817.7 million). Equity ratio as of 31 December 2021 was 18.8 % (17.8 %).

Total cash flow from operations in the company was NOK 52.1 million (NOK -18.5 million), while operating profit in the company amounted to NOK -1.9 million (NOK -5.4 million). The change from 2020 in total cash flow from operating activities in the parent company mainly relates to intercompany receivables converted into group loans. HI Bidco AS's liquidity portfolio was per. 31.12.2021 NOK 0.8 million (NOK 0.5 million).

#### FINANCIAL RISK

Convene Group is exposed to financial risk in various areas. The Group's capacity to assume risk is determined by the Board, and the goal is to reduce the financial risk to the greatest extent possible. The Group's current strategy does not include the use of financial instruments, but this is subject to ongoing review by the Board.

The Group is currently facing a refinancing risk with the senior secured callable bond maturing in October 2022, see further described in the section above "Going Concern" as well as the accompanying notes to the financial statement. The Board and Management are confident to find a sustainable debt structure going forward.

#### Liquidity risk

Convene Group's main liquidity risk relates to refinancing risk, as mentioned above, and the ability to meet short term liquidity needs. Management biweekly monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents on the basis of expected cash flows. Group management frequently reports these cash estimates to the Board. The current revolving credit facility of NOK 60 million is maturing 30 June 2022, increasing the liquidity constraint until the planned refinancing is in place. The revolving credit facility will be part of the considerations in conjunction with the refinancing of the bond loans.

#### Interest rate risk

The Group's main interest rate risk arises from long-term borrowings and bond loans with both variable rates and fixed rates, which expose the Group to cash flow interest rate risk. The Group has two bond loans which consist of a floating rate

element and a fixed rate element. The company has chosen to hold floating interest rates during the reporting period. The floating interest rates is based on NIBOR 3 month.

#### Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions in some extent, primarily with respect to the Danish kroner and Swedish kroner. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. However, almost all revenues, receivables and liabilities are in Norwegian kroner. Hence, foreign exchange risk is considered to be low.

#### Credit risk

The risk of loss on receivables is considered to be low. No change is expected in 2022, as the health sector has limited exposure to general market fluctuations. The Group has not so far had significant losses on receivables. Gross credit exposure at the balance sheet date totaled NOK 42.5 million for the Group and NOK 0.3 million for the company in 2021. The listed figures for the company are exclusive of claims on group companies.

There have been no agreements on offsetting or other financial instruments that reduce credit risk in the HI Bidco Group.

#### CORPORATE GOVERNANCE

Convene Group's corporate governance reporting is in accordance with section 3-3b, third paragraph of the Norwegian Accounting act. The Group's main principles on Corporate Governance are based on the parent company's Articles of Association.

#### Internal control and risk management

Internal control and risk management policies related to the financial reporting process is established by management to ensure reliability of financial reporting and compliance with the applicable laws and regulations. The legal entities have monthly financial reporting to the Group's finance team before the financial reports are consolidated into group financial reporting to management and Board. The material subsidiaries undergo monthly financial review meetings together with the group CEO and CFO in addition to biweekly KPI meetings across the organisation.

The Board monitors and reviews the Group's financial reporting process through the Audit Committee to ensure satisfactory internal control procedures. The Audit Committee comprises two members elected by and from the Board of Directors. The members of the Audit Committee are independent of the company's day-to-day management. In addition, the Board receives financial reports on a monthly basis and closely monitors the development of growth and strategic initiatives through board meetings every 8-12 weeks.

At the end of 31.12.21, the Board of Directors consisted of three members. The Group has no articles of association that regulate the appointment and replacement of directors.



Equality and diversity guidelines regarding directors and executive officers of the Group

Convene Group seeks to have full equality between women and men and zero discrimination based on gender, race, capabilities and background in all matters such as salary, advancement and recruitment. The Group has no separate policy for the separate governing bodies and refers to the Group's overall policy discussed in the next section. The parent company's Board of Directors comprises three men. The Group management team is led by CEO Ingvill Hestnes and comprises three women and seven men.

#### Directors and officers' liability insurance

The Group has a Directors and Officers liability insurance with CNA Hardy covering pure financial loss claims against the Board of Directors and Executive Management as a consequence of compensatory acts and/or omissions in their respective duties, with an adequate insurance limit.

### CORPORATE SOCIAL RESPONSIBILITY AND ESG

#### Our customers come first

Through automation of manual processes, and faster dispatch of invoices and reminders, more people can pay on time and our customers receive payment for the services they provide. With user friendly self-service administration and payment solutions we are relieving our clients from unnecessary administration and freeing up time so they can focus more on their own customers.

In the debt collection process, we seek to meet the debtors with respect and understanding. Our employees have specific training in debt collection and are concerned with finding good solutions in consultation with the individual. Our goal is that it should be a good and helpful experience to contact us.

#### Our values

Our values - "Loyal", "Innovative", "Friendly" and "Engaged" - together forms the acronym Life. This create a common platform for who we are and where we are headed. We embrace our entire lives, both for our employees, customers, consumers, and suppliers. We are loyal, friendly, and welcoming, while being smart and committed. We are committed to innovation and want to make bold decisions with quality at all levels.

Convene Group is committed in playing our part in building a more sustainable future for all and have aligned our strategy to the UN Sustainable Development Goals. The 17 goals are all interconnected and mutually dependent and we have chosen to focus on the following sustainability goals by integrating them directly in our strategy and vision of "A simpler life for everyone".



Our vision and sustainability goals reflect our work, both internally and externally, where our goals are to make everyday life easier, both for our customers and their customers - and not least for our employees. This serves as a guideline for our daily work and behavior in the Group.

#### Environmental reporting

The Group's operations have limited pollution to its local environment. The main environmental issues relate to invoices issued on paper, energy consumption and responsible disassembly of payment terminals. The Group seeks to reduce our environmental impact and has introduced measures in our external deliveries with high focus on digital distributions of invoices and responsible disposal of payment terminals through an agreement with RENAS. In our work environment we facilitate the environmental focus through recycling and waste management on office premises, use of eco-labeled products and in our travel policies.

Convene AS and Convene Collection AS has been a certified Eco-lighthouse company since November 2016 and November 2018, which means that we meet the criteria and implement measures for a more environmentally friendly operation and a good working environment. Every year, the company's HSE goals, figures on sickness absence, use of eco-labeled products, energy consumption, transport in the form of flights, fuel and the number of energy-friendly cars in the company, as well as waste management are reported.

The certification is among Norway's most used for companies that want to document systematic work with environmental measures. The certification is also recognised according to European standards.

#### Working environment and the employees

The Group's HR policy and personnel handbook forms the framework and the leading guidelines for the working environment and the employees' rights and obligations in Convene. Convene Group seeks to build our organisation with talented people committed to delivering quality, creating value and being future oriented. We aim to excel in developing our people and through this ensure that our employees at all times have the skills and competences they need, as well as resilience to handle a world in constant change. In our handbook we emphasise the importance that all employees should feel secure, both socially and professionally. We strive for a workplace where colleagues are inclusive and accommodating and actively contribute to learning.

The Group actively seeks our employee's opinion on the working environment through our quarterly employee surveys, "PULS" (which translates to "pulse"). The subjects for the PULS surveys are as follows:

- Q1: Competence and learning, responsibility and decision making, ability to change, work situation and workload
- Q2: Strategy, communication, harassment bullying and discrimination, work situation and workload
- Q3: Trust, cooperation, well-being, work situation and workload



Q4: Organisation and effectiveness, harassment bullying and discrimination, work situation and workload

Based on the results from our employee surveys, the working environment is considered to be good, with high overall scores. One of our main areas for improvement relates to social interactions following a long period of working from home. Our HSE group is actively seeking to improve the social initiatives offered to our employees

The Group's sick leave rate was 5.1 % in 2021, compared to 5.3 % in 2020. Adjusted for long-term sick leave, the sick leave rate was approx. 2.5 % in 2021 (3.0 % in 2020). There has been some increase in sick leave related to Covid-19, but the overall effect has been limited. The Group will continue to try to reduce the absence due to sickness and have initiated measures in the form of training services, physical therapy offerings and adaptation of workplaces to reduce stress-related injuries.

No serious occupational accidents or incidents have been experienced over the year in our subsidiaries.

The parent company has no employees.

Equal opportunities and non-discrimination

The Group's goal is to be a workplace where there is full equality between women and men with no discrimination in all matters. The Group has a zero-tolerance policy for bullying, discrimination and harassment in the workplace and strongly urge all experience with or observations of this to be reported. There are particular protections against sexual harassment and harassment because of gender, ethnicity, religion, life views, disability, sexual orientation, gender identity and gender expression, under existing equality and discrimination legislation. Our whistleblowing procedures ensure the availability of anonymous and secure channels to report any misconduct.

In its HR policy and guidelines, the Group has introduced provisions aimed at preventing discrimination based on gender in matters such as salary, advancement and recruitment.

Of the Group's 196 employees there are 89 (45.4 %) women. There are no differences in remuneration for equal service provided between genders in the Group. For further details, see the director's report for our largest subsidiaries Convene AS and Convene Collection AS for a detailed mapping of the gender equality and salary differences. We see an overweight of men in our IT and development department and we specifically encourage women to apply to these positions to try to bridge this gap. Furthermore, all recruitments and internal promotions are conducted in collaboration between the departments and HR to ensure the promotion of equality and reduce the risk of discrimination.

In addition, the Group works purposefully to design and organise the physical conditions so that the various functions of the company can be used as widely as possible. For employees or jobseekers with disabilities, individual workplace and work tasks are organised.

#### ANNUAL RESULTS AND ALLOCATIONS

The Board proposes the following allocation of the annual result for the year of MNOK 21.3 in HI Bidco AS:

Allocated to other equity:	MNOK 21.3
Total transfers:	MNOK 21.3

The Board proposes the following allocation of the annual result for the year of the year of MNOK -72.0 in HI Bidco Group:

Allocated to other equity:	MNOK -72.0
Total transfers:	MNOK -72.0

Oslo, Norway · 28<sup>th</sup> April 2022

**JOHAN B. MICHELSEN**  
Chairman

**NILS PETTER SKASET**  
Board member

**KJARTAN AA BERGE**  
Board member

**INGVILL HESTENES**  
CEO

*The annual report is signed electronically*



## Consolidated financial statements 2021

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## Consolidated income statement

Amounts in NOK '000	Notes	2021	2020
Revenue	3, 4	380,827	423,671
Other operating income	3, 4	111	306
<b>Total operating revenue</b>		<b>380,938</b>	<b>423,976</b>
Cost of sales		69,270	76,804
Personnel expenses	5	94,635	100,304
Depreciation	8, 9, 10	137,300	138,698
Other operating expenses	5	50,639	55,311
<b>Total operating expenses</b>		<b>351,844</b>	<b>371,116</b>
<b>Operating profit</b>		<b>29,095</b>	<b>52,860</b>
Finance income	6	1,069	716
Finance costs	6	117,101	124,652
<b>Net financial items (+profit/-loss)</b>		<b>(116,032)</b>	<b>(123,935)</b>
<b>Profit (loss) before income taxes</b>		<b>(86,938)</b>	<b>(71,075)</b>
Income tax expense	7	15,411	13,527
<b>Profit (loss) for the period</b>		<b>(71,527)</b>	<b>(57,548)</b>
<i>Profit/ (loss) attributable to shareholders of HI Bidco AS</i>		<i>(71,527)</i>	<i>(57,548)</i>

## Consolidated statement of comprehensive income

Amounts in NOK '000	Notes	2021	2020
<b>Profit/(loss) for the period</b>		<b>(71,527)</b>	<b>(57,548)</b>
<b>Other comprehensive income/(loss):</b>			
Exchange differences on translation of foreign operations		(451)	1,433
<b>Total comprehensive income (loss) for the period</b>		<b>(71,979)</b>	<b>(56,115)</b>
<i>Total comprehensive income attributable to shareholders of HI Bidco AS</i>		<i>(71,979)</i>	<i>(56,115)</i>



## Consolidated statement of financial position

Amounts in NOK '000	Notes	31 December 2021	31 December 2020
Intangible assets	8, 11	1,670,826	1,754,991
Tangible assets	9	23,984	24,967
Right-of-use assets	10	12,533	12,881
Financial assets		21	21
Deferred tax assets	7	1,753	2,242
<b>Total non-current assets</b>		<b>1,709,117</b>	<b>1,795,103</b>
Inventory		9,136	4,672
Accrued revenue	12	90,383	110,804
Accounts receivables	13	13,605	13,431
Other current receivables	13	28,865	31,226
Cash and cash equivalents	14	68,778	65,348
<b>Total current assets</b>		<b>210,767</b>	<b>225,481</b>
<b>Total assets</b>		<b>1,919,883</b>	<b>2,020,584</b>
Share capital	16	90	90
Share premium	16	599,950	599,950
Retained earnings		(423,455)	(351,476)
<b>Total equity</b>		<b>176,585</b>	<b>248,564</b>
Deferred tax liabilities	7	70,204	85,785
Bond loan	17, 18, 19	346,285	1,326,055
Liabilities to financial institutions	17, 18, 19	-	74,625
Non-current lease liabilities	10, 19	4,549	4,493
Other non-current liabilities	17, 18, 19	189,850	183,531
<b>Total non-current liabilities</b>		<b>610,888</b>	<b>1,674,489</b>
Liabilities to bondholders / financial institutions	17, 18, 19	1,067,373	14,971
Account payables	15	12,460	23,965
Tax payable	7	-	-
Public duties payable	15	15,526	17,399
Current lease liabilities	10, 19	8,835	9,263
Other current liabilities	15	28,216	31,932
<b>Total current liabilities</b>		<b>1,132,410</b>	<b>97,531</b>
<b>Total Liabilities</b>		<b>1,743,298</b>	<b>1,772,020</b>
<b>Total equity and liabilities</b>		<b>1,919,883</b>	<b>2,020,584</b>

Oslo, Norway · 28<sup>th</sup> April 2022

**JOHAN B. MICHELSEN**  
Chairman

**NILS PETTER SKASET**  
Board member

**KJARTAN AA BERGE**  
Board member

**INGVILL HESTENES**  
CEO

*The annual report is signed electronically*



## Consolidated statement of changes in equity

### FOR THE YEAR ENDED 31 DECEMBER 2021

Amounts in NOK '000	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Opening balance as at 1 January 2021	90	599,950	-	(351,475)	248,565
Profit for the period	-	-	-	(71,527)	(71,527)
Other comprehensive income	-	-	-	(451)	(451)
<b>Balance at 31 December 2021</b>	<b>90</b>	<b>599,950</b>	<b>-</b>	<b>(423,454)</b>	<b>176,585</b>

### FOR THE YEAR ENDED 31 DECEMBER 2020

Amounts in NOK '000	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Opening balance as at 1 January 2020	90	599,950	-	(295,360)	304,680
Profit for the period	-	-	-	(57,548)	(57,548)
Other comprehensive income	-	-	-	1,433	1,433
<b>Balance at 31 December 2020</b>	<b>90</b>	<b>599,950</b>	<b>-</b>	<b>(351,475)</b>	<b>248,565</b>

*Other comprehensive income mainly comprises translation differences.*



## Consolidated statement of cash flows

Amounts in NOK '000	Notes	2021	2020
Profit before income tax		(86,938)	(71,075)
<i>Adjustments for;</i>			
Depreciation	8, 9, 10	137,300	138,698
Impairment	11	-	-
Income taxes	7	(3,791)	(815)
Interest expense lease liabilities	10	1,822	1,575
Change in accounts receivable and payable	13, 15	(11,679)	(2,891)
Change in accruals, other short-term assets and liabilities	12, 13, 15	35,713	12,759
<b>Net cash flow from operating activities</b>		<b>72,428</b>	<b>78,249</b>
<b>Cash flow from investing activities</b>			
Payment for acquisition of subsidiary		-	-
Payments non-current assets	8, 9	(42,501)	(46,371)
Proceeds from disposal of non-current assets	9	-	175
<b>Net cash flow from investing activities</b>		<b>(42,501)</b>	<b>(46,196)</b>
<b>Cash flow from financing activities</b>			
Proceeds from borrowings	19	(15,000)	-
Repayment of lease liabilities	10, 19	(11,497)	(11,529)
<b>Net cash flow from financing activities</b>		<b>(26,497)</b>	<b>(11,529)</b>
<b>Net increase in cash and cash equivalents</b>		<b>3,430</b>	<b>20,524</b>
Cash and cash equivalents at 1 January	14	65,348	44,824
<b>Cash and cash equivalents at the end of year</b>		<b>68,778</b>	<b>65,348</b>



## Notes to the consolidated financial statements

### NOTE 1 GENERAL INFORMATION

HI Bidco AS and its subsidiaries (together the Group) offers solutions that facilitates payment and invoicing processes for its customers and debt collection services. HI Bidco AS was incorporated 14 August 2017 and is fully owned by the parent company HI Midco AS. HI Bidco AS is a Norwegian public limited company. The company has issued a Senior secured callable Bond and a 2nd Lien Bond listed on the Oslo Stock Exchange under the tickers HIBID01 and HIBID02. The Company's registered office is at Sandane, Norway.

The parent company HI Midco AS has its registered offices in Grandavegen 26, 6823 Sandane, where the consolidated accounts, which include the company, can be obtained.

The consolidated financial statements of the Group for the year ending 31 December 2021 were approved by the Board of Directors on 28 April 2022.

#### BASIS OF PREPARATION

The consolidated financial statements of the HI Bidco AS Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The preparation of financial statements requires the use of management judgement on accounting estimates which, by definition, will seldom equal the actual results, see note 2. Management also needs to exercise judgement in applying the Group's accounting policies.

The consolidated financial statements are presented in Norwegian currency units (NOK), which is HI Bidco AS's functional and presentation currency. HI Bidco AS has been granted permission from the Norwegian authority to only publish the Group's financial statement in English.

#### PRINCIPLES OF CONSOLIDATION

Subsidiaries are all entities over which the Group has control. The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency and all resulting exchange differences are recognised in other comprehensive income.

#### IMPLEMENTATION OF NEW AND AMENDED ACCOUNTING STANDARDS:

- The Group has not implemented new standards in 2021.

### NOTE 2 KEY ACCOUNTING PRINCIPLES

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to changes in estimates and assumptions. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### Recognition of revenue

The majority of the Group's revenues have variable consideration, in the form of no cure no pay arrangements. The accounting policy for these revenues is highly influenced by management judgement. In addition, management must use judgement each period when estimating transaction prices and measure of progress. The financial statements are most effected by management judgement related to the estimates of the transaction price for the debt collection services. The probability of a favourable outcome is estimated based on historical data. Management considers the historical data to be representative to estimate the probabilities of a favourable outcome for the current population of debtors. Actual results can still differ from estimated resolution rates. See note 4 for further description of the Group's revenue recognition.

A 5 % reduction in recognition of debt collection in each step of the debt collection process reduces accrued revenue for the debt collection services by MNOK 17.2. Furthermore, a 5 % decrease in the estimated success rate for invoice services will reduce the accrued revenue by MNOK 1.8.

#### Intangible assets



Goodwill, Trademark, Customer related assets and other intangible assets derives from the acquisition of Helseinnovasjon AS, Odin Kapital AS, Gordion AB and Credicare AS. Goodwill is the residual of unidentified assets from the acquisitions mentioned above. Deferred tax on intangible assets has been taken into consideration in the Groups deferred tax.

#### Impairment test of Goodwill

The impairment test for 2021 resulted in no impairment of Goodwill. See note 11 for information regarding impairment testing of goodwill.

### NOTE 3 SEGMENT INFORMATION

Operating segments has been prepared on the basis of internal reporting provided to the chief operating decision makers. The chief operating decision makers consist of the Chairman of the board together with top management of the Group.

The operating decision makers examines the Group's performance both from a company segment and revenue sources perspective and has identified two reportable segments of its business:

#### Convene and Credicare

Includes the following group entities; Convene AS, Convene AB, Convene Collection ApS, Convene Collection AS, Convene Collection AB, Convene ApS, Credicare AS and Vestfact AS.

Following the integration of the acquired entity CrediCare into the Group, the operations in Convene, Convene Collection and CrediCare are aggregated into one reporting segment following the intertwined nature of business between the companies as well as the similarities in the nature of services as well as regulatory environment.

Convene AS specialises in providing payment solutions and administration systems that free physicians and other health professionals from unnecessary administrative tasks. Convene's terminals give patients the option of paying for the services they receive at the clinic in a simple and intuitive way. Convene's invoicing solutions include complete systems for the administration of deductibles.

Convene Collection is a debt collection company that handles outstanding claims in the healthcare sector. Convene Collection is not exposed to the credit risk but handles the credit risk on behalf of the client. Convene Collection receives automatic notification from the EHR system about what is unpaid, and ensures an invoice is sent to the patient. When the invoice is settled, it is automatically recorded in the EHR system.

CrediCare has been providing payment and administration solutions to both the private and public sectors since 1987. In addition to our core healthcare market, Credicare also holds a substantial position in the fitness, dentist and veterinarian market, expanding the Groups operations into related marketsegments. Through efficient handling of payment transactions as well as debt collection services on behalf of the client, CrediCare automates internal processes for its customers.

#### Gordion

Includes the following group entities: Gordion AB and Kiosk Automation Sverige AB.

The acquired entity Gordion and subsidiary Kiosk Automation are operating relatively autonomously and are therefore presented as a separate reporting segment.

Gordion focus on self-service terminals and has developed a product portfolio of hardware and services for a number of business areas. Gordion's business idea is to provide self-service solutions that create higher efficiency at lower costs for customers compared to manual services.

#### Not allocated

Amounts not allocated to the segments presented above consists of the two companies, Helseinnovasjon AS and HI Bidco AS. These amounts mainly comprise the Groups funding through issued debt in HI Bidco AS. There has been no activity in the group entity Helseinnovasjon AS in 2021.

The operating decision makers primarily uses a measure of earnings before interest, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments. However, the operating decision makers also receives information about the segments' revenue and assets on a monthly basis. Information about segment revenue is disclosed in note 4.



## PROFIT AND LOSS DISCLOSURES

Year ended 31 December 2021					
Amounts in NOK '000	Convene and Credicare	Gordion	Not allocated	Inter segment eliminations	Total
Revenue	346,546	34,693	-	(412)	380,827
Other income	111	-	-	-	111
<b>Total operating revenue</b>	<b>346,657</b>	<b>34,693</b>	<b>-</b>	<b>(412)</b>	<b>380,938</b>
<b>EBITDA</b>	<b>163,160</b>	<b>5,554</b>	<b>(1,908)</b>	<b>(412)</b>	<b>166,395</b>
Depreciation	(135,353)	(1,918)	(29)	-	(137,300)
Impairment	-	-	-	-	-
Net finance	(1,518)	(3,598)	(110,917)	-	(116,032)
<b>Profit before income taxes</b>	<b>26,290</b>	<b>38</b>	<b>(112,854)</b>	<b>(412)</b>	<b>(86,938)</b>
Income tax expense	(13,746)	(31)	29,188	-	15,411
<b>Profit for the period</b>	<b>12,544</b>	<b>7</b>	<b>(83,666)</b>	<b>(412)</b>	<b>(71,527)</b>

Year ended 31 December 2020					
Amounts in NOK '000	Convene and Credicare	Gordion	Not allocated	Inter segment eliminations	Total
Revenue	387,996	36,122	-	(447)	423,671
Other income	306	-	-	-	306
<b>Total operating revenue</b>	<b>388,301</b>	<b>36,122</b>	<b>-</b>	<b>(447)</b>	<b>423,976</b>
<b>EBITDA</b>	<b>194,362</b>	<b>3,374</b>	<b>(5,731)</b>	<b>(447)</b>	<b>191,558</b>
Depreciation	(136,651)	(1,956)	(91)	-	(138,698)
Impairment	-	-	-	-	-
Net finance	(6,814)	(1,376)	(115,746)	-	(123,935)
<b>Profit before income taxes</b>	<b>50,897</b>	<b>42</b>	<b>(121,568)</b>	<b>(447)</b>	<b>(71,075)</b>
Income tax expense	(15,884)	(14)	29,425	-	13,527
<b>Profit for the period</b>	<b>35,013</b>	<b>28</b>	<b>(92,143)</b>	<b>(447)</b>	<b>(57,548)</b>

## SEGMENT ASSETS AND LIABILITIES

Year ended 31 December 2021					
Amounts in NOK '000	Convene and Credicare	Gordion	Not allocated	Inter segment eliminations	Total
Non current assets	1,676,301	32,310	507	-	1,709,117
Current assets	185,043	19,269	6,455	-	210,767
<b>Total segment assets</b>	<b>1,861,343</b>	<b>51,579</b>	<b>6,961</b>	<b>-</b>	<b>1,919,884</b>
Non current liabilities	74,753	-	536,135	-	610,888
Current Liabilities	54,631	10,279	1,067,500	-	1,132,410
<b>Total segment liabilities</b>	<b>129,384</b>	<b>10,279</b>	<b>1,603,635</b>	<b>-</b>	<b>1,743,298</b>

Year ended 31 December 2020					
Amounts in NOK '000	Convene and Credicare	Gordion	Not allocated	Inter segment eliminations	Total
Non current assets	1,759,486	35,203	414	-	1,795,103
Current assets	197,427	20,854	7,200	-	225,481
<b>Total segment assets</b>	<b>1,956,913</b>	<b>56,057</b>	<b>7,614</b>	<b>-</b>	<b>2,020,584</b>
Non current liabilities	90,125	154	1,584,211	-	1,674,489
Current Liabilities	67,878	14,298	15,355	-	97,531
<b>Total segment liabilities</b>	<b>158,003</b>	<b>14,452</b>	<b>1,599,565</b>	<b>-</b>	<b>1,772,020</b>



## NOTE 4 REVENUE AND OTHER INCOME

### REVENUE BY SUB-SEGMENT

Sales between segments are eliminated on consolidation. The revenue from external parties is measured the same way as in the statement of profit or loss.

Year ended 31 December 2021					
Amounts in NOK '000	Convene	Convene Collection	Credicare	Gordion	Total
Revenue from terminals	41,180	-	1,326	-	42,505
Sale of terminals	-	-	-	34,281	34,281
Revenue from invoicing	125,498	-	9,403	-	134,901
Reminder fee	-	12,727	1,977	-	14,704
Debt collection	-	95,976	33,038	-	129,014
Legal claims	-	7,090	3,615	-	10,705
Accrued revenue	2,450	(18,421)	(4,271)	-	(20,242)
Other revenue	8,140	14,624	12,306	-	35,070
<b>Total segment revenue</b>	<b>177,268</b>	<b>111,995</b>	<b>57,394</b>	<b>34,281</b>	<b>380,938</b>
<i>Timing of revenue recognition</i>					
- At point in time	-	-	-	-	-
- Over time	177,268	111,995	57,394	34,281	380,938
<b>Total revenue</b>	<b>177,268</b>	<b>111,995</b>	<b>57,394</b>	<b>34,281</b>	<b>380,938</b>

2021	Convene	Convene Collection	Credicare	Gordion	Total
<b>Number of solutions in operation</b>					
Terminals	1,488	n.a.	147	n.a.	1,635
Invoicing solutions	566	n.a.	1,032	n.a.	1,598
<b>Total solutions in operation</b>	<b>2,054</b>	<b>-</b>	<b>1,179</b>	<b>-</b>	<b>3,233</b>

Year ended 31 December 2020					
Amounts in NOK '000	Convene	Convene Collection	Credicare	Gordion	Total
Revenue from terminals	40,333	-	1,285	-	41,618
Sale of terminals	-	-	-	35,685	35,685
Revenue from invoicing	111,096	(539)	10,134	-	120,691
Reminder fee	-	23,600	4,871	-	28,471
Debt collection	-	112,045	42,949	-	154,994
Legal claims	-	7,355	4,645	-	12,000
Accrued revenue	646	(2,864)	(1,431)	-	(3,649)
Other revenue	3,682	13,252	17,233	-	34,167
<b>Total segment revenue</b>	<b>155,758</b>	<b>152,849</b>	<b>79,684</b>	<b>35,685</b>	<b>423,976</b>
<i>Timing of revenue recognition</i>					
- At point in time	-	-	-	-	-
- Over time	155,758	152,849	79,684	35,685	423,976
<b>Total revenue</b>	<b>155,758</b>	<b>152,849</b>	<b>79,684</b>	<b>35,685</b>	<b>423,976</b>

2020	Convene	Convene Collection	Credicare	Gordion	Total
<b>Number of solutions in operation</b>					
Terminals	1,510	n.a.	157	n.a.	1,667
Invoicing solutions	588	n.a.	1,100	n.a.	1,688
<b>Total solutions in operation</b>	<b>2,098</b>	<b>-</b>	<b>1,257</b>	<b>-</b>	<b>3,355</b>



## PERFORMANCE OBLIGATIONS AND REVENUE RECOGNITION

### Revenues from rendering of services

The Group delivers payment services, invoicing services and subsequent debt collection services.

#### Payment services

The payment services are related to the self-service payment terminals of Convene AS, Convene AB, Convene ApS and Credicare AS. Depending on the model and the contract with the customer, the terminal can facilitate cash payment, card payment and invoicing. The Group does not earn any revenues for customer transactions settled in card or cash. For lease income of terminals, see below.

#### Invoicing services

Invoicing services are delivered to customers with self-service payment terminals and to other customers. The Group has developed integrations that facilitates automated transfer of information from the customers' system to the Group's invoicing system. The Group produces the invoice and sends it to the debtor (customers of the Group's customer). The invoice will in general include an invoice fee, which the Group will be entitled to if the debtor pays the invoice. The debtor pays the invoice to the Group, which then keeps the invoice fee and transfers the principal to its customer. The performance obligation is satisfied over time contingent on the debtor's payment of the customer's invoice. In addition, as the Group's invoice fee is contingent on the customers receiving the outstanding balance from the debtor, the transaction price is considered variable. The Group processes a large number of invoices with similar characteristics every month. The characteristics are also considered to be stable over time (similar amounts and debtors). Because of this, the Group is estimating the transaction price based on expected value. Historical data is used to determine the probability of a favourable outcome, but management also considers the rules constraining variable consideration in IFRS 15.56-57. The estimated transaction price is recognised as revenue when the Group has sent the invoice to the debtor.

#### Debt collection services

For invoices that are not paid when due, a debt collection service will be conducted unless the Group's customers actively give notice that debt collection should not be performed for an individual invoice. The debt collection services are also on a no cure no pay basis, which means that the Group is entitled to consideration only if the principal is collected on behalf of the customer. Debt collection service is a highly regulated activity. The regulation determines the activities that must be performed (formal notices to the debtor), maximum rates/fees that can be charged to the debtor and when these rates/fees can be charged. If the debtor has not paid the amount owed (including debt collection fees) after a defined series of formal notices has been sent to the debtor, it is possible to initiate legal proceedings involving the court system. Because of the required activities and related notice periods that must be undertaken before involving the court system, it will take at least three months from when debt collection starts to initiation of legal proceedings. During this period the Group will obtain information from credit rating agencies about the individual customer. Based on this information the debtors are segmented into different categories, where different collection strategies are applied. Because of the relatively high cost that will incur when involving the court system, this is only done for debtors classified into the categories indicating high probability for a favourable outcome. When the debtor pays, the Group is entitled to keep all debt collection fees and interests that have been added to the principal, while the customer will receive the original principal.

The transaction price for the debt collection services is also based on expected value. For these services the consideration that the Group is entitled to upon the debtor's payment, will also be dependent on the time of payment. The collection fees will increase in steps triggered by activities performed and time. There are four levels of collection fees, including the fee for initiating legal proceedings. In addition, the interest component is accrued over time. The estimated transaction price only includes collection fees. This is because the interest component of the compensation is immaterial compared to the collection fees, and because this element has the lowest priority in the event of a partial payment from the debtor. The estimated transaction price is determined for assignments within each stage, and for different statuses within that stage. The estimated transaction price represents the weighted average of all potential outcomes, given the current stage for the collection assignment. When setting probabilities of a favourable outcome in the different stages, management uses a portfolio of experience data, but also considers the rules of constraining variable consideration in IFRS 15.56-57. The estimated transaction price is a key accounting estimate.

Revenue for the debt collection service is recognised over time. Cost incurred compared to total expected cost to fulfil the service is used as measure of progress. Total expected cost is estimated using the same approach as for transaction price, which means that the expected cost is a probability weighted cost reflecting the different scenarios that can occur. Because of the high cost associated with legal proceedings, the progress for the prior stages is limited.

Recognised revenues are presented as accrued revenue (contract assets), until the Group receives payment from the debtor.

### Revenues from sale of goods

The Group sells payment terminals. The Group does not deliver any subsequent services, related to these transactions. Revenue is recognised when the terminals are delivered to the customer.



## GEOGRAPHICAL PRESENTATION OF REVENUE

The Groups operations are located in Norway, Sweden and Denmark.

Year ended 31 December 2021				
Amounts in NOK '000	Norway	Sweden	Denmark	Total
Revenue from terminals	38,116	2,449	1,940	42,505
Sales of terminals	-	34,281	-	34,281
Revenue from invoicing	134,249	197	454	134,901
Reminder fee	14,123	459	122	14,704
Debt collection	127,296	557	1,161	129,014
Legal claims	10,690	15	-	10,705
Accrued revenue	(20,242)	-	-	(20,242)
Other revenue	34,739	280	50	35,070
<b>Total revenue</b>	<b>338,972</b>	<b>38,240</b>	<b>3,727</b>	<b>380,938</b>

Year ended 31 December 2020				
Amounts in NOK '000	Norway	Sweden	Denmark	Total
Revenue from terminals	37,475	2,552	1,592	41,618
Sales of terminals	-	35,685	-	35,685
Revenue from invoicing	120,246	110	335	120,691
Reminder fee	28,471	-	-	28,471
Debt collection	152,548	935	1,511	154,994
Legal claims	12,000	-	-	12,000
Accrued revenue	(3,649)	-	-	(3,649)
Other revenue	33,455	584	127	34,167
<b>Total revenue</b>	<b>380,546</b>	<b>39,865</b>	<b>3,565</b>	<b>423,976</b>

## LEASE INCOME

The Group is a lessor of self-service payment terminals, mainly used within the healthcare industry. Convene Group have customer contracts across Norway, Sweden and Denmark. Customers rent the payment terminals in the following entities: Convene AS, Credicare AS, Convene AB and Convene ApS. The payment terminals remain Convene Group's property and shall be returned to Convene Group upon termination of the contract. The customer contracts for rental of payment terminal have contract terms in the range between 36 and 60 months, and generally after the initial contract period expired, the contracts continues with a 12 month reciprocal termination notice. The customer contracts regarding physical payment of terminals are non-terminable during the contract period. The lease contracts are considered to be operating leases, and is recognised on a straight-line basis, which corresponds to the lease payments. The Group does not incur any significant initial direct costs when arranging the lease.

For the vast majority of the customer contracts, the rental fees are based on a fixed price where the customer pays a fixed amount each month per leased payment terminal. The fixed amount remains the same for the entire contract term, subject however to regular index price adjustments.

Future lease income as of 31 December:

Amounts in NOK '000	2021	2020
Lease income within one year	43,355	42,450
Lease income within two to five years	23,412	31,838
<b>Total</b>	<b>66,767</b>	<b>74,287</b>



## NOTE 5 PERSONNEL AND OTHER OPERATING EXPENSES

### PERSONNEL EXPENSES

Amounts in NOK '000	2021	2020
Salaries	97,768	102,378
Social security fees	13,124	12,422
Pension expenses	3,877	3,455
Other personnel expenses	2,936	2,844
Capitalised R&D	(23,069)	(20,794)
<b>Total</b>	<b>94,635</b>	<b>100,304</b>
<i>Full-time equivalent employees (FTEs) at the end of the period</i>	170	164

At the end of December 2020, 12 employees in the subsidiary Gordion Aktiebolag were on 40 % furlough because of reduced activity due to the Covid-19 virus. As of 1 July 2021, all 12 employees were back from furlough.

In 2021, Gordion AB was granted approx. SEK 2 million, related to employee furlough during the pandemic as part of the Swedish governmental covid support initiatives. This has been allocated between personnel expenses and cost of sales as personnel cost related to service contracts (SLA) in Gordion is presented as cost of sales.

### PENSIONS

Convene Group operate with a defined contribution pension scheme. Pursuant to the pension scheme, Convene AS and Convene Collection AS provide a contribution of 2% of the salary between 1G and 12G. In addition, Convene Collection has 2.7 % in private sector tariff-based pension scheme (AFP). CrediCare AS provide a contribution of 5 % of the salary between 1G and 7.1 G and 8 % of the salary between 7.1G and 12G. Gordion provide a contribution of 5 % of the salary up to 7.5 G and 31 % of the salary above 7.5 G.

The company's pension schemes meet the requirements of the law on compulsory occupational pension.

### EXPENSED AUDIT FEE

Amounts in NOK '000	2021	2020
Statutory audit (incl. technical assistance with financial statements)	1,925	2,115
Other assurance services	25	20
Tax advisory fee (incl. technical assistance with tax return)	-	86
Other assistance (to be specified)	261	124
<b>Total audit fees</b>	<b>2,211</b>	<b>2,344</b>

Other assistance of kNOK 261 in 2021 is related to management consulting. In 2020 the amount of kNOK 124 was related to a routine regulatory supervision in regards to debt collection.

## NOTE 6 FINANCE INCOME AND EXPENSES

Amounts in NOK '000	2021	2020
Interest income	75	164
Other finance income	993	552
<b>Finance income</b>	<b>1,069</b>	<b>716</b>
Interest expenses	112,743	122,279
Other finance expenses	4,359	2,372
<b>Finance costs</b>	<b>117,101</b>	<b>124,652</b>
<b>Net finance costs</b>	<b>116,032</b>	<b>123,935</b>



## NOTE 7 TAXES

### INCOME TAX EXPENSE

Amounts in NOK '000	2021	2020
Current tax on profits for the year	-	-
Change in deferred tax	(15,092)	(14,547)
Adjustments for prior periods	(319)	1,020
<b>Income tax expense</b>	<b>(15,411)</b>	<b>(13,527)</b>

### RECONCILIATION OF EFFECTIVE INCOME TAX RATE

Amounts in NOK '000	2021	2020
Profit before tax	(86,938)	(71,075)
<b>Calculated tax expense (22%)</b>	<b>19,126</b>	<b>15,637</b>
Tax effect of permanent differences	7	(194)
Tax effect of impairment of goodwill	-	-
Change in deferred tax due to change in tax rate	-	-
Change in deferred tax asset not capitalised	(202)	(3,572)
Difference in tax rate between countries	(24)	5
Other differences	(3,497)	1,652
<b>Actual tax expense</b>	<b>15,411</b>	<b>13,527</b>
<b>Effective tax rate</b>	<b>-18 %</b>	<b>-19 %</b>

The nominal tax rate in Norway was 22 % in 2021 and 2020.

### TAX ON TEMPORARY DIFFERENCES

Amounts in NOK '000	2021	2020
<b>Taxable temporary differences - non current items</b>		
Tangible and intangible assets	58,090	71,910
	<b>58,090</b>	<b>71,910</b>
<b>Taxable temporary differences - current items</b>		
Accounts receivable	19,980	24,478
	<b>19,980</b>	<b>24,478</b>
<b>Deductible temporary differences - non current items</b>		
Tangible and intangible assets	(3,767)	(1,590)
	<b>(3,767)</b>	<b>(1,590)</b>
<b>Deductible temporary differences - current items</b>		
Inventory	(146)	-
Accounts receivable	(10)	(10)
Other current liabilities	(182)	(531)
	<b>(338)</b>	<b>(542)</b>
Tax losses carried forward	(9,772)	(15,661)
<b>Gross deferred tax</b>	<b>64,192</b>	<b>78,594</b>
Amount not to be included in deferred tax	(4,259)	(4,949)
<b>Net deferred tax</b>	<b>68,451</b>	<b>83,543</b>

### DEFERRED TAX

Amounts in NOK '000	2021	2020
Deferred tax assets	(1,753)	(2,242)
Deferred tax liabilities	70,204	85,785
<b>Net deferred tax in balance sheet</b>	<b>68,451</b>	<b>83,543</b>

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.



Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Deferred tax assets recognised in the statement of financial position relates to tax losses carried forward from group companies outside of Norway.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## TAX LOSSES

Amounts in NOK '000	2021	2020
Unused tax losses for which no deferred tax asset has been recognised	18,532	20,081
Potential tax benefit at 22 %	4,077	4,418

## NOTE 8 INTANGIBLE ASSETS

The Group's intangible assets consists of both internally generated and purchased assets. Research and development mainly comprise software development as part of our core business, both through own employees and third-party consultants. Goodwill, Trademark, Customer related assets and Other intangible assets mainly derives from the acquisition of Helseinnovasjon AS, Odin Kapital AS, Gordion AB and Credicare AS.

31 December 2021				
Amounts in NOK '000	R&D internally generated	Other R&D	Licenses	Total
Purchase cost pr. 1 January	105,441	100,092	10,059	215,592
Additions	23,445	6,947	-	30,392
Disposals	-	-	-	-
Exchange differences	-	(540)	(5)	(546)
<b>Purchase cost pr. 31 December</b>	<b>128,886</b>	<b>106,499</b>	<b>10,053</b>	<b>245,438</b>
Accumulated depreciation 31 December	81,871	42,353	7,367	131,591
Accumulated Impairment 31 December	-	-	-	-
Exchange differences	5	(209)	(1)	(205)
<b>Net book value pr. 31 December</b>	<b>47,011</b>	<b>64,355</b>	<b>2,687</b>	<b>114,052</b>
Depreciation in the year	21,932	10,955	1,941	34,828
Estimated useful life	5 years	5 years	3-5 years	
Depreciation plan	Straight line	Straight line	Straight line	

31 December 2021					
Amounts in NOK '000	Trademark	Customer related assets	Other intangible	Goodwill	Total
Purchase cost pr. 1 January	44,290	307,767	231,948	1,473,595	2,057,601
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange differences	-	-	-	-	-
<b>Purchase cost pr. 31 December</b>	<b>44,290</b>	<b>307,767</b>	<b>231,948</b>	<b>1,473,595</b>	<b>2,057,601</b>
Accumulated depreciation 31 December	25,779	179,243	120,807	-	325,828
Accumulated impairment 31 December	-	-	-	175,000	175,000
Exchange differences	-	-	-	-	-
<b>Net book value pr. 31 December</b>	<b>18,512</b>	<b>128,524</b>	<b>111,142</b>	<b>1,298,595</b>	<b>1,556,773</b>
Depreciation in the year	6,327	43,967	28,994	-	79,287
Estimated useful life	7 years	7 years	8 years	No depreciation	
Depreciation plan	Straight line	Straight line	Straight line		



31 December 2020				
Amounts in NOK '000	R&D internally generated	Other R&D	Licenses	Total
Purchase cost pr. 1 January	84,399	84,966	9,976	179,341
Additions	21,042	14,452	83	35,577
Disposals	-	-	-	-
Exchange differences	-	675	-	675
<b>Purchase cost pr. 31 December</b>	<b>105,441</b>	<b>100,092</b>	<b>10,059</b>	<b>215,592</b>
Accumulated depreciation 31 December	59,800	31,381	5,324	96,505
Accumulated impairment 31 December	-	-	-	-
Exchange differences	-	156	0	156
<b>Net book value pr. 31 December</b>	<b>45,641</b>	<b>68,555</b>	<b>4,735</b>	<b>118,931</b>
Depreciation in the year	21,088	12,724	1,864	35,676
Estimated useful life	5 years	5 years	3-5 years	
Depreciation plan	Straight line	Straight line	Straight line	

31 December 2020					
Amounts in NOK '000	Trademark	Customer related assets	Other intangible	Goodwill	Total
Purchase cost pr. 1 January	44,290	307,767	231,948	1,473,595	2,057,601
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange differences	-	-	-	-	-
<b>Purchase cost pr. 31 December</b>	<b>44,290</b>	<b>307,767</b>	<b>231,948</b>	<b>1,473,595</b>	<b>2,057,601</b>
Accumulated depreciation 31 December	19,451	135,276	91,813	-	246,541
Accumulated impairment 31 December	-	-	-	175,000	175,000
Exchange differences	-	-	-	-	-
<b>Net book value pr. 31 December</b>	<b>24,839</b>	<b>172,491</b>	<b>140,135</b>	<b>1,298,595</b>	<b>1,636,061</b>
Depreciation in the year	6,327	43,967	28,994	-	79,287
Estimated useful life	7 years	7 years	8 years	No depreciation	
Depreciation plan	Straight line	Straight line	Straight line		

#### Internal and acquired R&D

The Group had R&D addition NOK 30,4 million in 2021. This includes capitalised internal personnel expenses of NOK 23,4 million.

#### Goodwill from acquisitions

HI Bidco AS acquired 100% of the shares in Helseinnovasjon AS 1 November 2017 as part of a restructuring of the group.

Simultaneously, the subsidiary Convene acquired 100% of the shares in Odin Kapital AS. The acquisition of Helseinnovasjon AS and Odin Kapital AS were booked according to the acquisition method.

Convene AS acquired 100% of the shares in Gordion AB 5 February 2018. The transaction was booked according to the acquisition method.

Convene Collection AS acquired 100% for the shares in Credicare AS 25 June 2018. The transaction was booked according to the acquisition method.

At 31 December 2020, the Group has booked an excess value from the acquired companies of NOK 1,578 million where Goodwill is the residual of unidentified assets. The effect of deferred taxes from excess values is included in Goodwill.

Goodwill is monitored by management at the level of the operating segments identified in note 3.

For impairment considerations of goodwill, see note 11.

#### Trademarks, licences and customer contracts

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licences and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

#### Research and development

The Groups research and development mainly comprises software development.



Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research expenditure and development expenditure that do not meet the criteria in (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

## NOTE 9 TANGIBLE ASSETS

The Groups tangible assets are as shown below and consists mainly of the Group's terminals and continuing upgrade and improvement of our older terminals securing extended lifetime. In 2020 and 2021 there have been increased capital expenditures related to hardware updates and replacements in our older terminals.

31 December 2021			
	Machinery	Equipment, fixtures and fittings	Total
<i>Amounts in NOK '000</i>			
Purchase cost 1 January	56,897	11,215	68,112
Additions	12,070	556	12,625
Disposals	-	-	0
Exchange differences	(421)	(83)	-504
<b>Purchase cost 31 December</b>	<b>68,545</b>	<b>11,688</b>	<b>80,233</b>
Accumulated depreciation 31 December	46,149	10,442	56,591
Exchange differences	(259)	(83)	-341
<b>Net book value 31 December</b>	<b>22,655</b>	<b>1,329</b>	<b>23,984</b>
Depreciation in the year	11,722	1,724	13,446
Expected useful life	4-5 years	3-5 years	
Depreciation plan	Straight line	Straight line	

31 December 2020				
	Buildings and land	Machinery	Equipment, fixtures and fittings	Total
<i>Amounts in NOK '000</i>				
Purchase cost 1 January	992	45,692	10,982	57,665
Additions	-	10,680	114	10,794
Disposals	-	-	-	0
Exchange differences	-	525	120	644
<b>Purchase cost 31 December</b>	<b>992</b>	<b>56,897</b>	<b>11,215</b>	<b>69,104</b>
Accumulated depreciation 31 December	992	34,248	8,611	43,850
Exchange differences	-	180	106	286
<b>Net book value 31 December</b>	<b>0</b>	<b>22,469</b>	<b>2,498</b>	<b>24,967</b>
Depreciation in the year	151	11,367	2,193	13,710
Expected useful life	5-20 years	4-5 years	3-5 years	
Depreciation plan	Straight line	Straight line	Straight line	



Tangible assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation methods and periods used by the Group are disclosed below.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

## NOTE 10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group (the commencement date). Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis.

### RIGHT-OF-USE ASSETS

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets with a lease liability lower than NOK 50.

<i>Amounts in NOK '000</i>	Buildings and land	Machinery	Equipment, fixtures and fittings	Office equipment	Total right-of-use assets
Net book value 1 January	8,428	135	4,318	-	12,881
Modification of contractual lease terms	(745)	-	-	-	(745)
Net additions/disposals	6,094	264	4,109	167	10,635
Depreciations	(7,009)	(262)	(3,021)	(25)	(10,317)
Other adjustments	(65)	144	(1)	-	78
<b>Net book value 31 December</b>	<b>6,704</b>	<b>282</b>	<b>5,405</b>	<b>142</b>	<b>12,533</b>

### LEASE LIABILITIES

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the Group's incremental borrowing rate.



Amounts in NOK '000	2021
Total lease liabilities at 1 January	13,757
New leases recognised during the period	10,635
Cash payments for the principal portion of the lease liability	(11,579)
Interest expense on lease liabilities	1,655
Modification of contractual lease terms	(769)
Other adjustments	(315)
<b>Total lease liabilities recognised as at 31 December</b>	<b>13,385</b>
Current lease liabilities	8,836
Non-current lease liabilities	4,549
<b>Total lease liabilities recognised as at 31 December</b>	<b>13,385</b>
Short-term leases recognised on a straight-line basis as expense	136
Low-value leases recognised on a straight-line basis as expense	42

**Critical judgements in determining lease term**

For all leases, except for short-term leases and leases of low value, a lease liability and a corresponding right-of-use asset is recognised in the consolidated statement of financial position.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. Periods after a termination option are included in the lease term unless it is reasonably certain that the option will not be exercised.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group.

## NOTE 11 IMPAIRMENT CONSIDERATIONS

### IMPAIRMENT TEST FOR GOODWILL

Goodwill is tested for impairment for each cash generating unit (CGU) prior to preparation of the annual accounts. The test is performed annually, and when there are indications of impairment. The recoverable amount for each CGU has been determined estimating their Value in Use (VIU) and comparing that to the carrying amount of the specific CGU. The calculation of VIU has been based on management's best estimate, reflecting the Group's financial planning process. The discount rates are derived as the weighted average cost of capital (WACC) for a peer group of European debt collection and health care technology providers.

### CASH FLOW PROJECTIONS

Cash flow projections are based on the most recent management business model for the period 2022-2024. We have considered possible aftermath effects from the Covid-19 pandemic in the forward going business plans and although this is considered to be uncertain, we expect no material effects on the forecasted numbers. Periods beyond 2024 are extrapolated from the budgeted projections. These forecasts are produced by the management team and approved by the board. Forecasted cash flows and the terminal value are discounted to calculate the net present value of each CGU.

The business plan for the period 2022-2024 includes several growth and strategic initiatives. The most critical factors in executing the groups business plan over the next years is the expansion into the Swedish market and the roll out of our new service offering, financing-as-a-service (FaaS), which have been running on pilot clinics the last half of 2021. In addition, our business plans includes EBITDA contribution from other initiatives, like growth in external debt collection market. Cash flow contribution from all material initiatives have been excluded in different scenarios in the impairment model, each scenario with a negative contribution from our base case based on our business model. Management has assigned probabilities to the outcome of these factors and modelled different scenarios based on the expected impact.

The new debt collection law is expected to be implemented in 2023 / 2024 and the impact is still uncertain. Based on current draft, we do not expect any substantial negative impact from the new law in addition to the fee cuts already implemented from October 2020.

### KEY ASSUMPTIONS

Key assumptions used in the calculation of the impairment test are growth rates, EBITDA margins, capital expenditures (capex) and discount rate.

Terminal value nominal growth rate for all entities in the Group is set to 1 %.

Capex forecasts are based on the expected roll-out of payment terminals and the development of new services and payment solutions.

The discount rate of 7.4 % (9.2 % pre-tax discount rate) is calculated based on the following parameters:

- Cost of equity is determined by applying the capital asset pricing model (CAPM)



- Cost of debt is calculated by adding a credit spread according to a corporate bond reference index
- Target capital structure is based on the median capital structure of industry peers
- The pre-tax discount rate is calculated using the iterative method.

## CONCLUSION AND SENSITIVITY

The impairment test for 2021 shows no indications for impairment, and the Group has significant headroom.

The impairment test is most sensitive to the discount rate as well as the expected growth rate used for extrapolation purposes:

- The impairment test model shows that indications for impairment would be present if the discount rate is increased by about 1.75 % to 9.15 %. If this would be the case, the impairment charge would be about NOK 7 million
- The impairment test model shows no indications of impairment using the discount rate of 7.4 %, even if long-term growth is set to 0 %
- Analysing the sensitivity to the critical factors affecting the cash flow projections, such as expansion into the Swedish market and the continuing introduction of financing-as-a-service, the impairment test shows that even if both initiatives do not succeed, and contributes with no substantial cash flows, this would not result in an impairment

Reporting segment (CGU) <i>Amounts in NOK '000</i>	The recoverable amount exceeds carrying amount by	Goodwill recognised in the statement of financial position	Impairment
Convene and CrediCare	441,331	1,279,795	No impairment
Gordion	24,012	18,800	No impairment

## NOTE 12 ACCRUED REVENUE

Accrued revenue consists of the Groups contract assets.

The Group has recognised the following revenue-related contract assets and liabilities:

<i>Amounts in NOK '000</i>	2021	2020
Contract assets relating to accrued revenue 1 Jan	110,804	112,661
Adjustment from last year	-	1,987
Change in accounting period	(20,421)	(3,845)
<b>Contract assets relating to accrued revenue 31 Dec</b>	<b>90,383</b>	<b>110,804</b>

The subsidiaries, Convene AS, Convene Collection AS and CrediCare AS use the accrued revenue principle where recognition of invoice fee, reminder fee and debt collection fee is based on the expected revenues.

In order to estimate the provision, empirical data has been used to estimate resolution rates for invoice fee. As for debt collection provisions, are calculated as income with variable remuneration in the form of no cure no pay. In order to estimate the provision, the transaction price and resolution rate are estimated on empirical data, as well as the completion rate for each step of the recovery process. See note 4 for further details on revenue recognition.

## NOTE 13 ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

### ACCOUNTS RECEIVABLES

The Group has chosen to use the practical expedient in IFRS 15, not to identify financing component in customer contracts. For contracts with less than one year credit time. This is the situation for all account receivables.

Account receivables are recognised initially at nominal amount, subsequent measurement will be at the same amount, less provision for impairment.

<i>Amounts in NOK '000</i>	2021	2020
Account receivables at nominal value	15,027	14,658
Allowance for expected credit losses	(1,422)	(1,227)
<b>Total account receivables (net)</b>	<b>13,605</b>	<b>13,431</b>

### OTHER RECEIVABLES

<i>Amounts in NOK '000</i>	2021	2020
Receivables associated companies*	5,000	6,000
Other	23,865	25,227
<b>Total other receivables</b>	<b>28,865</b>	<b>31,227</b>

\*Receivables associated companies consist of current receivables from the parent company.



(i) Classification as account receivables and other receivables

Account receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Account receivables are generally due for settlement within 30 days and therefore are all classified as current. The Group's impairment and other accounting policies for account and other receivables are outlined below.

(ii) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. The non-current other receivables are due and payable within three years from the end of the reporting period.

(iii) Fair values of account and other receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are not significantly different to their carrying amounts.

(iv) Impairment and risk exposure

Information about the impairment of account and other receivables, their credit quality and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 21.

## NOTE 14 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Amounts in NOK '000	2021	2020
Cash at bank and in hand	68,778	65,348
Net client funds	-	-
<b>Total cash and cash equivalents</b>	<b>68,778</b>	<b>65,348</b>

i) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition, and are repayable with 24 hours notice with no loss of interest.

ii) Restricted cash

The Group has no restricted cash relating to withheld employee taxes. Instead, the Group has guarantees from House of Guarantees of in total of NOK 6.5 million in Convene AS, Convene Collection AS and Credicare AS.

## NOTE 15 ACCOUNT PAYABLES AND OTHER CURRENT LIABILITIES

Amounts in NOK '000	2021	2020
Account payables	12,460	23,965
Public duties payable	15,526	17,399
<i>Other current liabilities</i>		
Amount due to employees	16,154	15,855
Other payables	12,062	16,077
<b>Total other current liabilities</b>	<b>28,216</b>	<b>31,932</b>
<b>Total account payables and other current liabilities</b>	<b>56,202</b>	<b>73,296</b>

Account payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of accounts payables and other payables are considered to be the same as their fair values, due to their short-term nature.

## NOTE 16 SHARE CAPITAL AND SHAREHOLDER INFORMATION

### SHARE CAPITAL AND SHARE PREMIUM

Amounts in NOK '000	Number of shares	Share capital	Share premium
At 31 December 2021	1,000	90	599,950
<b>Total share capital and share premium</b>	<b>1,000</b>	<b>90</b>	<b>599,950</b>



## CONSOLIDATED FINANCIAL STATEMENT

Amounts in NOK '000	Number of shares	Share capital	Share premium
At 31 December 2020	1,000	90	599,950
<b>Total share capital and share premium</b>	<b>1,000</b>	<b>90</b>	<b>599,950</b>

The share capital of NOK 90,000 consists of 1,000 shares with nominal value of NOK 90 each.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

### LIST OF MAJOR SHAREHOLDERS AT 31.12

	Number of shares	Percentage of shares
HI Midco AS	1,000	100 %
<b>Total number of shares</b>	<b>1,000</b>	<b>100 %</b>

## NOTE 17 OVERVIEW OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As of 31.12.2021 the Group classifies all its financial assets and liabilities as amortised cost. The Group holds the following financial instruments:

### FINANCIAL ASSETS AT AMORTISED COST

Amounts in NOK '000	Note	2021	2020
Accounts receivables	13	13,605	13,431
Other receivables	13	28,865	31,227
Cash and cash equivalents	14	68,778	65,348
Other financial assets		21	21
<b>Total financial assets</b>		<b>111,269</b>	<b>110,027</b>

### LIABILITIES AT AMORTISED COST

Amounts in NOK '000	Note	2021	2020
<b>Non-current</b>			
Bond loan	18	346,285	1,326,055
Liabilities to financial institutions	18	-	74,625
Non-current lease liabilities	10	4,549	4,494
Other non-current liabilities (loan from parent company)	18	189,850	183,531
<b>Current</b>			
Liabilities to bondholders / financial institutions	18	1,067,373	14,971
Account payables	15	12,460	23,965
Current lease liabilities	10	8,835	9,263
Other current liabilities	15	28,216	31,932
<b>Total financial liabilities</b>		<b>1,657,568</b>	<b>1,668,836</b>

The Group's exposure to various risks associated with the financial instruments is discussed in note 21. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

## NOTE 18 INTEREST-BEARING LIABILITIES

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.



Amounts in NOK '000	2021		
	Current	Non-current	Total
<b>Secured</b>			
Senior secured callable bond	991,640	-	991,640
2nd Lien Bond	-	346,285	346,285
RCF Pareto Securities	60,000	-	60,000
<b>Total secured borrowings</b>	<b>1,051,640</b>	<b>346,285</b>	<b>1,397,925</b>
Liability to parent company	-	189,850	189,850
Lease liabilities	8,835	4,549	13,384
<b>Total borrowings</b>	<b>1,060,475</b>	<b>540,684</b>	<b>1,601,159</b>

Amounts in NOK '000	2020		
	Current	Non-current	Total
<b>Secured</b>			
Senior secured callable bond	-	982,794	982,794
2nd Lien Bond	-	343,260	343,260
RCF Pareto Securities	-	74,625	74,625
<b>Total secured borrowings</b>	<b>-</b>	<b>1,400,680</b>	<b>1,400,680</b>
Liability to parent company	-	183,531	183,531
Lease liabilities	9,263	4,494	13,757
<b>Total borrowings</b>	<b>9,263</b>	<b>1,588,704</b>	<b>1,597,967</b>

(i) Secured liabilities and assets pledged as security

Bond loans are secured with first priority (senior secured callable bond) and second priority (2nd Lien bond) by the following security:

- pledge over all current and future shares in each Guarantor incorporated outside Norway
- assignment of any current and future Intercompany Loans made by a Guarantor incorporated outside Norway; and
- the Guarantees from any Guarantor incorporated outside Norway

(ii) Compliance with loan covenants

Hi Bidco AS has complied with the financial covenants of its borrowing facilities during the 2021 reporting period.

(iii) Fair value

The bond loans are listed on Oslo Stock Exchange. There have been low trading volumes which contributes to uncertainty regarding fair value. Differences between fair value and carrying amount are identified for the bond loans:

- Senior secured callable bond with carrying amount MNOK 992 (nominal value MNOK 1 000) has been traded in the bond market with a discount relative to nominal value. Towards the end of the period, the bond has been traded close to nominal value.
- 2nd lien bond with carrying amount MNOK 346 (nominal value MNOK 350) has been traded in the bond market with a discount relative to nominal value.

## NOTE 19 AGEING OF FINANCIAL LIABILITIES AND CASH FLOW INFORMATIONS

### CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES

Amounts in NOK '000	At December 2021					Total contractual cash flows	Carrying amounts (assets)/ Liabilities
	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years			
<b>Non-derivatives</b>							
Senior secured callable bond	1,000,000	-	-	-	1,000,000	991,640	
2nd Lien Bond	-	350,000	-	-	350,000	346,285	
Lease liabilities	9,790	2,035	3,604	-	15,429	13,384	
RCF Pareto Securities	60,000	-	-	-	60,000	60,000	
Account and other payables	71,936	-	-	-	71,936	71,936	
Liability to parent company	-	189,850	-	-	189,850	189,850	
<b>Total non-derivatives</b>	<b>1,141,725</b>	<b>541,884</b>	<b>3,604</b>	<b>-</b>	<b>1,687,214</b>	<b>1,673,094</b>	



At December 2020						
	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amounts (assets)/ Liabilities
<i>Amounts in NOK '000</i>						
<b>Non-derivatives</b>						
Senior secured callable bond	-	1,000,000	-	-	1,000,000	982,794
2nd Lien Bond	-	-	350,000	-	350,000	343,260
Lease liabilities	9,587	3,173	1,698	-	14,458	13,756
RCF Pareto Securities	-	75,000	-	-	75,000	74,625
Account and other payables	88,267	-	-	-	88,267	88,267
Liability to parent company	-	-	183,531	-	183,531	183,531
<b>Total non-derivatives</b>	<b>97,855</b>	<b>1,078,173</b>	<b>535,228</b>	<b>-</b>	<b>1,711,256</b>	<b>1,686,234</b>

## NET DEBT RECONCILIATION

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

<i>Amounts in NOK '000</i>	2021	2020
Liabilities to financial institutions	60,000	74,625
Liability to parent companies	189,850	183,531
Leasing liabilities	13,384	13,757
Bond loan	1,337,925	1,326,055
<b>Book value debt</b>	<b>1,601,159</b>	<b>1,597,967</b>
Amortisation RCF	0	375
Amortisation bond	12,075	23,945
Cash and cash equivalents	-68,778	-65,348
<b>Net debt</b>	<b>1,544,456</b>	<b>1,556,940</b>

Both bond loans have a coupon rate which consist of a fixed rate and variable rate. For specification of the coupon rate for each bond loan, see note 21.

## RECONCILIATION OF CHANGES IN LIABILITIES INCURRED AS A RESULT OF FINANCING ACTIVITIES:

<i>Amounts in NOK '000</i>	At 1 January 2021	Cash effect			Non-cash effect		At 31 December 2021
		Repayment of borrowings	Payments for principal portion of lease liabilities	Proceeds from borrowings	New leases/other adjustments	Amortisation and interest	
Bond loan	1,326,055	-	-	-	-	11,870	1,337,925
Liabilities to financial institutions	74,625	(15,000)	-	-	-	375	60,000
Lease liabilities	13,757	-	(11,579)	-	9,551	1,655	13,385
Other non-current liabilities	183,531	-	-	-	-	6,319	189,850
<b>Total liabilities from financing</b>	<b>1,597,967</b>	<b>(15,000)</b>	<b>(11,579)</b>	<b>-</b>	<b>9,551</b>	<b>20,219</b>	<b>1,601,159</b>

## NOTE 20 FAIR VALUE MEASUREMENT

### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).



If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

As of 31 December 2021, the valuation of accrued revenue is classified as level 3 and all other relevant valuations are classified as level 2.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 12: Contract assets relating to accrued revenue
- Note 13: Account receivables and other receivables
- Note 15: Account payables and other current liabilities
- Note 11: Goodwill
- Note 18: Interest-bearing liabilities

## NOTE 21 FINANCIAL RISK MANAGEMENT

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group's risk management is carried out by the operating decision makers. The operating decision makers identifies and evaluates financial risks. The Group's activities are exposed to financial risks: market risk, currency and interest rate risk, credit risk and liquidity risk.

### MARKET RISK

#### i) foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions in some extent, primarily with respect to the Danish kroner and Swedish kroner. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. However, almost all revenues are in Norwegian kroner, almost all receivables and liabilities are in Norwegian kroner and based on this, foreign exchange risk is considered to be low. Note that the Group continues to expand into the Swedish market and will gradually become more exposed to Swedish kroner over the next years.

#### ii) Interest rate risk

The Group's main interest rate risk arises from borrowings with both variable rates and fixed rates, which expose the Group to cash flow interest rate risk. The Group has two bond loans which consist of a floating rate element and a fixed rate element (see below). The company has chosen to hold floating interest rates during the reporting period.

The Group's borrowings are carried at amortised cost.

### SPECIFICATION OF BOND LOANS, CREDIT FACILITIES AND OTHER NON-CURRENT LIABILITIES

Bond loans	Ticker	Issue amount	Book Value	Coupon rate	Maturity date
<i>Amounts in NOK '000</i>					
Senior secured callable bond	HIBID01	1,000,000	991,640	3 month NIBOR + 5.5%	30.10.2022
2nd Lien Bond	HIBID02	350,000	346,285	3 month NIBOR + 8%	30.01.2023

Credit facilities	Issue amount	Book Value	Interest rate	Maturity date
RCF	60,000	60,000	6 month NIBOR + 4.75%	01.02.2022-30.06.2022 <sup>1</sup>

Other non-current liabilities	Issue amount	Book Value	Interest rate	Maturity date
Liability to parent company	165,000	189,850	Fixed rate 4%	31.03.2023

<sup>1</sup> The current revolving credit facility is maturing 30 June 2022 with adjustments of the available credit facility to NOK 45 million on 1st of February 2022 and to NOK 30 million from 1st of May 2022.

### Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

<i>Amounts in NOK '000</i>	Impact on pre tax profit	Impact on other components of equity
Interest rates- Increase by 100 basis points	(14,100)	(10,998)
Interest rates- decrease by 100 basis points	14,100	10,998



## CREDIT RISK

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

### (i) Risk management

Credit risk is managed on a group basis.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by management.

The group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all account receivables.

### Impaired account receivables

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment.

The risk of loss on receivables is considered to be low. This assessment is based on historical loss rates and a diversified stable customer base. See note 13 for expected losses on account receivables.

### Impaired contract assets

In order to estimate the provision of contract assets, empirical data has been used to estimate resolution rates for invoice fee. As for debt collection provisions, are calculated as income with variable remuneration in the form of no cure no pay. In order to estimate the provision, the transaction price and resolution rate are estimated based on empirical data, as well as the completion rate for each step of the recovery process.

## LIQUIDITY RISK

The group's main liquidity risk arises from refinancing risk and failure to meet short term liquidity needs. Management biweekly monitors rolling forecasts of the group's liquidity reserve and cash and cash equivalents on the basis of expected cash flows. Group management frequently reports these cash estimates to the Board. In addition to this, liquidity needs at segment level is monitored in the operating companies in accordance with instructions from group management. For details regarding the current debt situation, see note 25.

## NOTE 22 CONSOLIDATED ENTITIES

### MATERIAL SUBSIDIARIES

The Groups principal subsidiaries at 31 December 2021 are set out below.

Unless otherwise stated they have a share capital consisting of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business	Ownership interest held by the Group	Principal activities
Helseinnovasjon AS	Sandane, Norway	100 %	Administration services
Convene AS	Sandane, Norway	100 %	Payment solutions to healthcare sector
Convene Collection AS	Oslo, Norway	100 %	Debt collection and credit information
Convene ApS	Viborg, Denmark	100 %	Payment solutions to healthcare sector
Convene Collection ApS	Viborg, Denmark	100 %	Debt collection and credit information
Convene AB	Gothenburg, Sweden	100 %	Payment solutions to healthcare sector
Convene Collection AB	Gothenburg, Sweden	100 %	Debt collection and credit information
Gordion AB	Halmstad, Sweden	100 %	Payment solutions
Kioskautomation i Sverige AB	Halmstad, Sweden	100 %	Assembly of terminals
CrediCare AS	Førde, Norway	100 %	Payment solutions to fitness-, healthcare- and dental sector
Vestfact AS	Førde, Norway	100 %	Payment services



## NOTE 23 RELATED PARTY TRANSACTIONS

The Group is controlled by the following entities:

Parent entities	Number of shares	Ownership
HI Midco AS	1,000	100 %

List of major shareholders in HI Midco at 31 December	Number of shares	Ownership
Codee Holding AS	23,842,231	35.96 %
Commenda AS	14,307,456	21.58 %
Myrlid AS	12,717,739	19.18 %
Hawk Invest AS	4,092,198	6.17 %
Lorenz AS	4,009,988	6.05 %
Strøjer AS	4,009,988	6.05 %
Hestenes Holding AS	1,988,799	3.00 %
E.B Group	1,324,933	2.00 %
<b>Total number of shares</b>	<b>66,293,332</b>	<b>100.0 %</b>

### TRANSACTIONS WITH OTHER RELATED PARTIES

For material transactions with related parties, the Group has a practice to obtain an independent valuation to ensure compliance with the arm's length principle.

PatientSky AS, Infodoc AS and Hove Medical Systems AS are indirectly controlled by Codee Holding AS. Our transactions with PatientSky relates to distribution of invoice information on SMS and as host for the economy portal. For Infodoc AS and Hove Medical System AS we have integration with the EHR systems.

Infodoc AS was acquired by PatientSky AS at the end of 2020.

Tyrion Eiendom AS (now Sandane Eiendom AS) relates to office rental. The company was controlled by chairman of the board Mr. Johan Michelsen until July/August 2021 and is not considered a related party as of 31.12.2021.

#### Transactions

Amounts in NOK '000	2021	2020
<i>Sales</i>		
PatientSky AS	1,304	1,015
Programvareforlaget AS	-	2
<i>Purchases of goods and services</i>		
PatientSky AS	4,000	4,084
Hove Medical Systems AS	369	-
Infodoc AS	2,049	-
Tyrion Eiendom AS	538	428

#### Outstanding balances from sales/purchases of goods and services

Amounts in NOK '000	2021	2020
<i>Account and other receivables</i>		
PatientSky AS	112	-
<i>Account and other payables</i>		
Hove Medical Systems AS	-	368
Infodoc AS	231	-
Tyrion Eiendom AS	114	131



## NOTE 24 REMUNERATION TO MANAGEMENT AND THE BOARD

### MANAGEMENT REMUNERATION

Amounts in NOK '000	Salary	Other benefits	Pension premium	Total remuneration
Ingvill Hestenes, CEO Group	2,571 <sup>2</sup>	190	23	2,784
Steffen Voss, CFO Group	1,388	3	22	1,413
Frode Narheim, CTO Group	1,403	167	22	1,592
Hege Kveen, CMO Group from October 2021	787	1	14	802
Emir Brdakic, COO Group from October 2021	1,087	3	20	1,110
Anders Kjøs, CEO Convene Collection from October 2021 <sup>1</sup>	1,287		22	1,309
Jan Kaare Hellevang, CEO Credicare from March 2021	791		49	840
<b>Total management remuneration</b>	<b>9,314</b>	<b>364</b>	<b>172</b>	<b>9,850</b>

<sup>1</sup> COO Convene Collection up until 1 October 2021

<sup>2</sup> Of which kNOK 905 was bonus payments. Performance based incentives are used as a tool to increase employee motivation and performance towards increased value creation in the Group. Bonus is calculated based on specified qualitative and quantitative criteria related to the company's strategy. The board are responsible for setting criteria and assess goal achievements. Bonus paid out in 2021 is based on bonus agreed for 2020.

There are no guarantees or loans granted to executive management or the board of directors.

### BOARD REMUNERATION

Amounts in NOK '000	2021
Chairman	75
Directors	75

## NOTE 25 DEBT FINANCING

The Group is currently facing a negative working capital and increased refinancing risk as the senior secured callable bond, with carrying amount NOK 992 million (nominal value of NOK 1 000 million) is maturing 30 October 2022 and is therefore classified from non-current liability to current liability as of 31 December 2021. In addition, the 2nd Lien Bond with carrying amount NOK 346 million (nominal value of NOK 350 million) is maturing 30 January 2023. The Board is closely monitoring the situation and the responsibilities following § 3-4 and 3-5 in the Norwegian Limited Liability Companies Act. HI Bidco AS has engaged Arctic Securities AS and Pareto Securities AS as financial advisors and joint lead managers for a refinancing of its outstanding bond loans. In connection with this the Company has received several proposals for alternative structures to refinance the outstanding bond loans. Although no commitments have been made, the Company is confident in a successful refinancing process in due time before maturity of the 1st lien bond on 30 October 2022, reaching a sustainable debt structure going forward. Still, as no agreement has been made, the circumstances indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

The current revolving credit facility is maturing 30 June 2022 with adjustments of the available credit facility to NOK 45 million on 1 February 2022 and to NOK 30 million from 1 May 2022. Per 31 December 2021 the utilised amount under the RCF facility was NOK 60 million. This can increase the liquidity constraint until the planned refinancing has been completed. The board and management are taking a holistic view when considering the Group's debt financing (including bonds and credit facilities) in order to structure this in the most optimal way going forward.



## Parent company income statement

Amounts in NOK '000	Note	2021	2020
Personnel expenses	1	182	254
Other operating expenses	1	1,682	5,163
<b>Total operating expenses</b>		<b>1,864</b>	<b>5,418</b>
<b>Operating profit</b>		<b>(1,864)</b>	<b>(5,418)</b>
Finance income	2	133,623	139,220
Finance costs	2	110,437	117,897
<b>Net financial items</b>		<b>23,186</b>	<b>21,322</b>
<b>Profit (loss) before income taxes</b>		<b>21,322</b>	<b>15,905</b>
Income tax expense	3	-	-
<b>Profit (loss) for the period</b>		<b>21,322</b>	<b>15,905</b>



## Parent company balance sheet

Amounts in NOK '000	Note	31 December 2021	31 December 2020
Shares in subsidiaries	4	1,630,001	1,630,001
Loans to group companies	5	47,597	9,646
<b>Total non-current assets</b>		<b>1,677,598</b>	<b>1,639,647</b>
Account receivables	6	-	24
Other current receivables	6	340	327
Intercompany receivables	6, 5	159,152	177,179
Cash and cash equivalents		827	517
<b>Total current assets</b>		<b>160,318</b>	<b>178,047</b>
<b>Total assets</b>		<b>1,837,916</b>	<b>1,817,694</b>
Share capital	7, 8	90	90
Share premium	7	599,950	599,950
Retained earnings	7	(254,282)	(275,604)
<b>Total equity</b>		<b>345,758</b>	<b>324,436</b>
Intragroup loans	5, 6, 9	78,385	77,236
Bond loan	9	346,285	1,326,055
Liabilities to financial institutions	9	-	74,625
Other non-current liabilities		-	-
<b>Total non-current liabilities</b>		<b>424,670</b>	<b>1,477,916</b>
Liabilities to bondholders / financial institutions		1,067,373	14,971
Accounts payables	9	100	371
Other current liabilities	9	14	-
<b>Total current liabilities</b>		<b>1,067,488</b>	<b>15,342</b>
<b>Total liabilities</b>		<b>1,492,158</b>	<b>1,493,258</b>
<b>Total equity and liabilities</b>		<b>1,837,916</b>	<b>1,817,694</b>

Oslo, Norway - 28<sup>th</sup> April 2022

JOHAN B. MICHELSEN  
Chairman

NILS PETTER SKASET  
Board member

KJARTAN AA BERGE  
Board member

INGVILL HESTENES  
CEO

The annual report is signed electronically



## Parent company cash flow statement

Amounts in NOK '000	Note	2021	2020
Profit before income tax		21,322	15,905
<i>Adjustments for:</i>			
Impairment		-	-
Increase/decrease in account receivables	6	24	(0)
Increase/decrease in account payables	9	(271)	147
Change in accruals, other current assets and liabilities	5, 6, 9	31,038	(34,574)
<b>Net cash flow from operating activities</b>		<b>52,113</b>	<b>(18,521)</b>
<b>Cash flow from investing activities</b>			
Payment for acquisition of subsidiary		-	-
<b>Net cash flow from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>			
Proceeds from long term loans	6	(15,000)	-
Change in group loans	9	(36,802)	8,742
<b>Net cash flow from financing activities</b>		<b>(51,802)</b>	<b>8,742</b>
<b>Net increase in cash and cash equivalents</b>		<b>310</b>	<b>(9,780)</b>
Cash and cash equivalents at beginning of year		517	10,297
<b>Cash and cash equivalents at the end of year</b>		<b>827</b>	<b>517</b>

Change in group loans mainly relates to intercompany receivables converted into group loans



## Notes to the parent company financial statement

### ACCOUNTING PRINCIPLES

#### GENERAL

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

#### Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

#### Presentation currency

The financial statements are presented in Norwegian kroner (NOK), which is HI Bidco's functional and presentation currency. Numbers are presented in NOK thousands ('000) if not otherwise stated.

#### SHARES IN SUBSIDIARIES AND ASSOCIATED COMPANIES

Subsidiaries are companies controlled by a parent through the ownership of greater than 50 percent of its voting stock. An associate company is a company in which another company owns a significant portion of voting shares, usually 20-50 percent.

The following companies are included in the Group:

#### Parent and subsidiaries

HI Midco AS (parent)

Helseinnovasjon AS

Convene AS

Convene Collection AS

Convene AB

Convene Collection AB

Convene ApS

Convene Collection ApS

Gordion AB

Kioskautomation i Sverige AB

CrediCare AS

Vestfact AS

Ownership throughout the group is 100 %.

#### ACCOUNTING PRINCIPLES FOR SHARES IN SUBSIDIARIES AND ASSOCIATED COMPANIES

Investments in subsidiaries and associated companies are booked according to the cost method. The cost price increases when facilities gets provided by capital expansion or when subsidiaries receive intra-group contributions. Received contributions are treated in the first place as income. Contributions that exceed the share of retained earnings of purchase are recognised as a reduction of purchase cost. Dividends/intra-group contributions from subsidiaries are accounted for in the same year as the subsidiaries deposits the amount. Dividends from other companies are accounted for as financial income when the dividend are decided.

#### CLASSIFICATION OF BALANCE SHEET ITEMS

Assets intended for long term ownership or use have been classified as non-current assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

#### PURCHASE COSTS

The purchase cost of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received, and purchase costs (freight, customs fees, public fees which are non-refundable and any other direct purchase costs). Purchases in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.



For tangible assets and intangible assets purchase cost also includes direct expenses to prepare the asset for use, such as expenses for testing of the asset.

Interest expense incurred in connection with the production of tangible assets is expensed.

#### TANGIBLE ASSETS

Land is not depreciated. Other tangible assets are reflected in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight-line basis. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset. The split between maintenance and additions/improvements is calculated in proportion to the asset's condition at the acquisition date.

Leased assets are reflected in the balances sheet as assets if the leasing contract is considered a financial lease.

#### INVESTMENTS IN OTHER COMPANIES

Except for short term investments in listed shares, the cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.

#### ASSET IMPAIRMENTS

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount.

Previous impairment charges, except writedown of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

#### INVENTORIES

Inventories are valued at the lower of purchase cost (according to the FIFO principle) and fair value. Recoverable amount has been used as approximation to net realisable value for raw materials and work in progress. For finished goods and work in progress purchase cost comprises cost of product design, material consumption, direct payroll expenses and other direct and indirect production expenses (based on normal capacity). Fair value is estimated sales costs less expenses for completion and sale. Only variable expenses are considered necessary to sell finished goods, whilst fixed production expenses are also included as necessary for not finished goods.

#### DEBTORS

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognised at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments. When the effect of a writedown is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors.

#### LIABILITIES

Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount.

#### GUARANTEE COMMITMENTS/COMPLAINTS

Guarantee commitments relating to completed sales are valued at the estimated cost of such work. The estimate is made on the basis of historical figures for guarantee work, but adjusted for expected differences due to, for instance, changes in quality assurance routines and changes in product range. The provision is recognised under 'Other short term liabilities' and changes in the provision are recognised in income.

#### TAXES

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.



Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Deferred tax is reflected at nominal value.

## CASH FLOW STATEMENT

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

## RESTATEMENT OF COMPARATIVE AMOUNTS FOR THE PRIOR PERIOD

Short term receivables from parent company of NOK 6 million as of 31.12.20 has been reclassified from Other current receivables to Intercompany receivables.

## NOTE 1 PAYROLL EXPENSES, REMUNERATIONS, PENSIONS ETC.

HI Bidco AS does not have any employees.

### BOARD REMUNERATION

Amounts in NOK '000	2021	2020
Chairman	75	75
Directors	75	150

### EXPENSED AUDIT FEE

Amounts in NOK '000	2021	2020
Statutory audit	827	1149
Other assurance services	-	-
Other assistance (to be specified)	-	-
<b>Total audit fees</b>	<b>827</b>	<b>1,149</b>

## NOTE 2 SPECIFICATION OF FINANCIAL INCOME AND EXPENSES

### FINANCIAL INCOME

Amounts in NOK '000	2021	2020
Interest income from group companies	1,503	2,445
Other financial income	132,119	136,762
Other interest income	1	12
<b>Total financial income</b>	<b>133,623</b>	<b>139,220</b>

### FINANCIAL EXPENSES

Amounts in NOK '000	2021	2020
Interest expenses to group companies	4,840	3,037
Other interest expense	105,222	114,860
Other financial expenses	375	-
<b>Total financial expenses</b>	<b>110,437</b>	<b>117,897</b>



## NOTE 3 TAXES

Basis for income tax expense, changes in deferred tax and tax payable		
<i>Amounts in NOK '000</i>		
	2021	2020
Result before taxes	21,322	15,905
Permanent differences	-	-
Allocation of loss to be brought forward	-21,322	-15,905
<b>Basis for the tax expense for the year</b>	-	-
Change in temporary differences	-	-
<b>Taxable income (basis for payable taxes in the balance sheet)</b>	-	-
Payable tax on this year's result	-29,066	-30,088
Tax effect on group contribution	29,066	30,088
<b>Total payable tax</b>	-	-
Change in deferred tax based on original tax rate	-	-
Change in deferred tax due to change in tax rate	-	-
<b>Tax expense</b>	-	-
Payable tax in the tax charge	-	-
Deferred tax not booked	-	-
<b>Payable tax in the balance sheet</b>	-	-

	2021	2020	Change
Accumulated loss to be brought forward	-29,282	-50,604	21,322
Not included in the deferred tax calculation	29,282	50,604	-21,322
<b>Deferred tax assets (22%)</b>	-	-	-

Deferred tax is not recognised in the balance sheet.

## NOTE 4 SUBSIDIARIES AND ASSOCIATED COMPANIES

Investments in subsidiaries and associated companies are booked according to the cost method.

Subsidiaries	Location	Ownership/ voting right	Equity last year (100%)	Result last year (100%)	Balance sheet value
<i>Amounts in NOK '000</i>					
Helseinnovasjon AS	Sandane	100 %	383,372	-433	1,630,001
Balance sheet value 31.12.					<b>1,630,001</b>

## NOTE 5 BALANCE WITH GROUP COMPANIES, ETC.

<i>Amounts in NOK '000</i>		
	2021	2020
<i>Account receivables</i>		
Group companies	-	24
Associated companies	-	-
<b>Total account receivables</b>	-	<b>24</b>
<i>Other receivables</i>		
Group companies	159,152	171,179
Associated companies	-	-
<b>Total other receivables</b>	<b>159,152</b>	<b>171,179</b>
<i>Other long-term liabilities</i>		
Group companies	78,385	77,236
Associated companies	-	-
<b>Total other long-term liabilities</b>	<b>78,385</b>	<b>77,236</b>



## NOTE 6 ACCOUNT RECEIVABLES AND OTHER RECEIVABLES

Amounts in NOK '000	2021	2020
Other current receivables	340	327
Account receivables	-	24
Bad debts provision	-	-
<b>Trade debtors in the balance sheet</b>	<b>340</b>	<b>351</b>
Intercompany receivables	159,152	177,179
<b>Total receivables</b>	<b>159,491</b>	<b>177,531</b>

## NOTE 7 SHAREHOLDERS' EQUITY

### EQUITY CHANGES IN THE YEAR

Amounts in NOK '000	Share capital	Share premium	Other paid-in equity	Other equity	Total
Equity 01.01	90	599,950	-	-275,604	324,436
Profit for the period				21,322	21,322
<b>Equity 31.12.</b>	<b>90</b>	<b>599,950</b>	<b>-</b>	<b>-254,282</b>	<b>345,758</b>

## NOTE 8 SHARE CAPITAL AND SHAREHOLDER INFORMATION

The parent company HI Midco AS has its registered offices in Grandavegen 26, 6823 Sandane, where the consolidated accounts which include the company can be obtained.

The share capital of NOK 90 000 consist of 1 000 shares with nominal value of NOK 90 each.

### LIST OF MAJOR SHAREHOLDERS AT 31.12

	Number of shares	Ownership
HI Midco AS	1,000	100 %
<b>Total number of shares</b>	<b>1,000</b>	<b>100 %</b>

## NOTE 9 LIABILITIES

### SPECIFICATION OF BOND LOANS AND CREDIT FACILITIES

Bond loans	Issue amount	Book Value	Coupon rate	Maturity date
Senior secured callable bond	1,000,000	991,640	3-month NIBOR + 5.5%	30.10.2022
2nd Lien Bond	350,000	346,285	3-month NIBOR + 8%	30.01.2023

Credit facilities	Issue amount	Book Value	Interest rate	Maturity date
RCF	60,000	60,000	6-month NIBOR + 4.75%	01.02.2022 - 30.06.2022

### CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES

Amounts in NOK '000	At December 2021					Total contractual cash flows	Carrying amounts (assets)/ Liabilities
	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years			
<b>Non-derivatives</b>							
Senior secured callable bond	1,000,000	-	-	-	1,000,000	991,640	
2nd Lien Bond	-	350,000	-	-	350,000	346,285	
RCF Pareto Securities	60,000	-	-	-	60,000	60,000	
Account and other payables	114	-	-	-	114	114	
Intragroup loans	-	21,674	56,712	-	78,385	78,385	
<b>Total non-derivatives</b>	<b>1,060,114</b>	<b>371,674</b>	<b>56,712</b>	<b>-</b>	<b>1,488,500</b>	<b>1,476,424</b>	



At December 2020						
	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amounts (assets)/ Liabilities
<i>Amounts in NOK '000</i>						
<b>Non-derivatives</b>						
Senior secured callable bond	-	1,000,000	-	-	1,000,000	982,794
2nd Lien Bond	-	-	350,000	-	350,000	343,260
RCF Pareto Securities	-	75,000	-	-	75,000	74,625
Account and other payables	15,342	-	-	-	15,342	15,342
Intragroup loans	-	-	77,236	-	77,236	77,236
<b>Total non derivatives</b>	<b>15,342</b>	<b>1,075,000</b>	<b>427,236</b>	<b>-</b>	<b>1,517,578</b>	<b>1,493,258</b>

(i) Secured liabilities and assets pledged as security

Bond loans are secured with first priority (senior secured callable bond) and second priority (2nd Lien bond) by the following security:

- pledge over all current and future shares in each Guarantor incorporated outside Norway
- assignment of any current and future Intercompany Loans made by a Guarantor incorporated outside Norway; and
- the Guarantees from any Guarantor incorporated outside Norway

(ii) Compliance with loan covenants

Hi Bidco AS has complied with the financial covenants of its borrowing facilities during the 2021 reporting period.

(iii) Fair value

The bond loans are listed on Oslo Stock Exchange. There have been low trading volumes which contributes to uncertainty regarding fair value. Differences between fair value and carrying amount are identified for the bond loans:

- Senior secured callable bond with carrying amount MNOK 992 (nominal value MNOK 1 000) has been traded in the bond market with a discount relative to nominal value. Towards the end of the period, the bond has been traded close to nominal value.
- 2nd lien bond with carrying amount MNOK 346 (nominal value MNOK 350) has been traded in the bond market with a discount relative to nominal value.



## Responsibility statement

We confirm that, to the best of our knowledge, the consolidated financial statements for the year ended 31 December 2021 have been prepared in accordance with IFRS as adopted by the EU, that the financial statements for the parent company for the year ended 31 December 2021 have been prepared in accordance with the Norwegian Accounting Act, that they give a true and fair view of the Company's and Group's assets, liabilities, financial position and results of operations, and that the Report of the Board of Directors gives a true and fair review of the development, performance and financial position of the Company and the Group and includes a description of the principle risks and uncertainties that they face.

Oslo, Norway · 28<sup>th</sup> April 2022

**JOHAN B. MICHELSEN**  
Chairman

**NILS PETTER SKASET**  
Board member

**KJARTAN AA BERGE**  
Board member

**INGVILL HESTENES**  
CEO

*The annual report is signed electronically*



Årsregnskap

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Skaset, Nils Petter	BANKID_MOBILE	2022-04-28 12:55
Berge, Kjartan Aa	BANKID_MOBILE	2022-04-28 12:02
Hestenes, Ingvill	BANKID_MOBILE	2022-04-28 14:10
Michelsen, Johan	BANKID_MOBILE	2022-04-28 13:52

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The seal is a guarantee for the authenticity  
of the document.



Skatteetaten

Vår dato	Din dato	Saksbehandler
26.11.2018	28.09.2018	Henning Stokke
800 80 000	Din referanse	Telefon
Skatteetaten.no	AR282046686	800 80 000
Org.nr	Vår referanse	Postadresse
996250318	2018/1145083	Postboks 9200 Grønland 0134 Oslo

HI BIDCO AS  
Grandavegen 26  
6823 SANDANE

## Tillatelse til å utarbeide årsberetning og årsregnskap på engelsk språk Hi Bidco AS, org.nr. 919 505 214

Vi viser til deres brev av 28. september 2018 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Hi Bidco AS, org.nr. 919 505 214.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Hi Bidco AS, org.nr. 919 505 214, dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at det benyttes engelsk språk ved utarbeidelsen av årsregnskapet og årsberetningen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

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

### Bakgrunn

Fra søknaden gjengis:

*Hi Bidco AS er et selskap som driver med handel og investering i fast eiendom, verdipapirer og andre formuesobjekter. Selskapet har hovedkontori Oslo, med forretningsadresse i Sandane. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker engelsk og de fleste benytter engelsk ved kommunikasjon utad. Selskapet benytter også engelsk som arbeidsspråk. For mer informasjon om selskapets bransje/virksomhet henvises til selskapets webside [www.melinigroup.no](http://www.melinigroup.no).*

*Selskapet har obligasjonslån, som skal noteres på Oslo Børs denne høsten. Regnskapet rapporteres etter IFRS, og periode- og kvartalsrapporter er på engelsk da bondholdere krever engelskspråklig regnskap. Det da vil bli samsvar mellom disse rapportene og årsregnskap samt årsberetning. All kommunikasjon som går ut fra selskapet i markedet er på engelsk, og i tillegg er mulige investorer internasjonale. Bondmarkedet er et åpent marked og det er viktig at alle brukerne får den samme informasjonen.*

*Selskapet har filialer i Sverige og Danmark og ser etter mulige samarbeidspartnere eller investorer i Europa.*



En norsk utarbeidelse av årsregnskap og årsberetning vil kun ha til formål å tilfredsstille regnskapslovens språkkrav.

### Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal årsregnskapet og årsberetningen være på norsk. Departementet kan ved forskrift eller 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 m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

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

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

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt at selskapet har obligasjonslån som skal noteres på Oslo Børs, og regnskapet rapporteres etter IFRS og kreves fremlagt på engelsk av obligasjonseierne. Videre er det lagt vekt på at selskapet opererer i en internasjonal bransje hvor arbeidsspråket er engelsk. Alle sentrale aktører i bransjen behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Jeanette Munkvold Skovholt  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Henning Stokke

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*