



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 912 861 732  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: HOUSE OF CONTROL GROUP AS  
Forretningsadresse: O.H. Bangs vei 70  
1363 HØVIK

### Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

### 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: Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Lasse Sten  
Dato for fastsettelse av årsregnskapet: 04.02.2020

### Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert  
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

*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, 13.06.2021



## Resultatregnskap

Beløp i: NOK	Note	2019	2018
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Annen driftsinntekt	2	833 852	495 969
<b>Sum inntekter</b>		<b>833 852</b>	<b>495 969</b>
<b>Kostnader</b>			
Lønnskostnad	6	1 028 400	447 651
Annen driftskostnad	6	4 462 615	341 733
<b>Sum kostnader</b>		<b>5 491 015</b>	<b>789 384</b>
<b>Driftsresultat</b>		<b>-4 657 163</b>	<b>-293 415</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		2 487	450
Annen finansinntekt		0	253
<b>Sum finansinntekter</b>		<b>2 487</b>	<b>703</b>
Rentekostnad til foretak i samme konsern	2	833 852	495 968
Annen rentekostnad		150	0
<b>Sum finanskostnader</b>		<b>834 002</b>	<b>495 968</b>
<b>Netto finans</b>		<b>-831 515</b>	<b>-495 265</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-5 488 678</b>	<b>-788 680</b>
Skattekostnad på ordinært resultat	5	-313 687	-870 387
<b>Ordinært resultat etter skattekostnad</b>		<b>-5 174 991</b>	<b>81 707</b>
<b>Årsresultat</b>		<b>-5 174 991</b>	<b>81 707</b>
<b>Overføringer og disponeringer</b>			
Overføring til/fra fond		-5 174 991	81 707
<b>Sum overføringer og disponeringer</b>		<b>-5 174 991</b>	<b>81 707</b>



## Balanse

Beløp i: NOK	Note	2019	2018
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	5	1 184 074	870 387
<b>Sum immaterielle eiendeler</b>		<b>1 184 074</b>	<b>870 387</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	1	84 760 662	69 565 962
<b>Sum finansielle anleggsmidler</b>		<b>84 760 662</b>	<b>69 565 962</b>
<b>Sum anleggsmidler</b>		<b>85 944 736</b>	<b>70 436 349</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Andre fordringer		275 901	128 087
<b>Sum fordringer</b>		<b>275 901</b>	<b>128 087</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		63 980 641	265 885
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>63 980 641</b>	<b>265 885</b>
<b>Sum omløpsmidler</b>		<b>64 256 542</b>	<b>393 972</b>
<b>SUM EIENDELER</b>		<b>150 201 278</b>	<b>70 830 321</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	3, 4	6 409 320	6 282 750
Overkurs	4	46 083 847	40 641 337
<b>Sum innskutt egenkapital</b>		<b>52 493 167</b>	<b>46 924 087</b>



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2019</b>	<b>2018</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	4	-5 093 284	81 707
<b>Sum opptjent egenkapital</b>		<b>-5 093 284</b>	<b>81 707</b>
<b>Sum egenkapital</b>		<b>47 399 883</b>	<b>47 005 794</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	7	71 643 593	0
<b>Sum annen langsiktig gjeld</b>		<b>71 643 593</b>	<b>0</b>
<b>Sum langsiktig gjeld</b>		<b>71 643 593</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	2	898 535	0
Skyldige offentlige avgifter		175 191	0
Annen kortsiktig gjeld	2	30 084 076	23 824 527
<b>Sum kortsiktig gjeld</b>		<b>31 157 802</b>	<b>23 824 527</b>
<b>Sum gjeld</b>		<b>102 801 395</b>	<b>23 824 527</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>150 201 278</b>	<b>70 830 321</b>



### Konsernets resultatregnskap

Beløp i: NOK	Note	2019	2018
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	12	93 778 633	70 684 649
Annen driftsinntekt			23 500
<b>Sum inntekter</b>		<b>93 778 633</b>	<b>70 708 149</b>
<b>Kostnader</b>			
Varekostnad		22 275	37 736
Lønnskostnad	10, 13	68 855 537	51 692 298
Avskrivning på varige driftsmidler og immaterielle eiendeler	1, 2	8 883 701	7 151 316
Annen driftskostnad	13	32 913 135	21 788 304
<b>Sum kostnader</b>		<b>110 674 648</b>	<b>80 669 654</b>
<b>Driftsresultat</b>		<b>-16 896 015</b>	<b>-9 961 505</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt	15	130 764	40 622
Annen finansinntekt	15	1 866 852	314 474
<b>Sum finansinntekter</b>		<b>1 997 616</b>	<b>355 096</b>
Annen rentekostnad	15	1 749 353	266 756
Annen finanskostnad	15	4 216 643	2 580 039
<b>Sum finanskostnader</b>		<b>5 965 996</b>	<b>2 846 795</b>
<b>Netto finans</b>		<b>-3 968 380</b>	<b>-2 491 699</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-20 864 395</b>	<b>-12 453 204</b>
Skattekostnad på ordinært resultat	11	-2 800 355	-2 902 764
<b>Ordinært resultat etter skattekostnad</b>		<b>-18 064 040</b>	<b>-9 550 440</b>
<b>Årsresultat</b>		<b>-18 064 040</b>	<b>-9 550 440</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		-18 064 040	-9 550 440
<b>Sum overføringer og disponeringer</b>		<b>-18 064 040</b>	<b>-9 550 440</b>



### Konsernets balanse

Beløp i: NOK	Note	2019	2018
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Forskning og utvikling	1	50 952 285	47 494 506
Utsatt skattefordel	11	0	0
Goodwill	1	0	0
<b>Sum immaterielle eiendeler</b>		<b>50 952 285</b>	<b>47 494 506</b>
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	2	726 721	282 550
<b>Sum varige driftsmidler</b>		<b>726 721</b>	<b>282 550</b>
<b>Finansielle anleggsmidler</b>			
Andre fordringer		160 856	687 895
<b>Sum finansielle anleggsmidler</b>		<b>160 856</b>	<b>687 895</b>
<b>Sum anleggsmidler</b>		<b>51 839 862</b>	<b>48 464 951</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer	4	218 750	241 025
<b>Sum varer</b>		<b>218 750</b>	<b>241 025</b>
<b>Fordringer</b>			
Kundefordringer	5	5 935 424	6 043 000
Andre fordringer		28 013 884	27 336 545
<b>Sum fordringer</b>		<b>33 949 308</b>	<b>33 379 545</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	7	81 608 652	12 433 727
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>81 608 652</b>	<b>12 433 727</b>
<b>Sum omløpsmidler</b>		<b>115 776 710</b>	<b>46 054 297</b>
<b>SUM EIENDELER</b>		<b>167 616 572</b>	<b>94 519 248</b>



### Konsernets balanse

Beløp i: NOK	Note	2019	2018
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	8, 9	6 409 320	6 282 750
Overkurs	8	46 083 848	39 852 657
<b>Sum innskutt egenkapital</b>		<b>52 493 168</b>	<b>46 135 407</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	8	-52 796 934	-33 791 684
<b>Sum opptjent egenkapital</b>		<b>-52 796 934</b>	<b>-33 791 684</b>
<b>Sum egenkapital</b>		<b>-303 766</b>	<b>12 343 723</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	11	1 884 326	4 684 681
<b>Sum avsetninger for forpliktelser</b>		<b>1 884 326</b>	<b>4 684 681</b>
<b>Annen langsiktig gjeld</b>			
Øvrig langsiktig gjeld	5	75 305 947	3 600 000
<b>Sum annen langsiktig gjeld</b>		<b>75 305 947</b>	<b>3 600 000</b>
<b>Sum langsiktig gjeld</b>		<b>77 190 273</b>	<b>8 284 681</b>
<b>Kortsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	5	47 086	
Leverandørgjeld		4 281 701	6 251 435
Betalbar skatt	11	0	0
Skyldige offentlige avgifter		9 597 920	8 084 775
Annen kortsiktig gjeld		12 890 625	7 271 573
Forskuddsbetalinger fra kunder		63 912 733	52 283 061
<b>Sum kortsiktig gjeld</b>		<b>90 730 065</b>	<b>73 890 844</b>
<b>Sum gjeld</b>		<b>167 920 338</b>	<b>82 175 525</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>167 616 572</b>	<b>94 519 248</b>



Skatteetaten

Vår dato 10.01.2019	Din/Deres dato 14.11.2018	Saksbehandler Henning Stokke
800 80 000 Skatteetaten.no	Din/Deres referanse Unni Johannessen	Telefon 800 80 000
Org.nr 996250318	Vår referanse 2018/1287668	Postadresse Postboks 9200 Grønland 0134 Oslo

HOUSE OF CONTROL GROUP AS  
CO: MGI Regnskap AS  
Torvveien 1  
1383 Asker

## Tillatelse til å utarbeide årsberetning og årsregnskap på engelsk språk

Vi viser til deres brev av 14. november 2018 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskap:

- House of Control Group AS, org.nr. 912 861 732
- House of Control AS, org.nr. 915 827 357

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering selskapene nevnt ovenfor dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

### Bakgrunn

Fra søknaden gjengis:

*House of Control Group AS eies hovedsakelig av investeringsfondet Viking Venture 7 AS og har det 100 % eide datterselskapet House of Control AS. I tillegg har House of Control datterselskap i Danmark og filial i Sverige.*

*Som en del av en ekspansiv strategi om videreutvikling og etablering i flere europeisk land, samt potensielt kommende betydelig internasjonalt eierskap, ser vi det hensiktsmessig å avlegge selskapsregnskapene og konsernregnskapet på engelsk for House of Control Group AS og House of Control AS. Det er vår oppfatning at hensynet til alle brukere av regnskapet til House of Control Group AS og datterselskapet House of Control AS vil være ivarettatt ved at årsregnskapet og årsberetningen avlegges på engelsk fra og med 2018.*

*Da hovedformålet med regnskapsloven er å bidra til informative regnskap for ulike grupper av regnskapsbrukere vil vi se det nødvendig at selskapene får levere årsregnskap og årsberetning på engelsk fra og med regnskapsåret 2018, da deres brukere av produktet for 2018 vil være utpreget internasjonalt og bruker et annet arbeidsspråk enn norsk.*

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 på at eierkretsen er begrenset. Videre er det lagt vekt på kommunikasjon med brukerne av regnskapene foregår på engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Torstein Kinden Helleland  
seniorrådgiver  
Juridisk avdeling, næring  
Skattedirektoratet

Henning Stokke

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



To the General Meeting of House of Control Group AS

## *Independent Auditor's Report*

### *Report on the Audit of the Financial Statements*

#### *Opinion*

We have audited the financial statements of House of Control Group AS, which comprise:

- The financial statements of the parent company House of Control Group AS (the Company), which comprise the balance sheet as at 31 December 2019, 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 House of Control Group AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2019, 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.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, 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.

#### *Basis for Opinion*

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo  
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no  
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm*



Independent Auditor's Report - House of Control Group AS

*Other information*

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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

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

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

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

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

*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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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.

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

(2)



Independent Auditor's Report - House of Control Group AS

### *Report on Other Legal and Regulatory Requirements*

#### *Opinion on the Board of Directors' report*

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

#### *Opinion on Registration and Documentation*

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

Oslo, 4 February 2020  
PricewaterhouseCoopers AS

Eivind Nilsen  
State Authorised Public Accountant



## The board of directors' report 2019 for House of Control Group AS

### Operations and locations

House of Control help businesses stay compliant and predict the future through Complete Control® of their contracts, assets and liabilities. Our vision is to become the CFO's best friend®.

House of Control (HoC) provides a targeted solution that sits in between source to pay, enterprise / manufacturing resource planning and back office accounting technologies. HoC provides CFOs with a unique offering to manage obligations and associated financial projections, assets, personnel and projects.

The Group consists of the parent company House of Control Group AS and two wholly owned subsidiaries; House of Control AS and House of Control Denmark A/S. House of Control AS has a branch in Sweden; House of Control Filial Sverige.

House of Control Group AS and House of Control AS conducts business from the Group's headquarters at Høvik, Norway. House of Control Denmark A/S and House of Control Filial Sverige conducts sales activities in their respective markets from offices in Copenhagen and Stockholm.

### Comments related to the financial statements

House of Control Group AS operates as a holding company, all external sales and service offerings in the Group are conducted in the subsidiaries.

The Company's revenues are related to intra group management services and amounted to 0,8 mNOK for the year compared to 0,5 mNOK in 2018. Total operating expenses for the year of 5,5 mNOK arise from Board remuneration and transaction costs, compared to 1 mNOK in 2018. Net cash flow from operations amounted to 1,7 mNOK, operating profit -4,7 mNOK. Annual net profit for the year is -5,2 mNOK compared to 0mNOK for 2018.

The Group's revenues increased from 70,7 mNOK in 2018 to 93,8 mNOK in 2019. Net income in 2019 was -18,1 mNOK compared to -9,6 mNOK in 2018. The reduction in financial results is mainly driven by a substantial increase in personnel and other costs related to positioning for continued growth. The Group has stayed true to its strategy of focusing on growth over profitability. The underlying profitability of the business is strong.

Research and development costs in the Group amounted to 11,6 mNOK. These costs are capitalized to the House of Control AS balance sheet with a 5 years straight line depreciation plan.

Net cash flow from operations in the Group amounted to 3,3 mNOK, operating profit -16,9 mNOK. Divergence is mainly driven by ordinary depreciation and changes in intra Group balances. Net cash flow from investments of -12,6 is allocated to new products and solutions, increasing the Group's products portfolio and service offering

The Group's ability to self-finance investments is good with an 81,6 mNOK liquidity reserve at the end of the year.

The Group's financial position is sound and adequate to settle short-term debt at the end of the year with cash on hand.



Total assets in House of Control Group AS at yearend amounted to 150,2 mNOK, compared to 70,8 mNOK last year. The equity ratio was 31,6%, compared to 66,4 % the year before. Total assets in the Group at yearend amounted to 167,6 mNOK, compared to 94,5 mNOK last year. The equity ratio was -0,2%, compared to 13,1 % the year before.

## **Business outlook**

The market catering to contract management & analysis is addressed by an array of solutions differentiated on functional and strategic focus. House of Control has successfully created its own category within the niche administration category with its commercial value management offering, identified as a specialized best of breed solution supporting a broader offering without loss of granularity compared to traditional solutions.

HoC commissioned a vendor commercial due diligence report from a consulting firm in 2019 to assist in assessing the addressable market and growth potential for the Group. Key findings, among others, is that the company has barely scratched the surface of the addressable Nordic market and that increasing adoption of cloud and business software solutions, as well as growth in best of breed software usage make for a favorable environment for expansion in Europe

The Group has established a strategy and five-year plan through the year 2024, which is expected to provide a basis for continued growth and income development.

## **Financial risk**

### Overall view on objectives and strategy

The Group's goal is to reduce the financial risk as much as possible. The current strategy does not include the use of financial instruments. This is however, continuously being assessed by the Board of Directors. House of Control currently has a policy to refrain from fixing interest rates on long-term loans.

### Market risk

Exchange rate risk in the Group is limited with the current geographic footprint. Most of the company's debt is in NOK, as is its revenues and operational expenses.

### Credit risk

The risk for losses on receivables is perceived to be low, the Group has not yet experienced significant losses on receivables.

Exposure to firm and industry specific risk is perceived to be low, the Group's horizontal offering provides a customer base spread across many industries and the top 10 customers' share of revenue represents less than 5% of total revenue.

### Liquidity risk

The Group's liquidity is good, recurring revenues are invoiced yearly in advance. Liquidity risk is perceived to be low.

## **Going concern**

The Board of Directors and the General Manager confirm that the going concern assumption has been applied in preparing the annual accounts. The Group has been characterized by favorable sales



developments and adequate equity for several years and are well placed to continue such positive developments.

### **Allocation of net income**

The Board of Directors has proposed to allocate the net losses in House of Control Group AS and the Group to other equity.

### **The working environment and the employees**

House of Control Group AS does not have any employees, all employees in the group are hired in the subsidiaries.

437 leave of absence days due to illness were registered in the Group over the financial year. This represents 3,9 % of total working hours for the year. 140 days (1,2%) were related to short-term absence, 297 days (2,7%) were related to long-term absence.

No incidences or reporting of work-related accidents resulting in significant material damage or personal injury occurred during the year.

The working environment is perceived to be good, and efforts for improvements are made on a continuous basis. The group has a well-qualified staff and is recognized as an attractive employer.

### **Equal opportunities and discrimination**

House of Control Group AS does not have any employees, all employees in the group are hired in the subsidiaries.

The Group aims to be a workplace with equal opportunities and has included in its policies regulations to prevent gender discrimination regarding salary, promotion and recruiting. The Group has traditionally recruited from environments equally dominated by both men and women. The companies have a total of 62 employees, of which 18 (29%) are women.

The Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin color, language, religion and faith. The Group is working actively, determined and systematically to encourage the act's purpose within our business. Included in the activities are recruiting, salary and working conditions, promotion, development opportunities and protection against harassment.

The Group also aims to be a workplace with no discrimination due to reduced functional ability and is working actively to design and implement the physical conditions in such a manner that as many as possible can utilize the various functions.

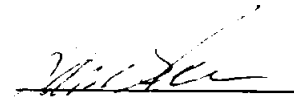
### **Environmental report**

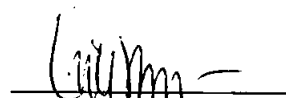
The Group's operations are not regulated by licenses or impositions. Its impact on the environment is low.

The Group is launching a solution for ESG reporting in Q1-20 and will utilize this to manage, organize and reduce the environmental impacts of its operations moving forward.




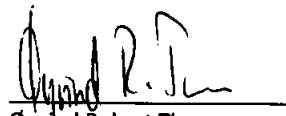
Høvik, February 4<sup>th</sup> 2020

  
Lasse Sten  
CEO

  
Erik Fjellvær Hagen  
Chairman

  
Jøstein Vik  
Board member

  
Thorstein Berg  
Board member

  
Øyvind Robert Thorsen  
Board member



## Revenue statement House Of Control Group AS

Operating income and operating expenses	Note	2019	2018
Other operating income	2	833 852	495 969
<b>Total operating income</b>		<b>833 852</b>	<b>495 969</b>
Personnel expenses	6	1 028 400	447 651
Other operating expenses	6	4 462 615	341 733
<b>Total operating expenses</b>		<b>5 491 015</b>	<b>789 383</b>
<b>Operating profit</b>		<b>-4 657 163</b>	<b>-293 414</b>
<b>Financial income and expenses</b>			
Other interest income		2 487	450
Other financial income		0	253
Interest expense to group companies	2	833 852	495 969
Other financial expenses		150	0
<b>Net financial items</b>		<b>-831 515</b>	<b>-495 266</b>
Operating result before tax		-5 488 678	-788 680
Tax on ordinary result	5	-313 687	-870 387
<b>Ordinary result after tax</b>		<b>-5 174 991</b>	<b>81 707</b>
<b>Annual net profit</b>		<b>-5 174 991</b>	<b>81 707</b>
<b>Brought forward</b>			
Allocated to other equity		-5 174 991	81 707
<b>Net brought forward</b>		<b>-5 174 991</b>	<b>81 707</b>

GA



**Balance sheet**  
**House Of Control Group AS**

<b>Assets</b>	<b>Note</b>	<b>2019</b>	<b>2018</b>
Deferred tax assets	5	<u>1 184 074</u>	<u>870 387</u>
<b>Total intangible assets</b>		<b>1 184 074</b>	<b>870 387</b>
<b>Financial fixed assets</b>			
Investments in subsidiaries	1	<u>84 760 662</u>	<u>69 565 962</u>
<b>Total financial fixed assets</b>		<b>84 760 662</b>	<b>69 565 962</b>
<b>Total fixed assets</b>		<b>85 944 736</b>	<b>70 436 349</b>
<b>Current assets</b>			
<b>Debtors</b>			
Other short-term receivables		<u>275 901</u>	<u>128 087</u>
<b>Total receivables</b>		<b>275 901</b>	<b>128 087</b>
Cash and bank deposits		63 980 641	265 885
<b>Total current assets</b>		<b>64 256 542</b>	<b>393 973</b>
<b>Total assets</b>		<b>150 201 278</b>	<b>70 830 321</b>

6




## Balance sheet

### House Of Control Group AS

Equity and liabilities	Note	2019	2018
<b>Paid-up equity</b>			
Share capital	3, 4	6 409 320	6 282 750
Share premium reserve	4	46 083 847	40 641 337
<b>Total paid-up equity</b>		<b>52 493 167</b>	<b>46 924 087</b>
<b>Other equity</b>	4	<b>-5 093 284</b>	<b>81 707</b>
<b>Total retained earnings</b>		<b>-5 093 284</b>	<b>81 707</b>
<b>Total equity</b>		<b>47 399 884</b>	<b>47 005 794</b>
<b>Liabilities</b>			
<b>Liabilities to financial institutions</b>	7	<b>71 643 593</b>	<b>0</b>
<b>Total of other long term liabilities</b>		<b>71 643 593</b>	<b>0</b>
<b>Current debt</b>			
Trade creditors	2	898 535	0
Public duties payable		175 191	0
Other current debt	2	30 084 076	23 824 527
<b>Total current debt</b>		<b>31 157 802</b>	<b>23 824 527</b>
<b>Total liabilities</b>		<b>102 801 395</b>	<b>23 824 527</b>
<b>Total equity and liabilities</b>		<b>150 201 278</b>	<b>70 830 321</b>

Høvik, 04.02.2020


The board of House Of Control Group AS



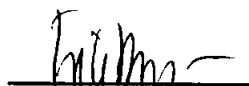
Thorstein Berg  
member of the board



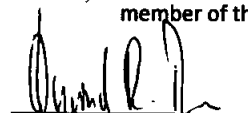
Lasse Sten  
general Manager



Jostein Vik  
member of the board



Erik Fjellvåg Hagen  
chairman of the board



Øyvind Robert Thorsen  
member of the board



## House of Control Group AS

### Cash flow statement

	2019	2018
<b>Cash flow from operations</b>		
Profit before income taxes	-5 488 678	-788 680
Taxes paid in the period	0	0
Depreciation	0	0
Change in inventory	0	0
Change in trade debtors	0	0
Change in trade creditors	898 535	
Change in other provisions	6 286 925	5 558 954
<b>Net cash flow from operations</b>	<b>1 696 783</b>	<b>4 770 274</b>
<b>Cash flow from investments</b>		
Purchase of fixed assets and intangible assets	0	0
Purchase of shares and investments in other companies	-15 194 700	-8 971 148
Purchase of other investments	0	0
<b>Net cash flow from investments</b>	<b>-15 194 700</b>	<b>-8 971 148</b>
<b>Cash flow from financing</b>		
Proceeds from long term loans	78 700 000	0
Repayment/financing costs of long term loans	-7 056 407	0
Net change in bank overdraft	0	0
New equity received	5 569 080	3 703 478
Group contribution received	0	0
<b>Net cash flow from financing</b>	<b>77 212 673</b>	<b>3 703 478</b>
Net change in cash and cash equivalents	63 714 756	-497 395
Cash and cash equivalents at the beginning of the period	265 885	763 282
<b>Cash and cash equivalents at the end of the period</b>	<b>63 980 641</b>	<b>265 885</b>



House of Control Group AS

Notes to the accounts for 2018

### **Accounting principles**

The annual accounts have been prepared in accordance with the Norwegian Accounting Act of 1998 and the generally accepted accounting principles in Norway (NGAAP).

A consolidated financial statement is prepared for House of Control Group AS, and can be obtained by contacting the company at its company address O.H Bangsvei 70, 1363 Høvik

### **Classification of balance sheet items**

Assets intended for long term ownership or use have been classified as fixed 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

### **General valuation principles**

Assets are valued at lowest of fair value and transaction cost.

### **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 increase 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 the 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.

Carrying value are written down to fair value when it's the lowest

### **Liabilities**

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

### **Pensions**

#### *Defined contribution plan*

With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognised as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

### **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.

### **Taxes**

The tax change 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 carryforward losses for tax purposes at year end. Net deferred tax asset is capitalized, under the assumption of future positive results for the Group

House of Control Group AS

Page 5



House of Control Group AS

Notes to the accounts for 2019

**Note 1 Investments in shares and other investments**

	Ownership	Equity 31.12	Balance sheet value
House of Control AS	100 %	13 134 195	69 400 064
House of Control Denmark A/S	100 %	2 561 534	15 360 598
<b>Balance sheet value 31.12</b>			<b>84 760 662</b>

**Note 2 Related-party transactions**

Group companies	Other debtors	
	2019	2018
Total	0	-

Group companies	Other long term liabilities	
	2018	2017
Total	27 795 667	22 796 527

House of Control AS	Invoiced management fee	
	2019	2018
Total	833 852	495 969

House of Control AS	Interest expense	
	2019	2018
Total	833 852	495 969

**Note 3 Share capital and shareholder information**

The share capital of NOK 6 409 320 consists of 640 932 shares with nominal value of NOK 10 each

**List of major shareholders at 31.12.**

	Number of shares	Ownership
Viking Venture 7 AS	328 655	51,28 %
Bjørk Invest AS (controlled by board member Thorstein Berg)	90 117	14,06 %
Dunvik AS (controlled by general manager)	66 240	10,33 %
Viking Venture 7B AS	44 415	6,93 %
Fiwe AS	15 421	2,41 %
Morten Wang	11 472	1,79 %
Øyvind Robert Thorsen (board member)	10 664	1,66 %
Fat City AS	10 304	1,61 %
Stian Fladby	7 624	1,19 %
Akkar Invest AS	6 988	1,09 %
Total	591 900	92,35 %
Other owners (ownership < 1%)	49 032	7,65 %
Total number of shares	640 932	100 %

*EA*



House of Control Group AS

Notes to the accounts for 2019

## Notes 4 Shareholders' equity

Equity changes in the year	Share capital	Share premium	Other equity	Total
Equity 01.01.	6 282 750	40 641 337	81 707	47 005 794
Capital increase - cash contribution	126 570	5 442 510	-	5 569 080
Profit / Loss (-) for the year		-5 174 991		-5 174 991
<b>Equity 31.12.</b>	<b>6 409 320</b>	<b>40 908 856</b>	<b>81 707</b>	<b>47 399 884</b>

## Notes 5 Taxes

### Calculation of deferred tax/deferred tax benefit

	2019	2018
Temporary differences	-	-
Net temporary differences	-	-
Tax losses carried forward	-5 382 156	-3 956 305
Deferred tax	-5 382 156	-3 956 305
Deferred tax benefit not shown in the balance sheet	-1 184 074	-870 387
<b>Deferred tax in the balance sheet</b>	<b>-1 184 074</b>	<b>-870 387</b>

### Basis for income tax expense, changes in deferred tax and tax payable

Result before taxes	-5 488 678	-788 680
Permanent differences	4 062 828	-
<b>Basis for payable taxes in the income statement</b>	<b>-1 425 850</b>	<b>-788 680</b>
+/- Group contributions received/given		-
Change in loss carried forward	1 425 850	788 680
<b>Taxable income (basis for payable taxes in the balance sheet)</b>	<b>-</b>	<b>-</b>

67

House of Control Group AS

Page 7



House of Control Group AS

Notes to the accounts for 2019

**Components of the income tax expense**

Payable tax on this year's result	-	-
Adjustment in respect of priors	-	-
<b>Total payable tax</b>		
Change in deferred tax based on original tax rate	-313 687	-909 950
Change in deferred tax due to change in tax rate	-	39 563
<b>Tax expense</b>	<b>-313 687</b>	<b>-870 387</b>

**Reconciliation of the tax expense**

Result before taxes	-5 488 678	-788 680
Calculated tax	-1 207 509	-181 396
Tax expense	-313 687	-870 387
Difference	893 822	-688 991

The difference consist of:

Tax of permanent differences	893 822	-
Change in deferred tax due to change in tax rate	-	39 563
Other differences	-	-728 554
Sum explained differences	893 822	-688 991

**Payable taxes in the balance sheet**

Payable tax in the tax charge	-	-
Tax effect of group contribution	-	-
<b>Payable tax in the balance sheet</b>	<b>-</b>	<b>-</b>

Deferred tax asset is capitalized in 2019 as it is expected to be utilized against future taxable profit

GA



House of Control Group AS

Notes to the accounts for 2019

## Note 6 Payroll expenses, number of employees, remunerations, loans to employees, etc

The company has no employees

Director's fees for the year 2019 amounts to 1 000 000 NOK, including NOK 400 000 to the chairman of the board.

Expensed audit fee	2019	2018
Statutory audit	28 229	15 240
Other assurance service	55 000	43 077
<b>Total audit fees</b>	<b>83 229</b>	<b>58 317</b>

## Note 7 Debtors and liabilities

Liabilities secured by mortgage	2019	2018
	71 643 593	0

Terms and payment schedule	Currency	Nominal interest rate	Year of maturity	Face Value
Facility B	NOK	NIBOR+7,5%	2024	82 000 000
<b>Total interest bearing loans as of December 31</b>				<b>82 000 000</b>
Capitalized costs				-10 356 407
<b>Closing balance as of December 31</b>				<b>71 643 593</b>

No repayment is scheduled for 2020, as such no part of the debt is classified as short term

As Security for the facility and the loan from Innovasjon Norge, the Group has pledged all material assets including, but not limited to shares in subsidiaries, bank accounts, intercompany receivables, intellectual property, trade receivables and inventory.

Additionally, 90 % of the shareholders has pledged their shares as security.

The facility loan is subject to covenant restrictions. The most important being:

Recurring revenue ration (Years 1&2)

Optional EBITDA ratio year 3

EBITDA ratio year 5 and 5



## The board of directors' report 2019 for House of Control Group AS

### Operations and locations

House of Control help businesses stay compliant and predict the future through Complete Control® of their contracts, assets and liabilities. Our vision is to become the CFO's best friend®.

House of Control (HoC) provides a targeted solution that sits in between source to pay, enterprise / manufacturing resource planning and back office accounting technologies. HoC provides CFOs with a unique offering to manage obligations and associated financial projections, assets, personnel and projects.

The Group consists of the parent company House of Control Group AS and two wholly owned subsidiaries; House of Control AS and House of Control Denmark A/S. House of Control AS has a branch in Sweden; House of Control Filial Sverige.

House of Control Group AS and House of Control AS conducts business from the Group's headquarters at Høvik, Norway. House of Control Denmark A/S and House of Control Filial Sverige conducts sales activities in their respective markets from offices in Copenhagen and Stockholm.

### Comments related to the financial statements

House of Control Group AS operates as a holding company, all external sales and service offerings in the Group are conducted in the subsidiaries.

The Company's revenues are related to intra group management services and amounted to 0,8 mNOK for the year compared to 0,5 mNOK in 2018. Total operating expenses for the year of 5,5 mNOK arise from Board remuneration and transaction costs, compared to 1 mNOK in 2018. Net cash flow from operations amounted to 1,7 mNOK, operating profit -4,7 mNOK. Annual net profit for the year is -5,2 mNOK compared to 0mNOK for 2018.

The Group's revenues increased from 70,7 mNOK in 2018 to 93,8 mNOK in 2019. Net income in 2019 was -18,1 mNOK compared to -9,6 mNOK in 2018. The reduction in financial results is mainly driven by a substantial increase in personnel and other costs related to positioning for continued growth. The Group has stayed true to its strategy of focusing on growth over profitability. The underlying profitability of the business is strong.

Research and development costs in the Group amounted to 11,6 mNOK. These costs are capitalized to the House of Control AS balance sheet with a 5 years straight line depreciation plan.

Net cash flow from operations in the Group amounted to 3,3 mNOK, operating profit -16,9 mNOK. Divergence is mainly driven by ordinary depreciation and changes in intra Group balances. Net cash flow from investments of -12,6 is allocated to new products and solutions, increasing the Group's products portfolio and service offering

The Group's ability to self-finance investments is good with an 81,6 mNOK liquidity reserve at the end of the year.

The Group's financial position is sound and adequate to settle short-term debt at the end of the year with cash on hand.



Total assets in House of Control Group AS at yearend amounted to 150,2 mNOK, compared to 70,8 mNOK last year. The equity ratio was 31,6%, compared to 66,4 % the year before. Total assets in the Group at yearend amounted to 167,6 mNOK, compared to 94,5 mNOK last year. The equity ratio was -0,2%, compared to 13,1 % the year before.

## **Business outlook**

The market catering to contract management & analysis is addressed by an array of solutions differentiated on functional and strategic focus. House of Control has successfully created its own category within the niche administration category with its commercial value management offering, identified as a specialized best of breed solution supporting a broader offering without loss of granularity compared to traditional solutions.

HoC commissioned a vendor commercial due diligence report from a consulting firm in 2019 to assist in assessing the addressable market and growth potential for the Group. Key findings, among others, is that the company has barely scratched the surface of the addressable Nordic market and that increasing adoption of cloud and business software solutions, as well as growth in best of breed software usage make for a favorable environment for expansion in Europe

The Group has established a strategy and five-year plan through the year 2024, which is expected to provide a basis for continued growth and income development.

## **Financial risk**

### Overall view on objectives and strategy

The Group's goal is to reduce the financial risk as much as possible. The current strategy does not include the use of financial instruments. This is however, continuously being assessed by the Board of Directors. House of Control currently has a policy to refrain from fixing interest rates on long-term loans.

### Market risk

Exchange rate risk in the Group is limited with the current geographic footprint. Most of the company's debt is in NOK, as is its revenues and operational expenses.

### Credit risk

The risk for losses on receivables is perceived to be low, the Group has not yet experienced significant losses on receivables.

Exposure to firm and industry specific risk is perceived to be low, the Group's horizontal offering provides a customer base spread across many industries and the top 10 customers' share of revenue represents less than 5% of total revenue.

### Liquidity risk

The Group's liquidity is good, recurring revenues are invoiced yearly in advance. Liquidity risk is perceived to be low.

## **Going concern**

The Board of Directors and the General Manager confirm that the going concern assumption has been applied in preparing the annual accounts. The Group has been characterized by favorable sales



developments and adequate equity for several years and are well placed to continue such positive developments.

### **Allocation of net income**

The Board of Directors has proposed to allocate the net losses in House of Control Group AS and the Group to other equity.

### **The working environment and the employees**

House of Control Group AS does not have any employees, all employees in the group are hired in the subsidiaries.

437 leave of absence days due to illness were registered in the Group over the financial year. This represents 3,9 % of total working hours for the year. 140 days (1,2%) were related to short-term absence, 297 days (2,7%) were related to long-term absence.

No incidences or reporting of work-related accidents resulting in significant material damage or personal injury occurred during the year.

The working environment is perceived to be good, and efforts for improvements are made on a continuous basis. The group has a well-qualified staff and is recognized as an attractive employer.

### **Equal opportunities and discrimination**

House of Control Group AS does not have any employees, all employees in the group are hired in the subsidiaries.

The Group aims to be a workplace with equal opportunities and has included in its policies regulations to prevent gender discrimination regarding salary, promotion and recruiting. The Group has traditionally recruited from environments equally dominated by both men and women. The companies have a total of 62 employees, of which 18 (29%) are women.

The Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin color, language, religion and faith. The Group is working actively, determined and systematically to encourage the act's purpose within our business. Included in the activities are recruiting, salary and working conditions, promotion, development opportunities and protection against harassment.

The Group also aims to be a workplace with no discrimination due to reduced functional ability and is working actively to design and implement the physical conditions in such a manner that as many as possible can utilize the various functions.

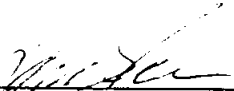
### **Environmental report**


The Group's operations are not regulated by licenses or impositions. Its impact on the environment is low.

The Group is launching a solution for ESG reporting in Q1-20 and will utilize this to manage, organize and reduce the environmental impacts of its operations moving forward.




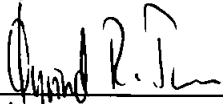
Høvik, February 4<sup>th</sup> 2020

  
Lasse Sten  
CEO

  
Erik Fjellvær Hagen  
Chairman

  
Jøstein Vik  
Board member

  
Thorstein Berg  
Board member

  
Øyvind Robert Thorsen  
Board member



## Consolidated financial statement Revenue statement House of Control Group AS

House of Control Group AS			Group			
2019	2018	Note	Operating income and operating expenses	Note	2019	2018
			Revenue	12	93 778 633	70 684 649
833 852	495 969	14	Other operating income			23 500
<b>833 852</b>	<b>495 969</b>		<b>Total operating income</b>		<b>93 778 633</b>	<b>70 708 149</b>
			Cost of materials		22 275	37 736
1 028 400	447 651	13	Personnel expenses	10, 13	68 855 537	51 692 298
			Depreciation of operating and intangible assets	1, 2	8 883 701	7 151 316
4 462 615	341 733	13	Other operating expenses	13	32 913 134	21 788 304
<b>5 491 015</b>	<b>789 383</b>		<b>Total operating expenses</b>		<b>110 674 648</b>	<b>80 669 654</b>
<b>-4 657 163</b>	<b>-293 414</b>		<b>Operating profit</b>		<b>-16 896 015</b>	<b>-9 961 505</b>
			<b>Financial income and expenses</b>			
			Income from investments in subsidiaries			-
2 487	450	15	Other interest income	15	130 764	40 622
	253	15	Other financial income	15	1 866 852	314 474
833 852	-	15	Other interest expenses	15	1 749 353	266 756
150	495 969	15	Other financial expenses	15	4 216 643	2 580 038
<b>831 515</b>	<b>-495 266</b>		<b>Net financial items</b>		<b>3 968 380</b>	<b>2 491 699</b>
<b>-5 488 678</b>	<b>-788 680</b>		<b>Operating result before tax</b>		<b>-20 864 395</b>	<b>-12 453 204</b>
-313 687	-870 387	11	Tax on ordinary result	11	-2 800 355	-2 902 764
<b>-5 174 991</b>	<b>81 707</b>		<b>Ordinary result after tax</b>		<b>-18 064 040</b>	<b>-9 550 440</b>
<b>-5 174 991</b>	<b>81 707</b>		<b>Annual net profit</b>		<b>-18 064 040</b>	<b>-9 550 440</b>
			Minority share of annual net profit		-	-
			Majority share of annual net profit		-18 064 040	-9 550 440
			<b>Brought forward</b>			
-5 174 991	81 707		Allocated to other equity		-18 064 040	-9 550 440
<b>-5 174 991</b>	<b>81 707</b>		<b>Net brought forward</b>		<b>-18 064 040</b>	<b>-9 550 440</b>

En

Consolidated financial statement  
Balance sheet  
House of Control Group AS

House of Control Group AS				Group		
2019	2018	Note	Assets	Note	2019	2018
			<b>Fixed assets</b>			
			<b>Intangible assets</b>			
1 184 074	870 387	11	Deferred tax assets	11	-	-
-	-		Goodwill	1	-	-
-	-		Research and development	1	50 952 285	47 494 506
<u>1 184 074</u>	<u>870 387</u>		<b>Total intangible assets</b>		<u>50 952 285</u>	<u>47 494 506</u>
			<b>Tangible assets</b>			
-	-		Equipment and other movables	2	726 721	282 550
<u>-</u>	<u>-</u>		<b>Total tangible assets</b>		<u>726 721</u>	<u>282 550</u>
			<b>Financial fixed assets</b>			
84 760 662	69 565 962	3	Investments in subsidiaries		-	-
-	-		Other long-term receivables		160 857	687 895
<u>84 760 662</u>	<u>69 565 962</u>		<b>Total financial fixed assets</b>		<u>160 857</u>	<u>687 895</u>
<u>85 944 736</u>	<u>70 436 349</u>		<b>Total fixed assets</b>		<u>51 839 862</u>	<u>48 464 951</u>
			<b>Current assets</b>			
-	-		<b>Inventories</b>	4	218 750	241 025
			<b>Debtors</b>			
-	-		Accounts receivable	5	5 935 424	6 043 000
275 901	128 087		Other short-term receivables		28 013 884	27 336 545
-	-	6	Receivables from group companies		-	-
<u>275 901</u>	<u>128 087</u>		<b>Total receivables</b>		<u>33 949 308</u>	<u>33 379 545</u>
63 980 641	265 885	7	Cash and bank deposits	7	81 608 652	12 433 727
<u>64 256 542</u>	<u>393 972</u>		<b>Total current assets</b>		<u>115 776 710</u>	<u>46 054 297</u>
<u>150 201 278</u>	<u>70 830 321</u>		<b>Total assets</b>		<u>167 616 572</u>	<u>94 519 248</u>

69



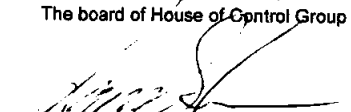
Consolidated financial statement  
Balance sheet  
House of Control Group AS

House of Control Group AS			Group			
2019	2018	Note	Equity and liabilities	Note	2019	2018
<b>Equity</b>						
<b>Paid-up equity</b>						
6 409 320	6 282 750	8, 9	Share capital	8, 9	6 409 320	6 282 750
46 083 847	40 641 337	8	Share premium reserve	8	46 083 848	39 852 657
<b>52 493 167</b>	<b>46 924 087</b>		<b>Total paid-up equity</b>		<b>52 493 168</b>	<b>46 135 407</b>
<b>Retained earnings</b>						
-5 093 284	81 707	8	Other equity	8	-52 796 934	-33 791 684
<b>-5 093 284</b>	<b>81 707</b>		<b>Total retained earnings</b>		<b>-52 796 934</b>	<b>-33 791 684</b>
<b>47 399 884</b>	<b>47 005 794</b>		<b>Total equity</b>		<b>-303 766</b>	<b>12 343 723</b>
<b>Liabilities</b>						
<b>Other long-term liabilities</b>						
71 643 593	-	5	Other long term liabilities	5	75 305 947	3 600 000
	-		Deferred tax	11	1 884 326	4 684 681
<b>71 643 593</b>	<b>-</b>		<b>Total of other long term liabilities</b>		<b>77 190 272</b>	<b>8 284 681</b>
<b>Current debt</b>						
-	-	5	Debt to financial institutions	5	47 086	-
898 535	-		Trade creditors		4 281 701	6 251 435
-	-	11	Tax payable	11	-	-
175 191	-		Public duties payable		9 597 920	8 084 775
-	-	6	Debt to group companies		-	-
-	-		Prepayments from customers		63 912 733	52 283 061
30 084 076	23 824 527		Other current debt		12 890 625	7 271 573
<b>31 157 802</b>	<b>23 824 527</b>		<b>Total current debt</b>		<b>90 730 066</b>	<b>73 890 844</b>
<b>102 801 395</b>	<b>23 824 527</b>		<b>Total debt</b>		<b>167 920 338</b>	<b>82 175 525</b>
<b>150 201 278</b>	<b>70 830 321</b>		<b>Total equity and liabilities</b>		<b>167 616 572</b>	<b>94 519 248</b>


Høvik, 04.02.2020


The board of House of Control Group AS

  
Thorstein Berg  
member of the board

  
Lasse Steen  
general manager

  
Jostein Vik  
member of the board

  
Erik Fjellvåg Nagen  
chairman of the board

  
Øyvind Robert Thorsen  
member of the board



**Consolidated financial statement**  
**Cash flow statement**  
House of Control Group AS

House of Control Group AS			Group				
2019	2018	Note	Cash flow from operations	Note	2019	2018	
-5 488 678	-788 680		Profit before income taxes		-20 864 395	-12 453 204	
-	-		Taxes paid in the period		-	-	
-	-		Depreciation	1, 2	8 883 701	7 151 316	
-	-		Change in inventory	4	22 275	37 736	
-	-		Change in trade debtors	5	107 576	-2 018 917	
898 535	-		Change in trade creditors		-1 969 734	3 020 497	
6 286 925	5 558 954	5, 6	Change in other provisions	5, 6	17 106 470	1 458 713	
<u>1 696 783</u>	<u>4 770 274</u>		<b>Net cash flow from operations</b>		<u>3 285 893</u>	<u>-2 803 859</u>	
<b>Cash flow from investments</b>							
-15 194 700	-8 971 148	3	Purchase of fixed assets and intangible assets	1, 2	-12 628 494	-6 069 756	
-	-		Purchase of shares and investments in other companies		-	-	
-	-		Purchase of other investments		-	-	
<u>-15 194 700</u>	<u>-8 971 148</u>		<b>Net cash flow from investments</b>		<u>-12 628 494</u>	<u>-6 069 756</u>	
<b>Cash flow from financing</b>							
78 700 000	-	5	Proceeds from long term loans	5	80 100 000	3 600 000	
-7 056 407	-		Repayment/financing costs of long term loans		-7 368 907	-	
-	-		Net change in bank overdraft		-	-	
5 569 080	3 703 478	8	New equity received	8	5 569 080	3 703 477	
-	-		Group contribution received		-	-	
<u>77 212 673</u>	<u>3 703 478</u>		<b>Net cash flow from financing</b>		<u>78 300 173</u>	<u>7 303 477</u>	
<b>Exchange gains / (losses) on cash and cash equivalents</b>							
63 714 756	-497 395		Net change in cash and cash equivalents		69 174 925	-2 056 203	
265 885	763 282		Cash and cash equivalents at the beginning of the period		12 433 727	14 489 930	
<u>63 980 641</u>	<u>265 885</u>		<b>Cash and cash equivalents at the end of the period</b>		<u>81 608 652</u>	<u>12 433 727</u>	

En



## **Accounting principles**

### **Basis for preparation**

The consolidated financial statement has been prepared in accordance with the Norwegian Accounting Act of 1998 and the generally accepted accounting principles (GAAP) in Norway

### **Use of estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

### **Subsidiaries and investment in associated companies**

Subsidiaries and investments in associate are valued to cost in the company accounts. The investment is valued as the cost of acquiring shares in the subsidiary, providing that a write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

The Subsidiaries are all entities (including special purpose entities) where the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated as of the date the control ceases.

The purchase method of accounting is applied to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition, irrespective of the extent of any minority interest.

Minority interests represent the portion of the income statement and net assets in the subsidiaries not held by the Group, and the amount attributable to the minority interest as shown beneath the income statement and within equity in the consolidated balance sheet.

The cost of acquisition exceeding the fair value of the Group's share of identifiable net assets acquired, is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement. Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed whenever necessary to ensure consistency with the policies adopted by the Group.

### **Translation differences of foreign subsidiaries**

Translation of the financial statements occurs with the use of the daily rate, in such a way that the balance sheet is translated at the balance sheet date and the income statement is translated at an average rate. Any significant transactions are translated at the transaction date rate. All translation differences are recognized directly in equity.

GA



## Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown as the net of value-added tax, returns, rebates and discounts and after eliminated sales within the Group. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

## License fee for standard software

Revenue is recognized at the time of delivery, and when the significant risks and benefits associated with the ownership of the license sold have passed to the buyer and can be reliably measured. The software will not be delivered before the customer has signed a contract, which corresponds to the date on which the software is made available to and can be used by the customer.

## Maintenance fee for standard software

Revenue from maintenance contracts is recognized on a straight-line basis over the applicable contract period. Contract periods of 1 year or shorter are classified as short term liabilities.

## Rendering of services

Revenues in connection with services rendered with respect to the delivery of standard software, including installation and implementation, are recognized as the services are delivered. Revenue from support and other consulting services is recognized when the services are performed.

## Research and development

Expenses relating to research activities are recognised in the income statement as they occur. Expenses relating to development activities are capitalised to the extent that the product or process is technically and commercially viable and the Group has sufficient resources to complete the development work. Expenses that are capitalised include the costs of materials and external suppliers, direct wage costs and a share of the directly attributable common expenses. Capitalised development costs are recognised at their cost minus accumulated amortisation and impairment losses. Capitalised development costs are amortised on a straight-line basis over the estimated useful life of the asset.

## Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value

## Cash and cash equivalents

Cash and cash equivalents include cash on hand, short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and short term deposits with an original maturity of three months or less. Restricted cash related to withholding tax from employees is included as cash and cash equivalents.

ba



#### **Trade and other receivables**

Trade and other receivables are initially recognised at the originally invoiced amount, where this approximates fair value, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. The amount of the allowance is recognised in the income statement. Trade and other receivables are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

#### **Property, plant and equipment**

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

#### **Inventories**

Inventories are valued at the lower of cost or market value. Cost is estimated using the FIFO method. Finished goods and work in progress are valued at full production cost. Write-downs are carried out for foreseeable obsolescence.

#### **Impairment of nonfinancial-assets**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### **Leased assets**

Leases that provide Fronter with substantially all the rights and obligations of ownership are accounted for as financial leases. Such leases are valued at the present value of minimum lease payments or fair value if this is lower, and recorded as assets under property, plant and equipment. The liability is included in long-term debt. The assets are subsequently depreciated and the related liabilities are reduced by the amount of the lease payments less the effective interest expense. Other leases are accounted for as operating leases with lease payments recognized as an expense over the lease term.

#### **Pension**

The company operates a defined contribution pension plan. With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognised as payroll expenses. prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce further payments.



## **Currency translation**

### *Functional and presentation currency*

The Group's presentation currency is Norwegian Kroner, which is also the functional currency of the Company. For consolidation purposes, the balance sheet figures for subsidiaries with a different functional currency are translated at the rate applicable at the balance sheet date and their income statements are translated at the exchange rate prevailing at the date of transaction. As an approximation, the monthly average exchange rates are applied in translating the income statements. Exchange differences are recognised in equity. When foreign subsidiaries are disposed of, the accumulated exchange differences relating to the subsidiary are recorded as income.

### *Transactions and balances*

Transactions in a currency other than the functional currency ('foreign currency') are translated into the functional currency using the exchange rates prevailing at the date of transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

## **Short term investments**

Short term investments (stocks and shares seen as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognized as other financial income.

## **Income tax**

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

## **Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued.

## **Cash flow statement**

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

EM



House of Control Group AS

Notes to the Financial Statement 2019

**Note 1 Intangible assets**

Group	Data analytics platform	WEB- Platform	Excess value from aquired customer contracts *)	Excess value from aquired technology **)	Total
Purchase cost pr. 01.01.	0	23 277 799	27 397 260	39 172 555	89 847 614
Additions	539 000	11 562 293	-	-	12 101 293
Disposals	0	-	-	-	-
<b>Purchase cost pr. 31.12.</b>	<b>539 000</b>	<b>34 840 092</b>	<b>27 397 260</b>	<b>39 172 555</b>	<b>101 948 907</b>
Accumulated depreciation 31.12.	0	11 054 734	16 438 356	23 503 533	50 996 623
<b>Net book value pr. 31.12.</b>		<b>23 785 358</b>	<b>10 958 904</b>	<b>15 669 022</b>	<b>50 952 284</b>
Depreciation in the year		1 964 163	2 739 726	3 917 255	8 621 145

Estimated useful life  
 Depreciation plan

	5	10 years	10 years
	straight line	straight line	straight line

\*) The excess value of technology is derived from the two products Complete Control and Telecontrol that are based on software owned and developed by House of Control. Both products are based on the same core technology.

\*\*\*) The excess value of customer contracts is the value of having signed contracts and being in regular contact with customers

Excess value from the aquisition of House of Control AS in 2013 is written down over more tha 5 years.

For customer contracts this is justified through an obesrvable churn of 10%, which indicates a 10 year depreciation.

For technology, 10 years is justified based on expected future usage of the original technology. New modules and versions will be based on the aquired techonology, and it is expected to generate revenue for the company for at least 10 years.

**Note 2 Fixed assets**

Group	Buildings and land	Machines, movables etc	Total fixed assets
Purchase cost 01.01.	711 387	487 667	1 199 054
Additions	-	706 727	706 727
Disposals	-	-	-
<b>Purchase cost 31.12</b>	<b>711 387</b>	<b>1 194 394</b>	<b>1 905 781</b>
Accumulated depreciation 31.12	711 387	467 674	1 179 061
<b>Net book value 31.12</b>	<b>-</b>	<b>726 720</b>	<b>726 720</b>
Depreciation in the year	-	262 557	262 557
Expected useful life Depreciation plan	5 years Straight line	3 år Straight line	
<b>Annual rental of non-financial assets</b>			
Buildings	2019 3 399 380		



House of Control Group AS

Notes to the Financial Statement 2019

**Note 3 Subsidiaries, associated companies, and joint ventures**

House of Control Group AS

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

Subsidiaries	Location	Ownership/ voting right	Equity 31.12 (100%)	Result in the year (100%)	Balance sheet value
House of Control AS	Høvik	100 %	13 134 195	-3 615 143	69 400 064
House of Control DK	Karlslunde	100 %	2 561 534	-4 672 961	15 360 598
<b>Balance sheet value 31.12.</b>					<b>84 760 662</b>

**Note 4 Inventories**

House of Control Group AS			Group	
2019	2018		2019	2018
-	-	Finished goods of own production	-	-
-	-	Purchased finished goods	218 750	241 025
-	-	<b>Total</b>	<b>218 750</b>	<b>241 025</b>

**Note 5 Debtors and liabilities**

House of Control Group AS			Group	
2019	2018	Trade debtors	2019	2018
-	-	Trade debtors at nominal value	6 659 999	4 683 773
-	-	Bad debts provision	-616 999	-659 690
-	-	<b>Trade debtors in the balance sheet</b>	<b>6 043 000</b>	<b>4 024 083</b>
<b>71 643 593</b>	-	<b>Liabilities secured by mortgage</b>	<b>76 331 093</b>	<b>3 600 000</b>

**Terms and payment schedule (Group)**

	Currency	Nominal interest rate	Year of maturity	Face Value
Facility B	NOK	NIBOR+7,5%	2024	82 000 000
Innovasjon Norge	NOK	4,45 %	2023	4 687 500
<b>Total interest bearing loans as of December 31</b>				<b>86 687 500</b>
Capitalized costs				-10 356 407
<b>Closing balance as of December 31</b>				<b>76 331 093</b>



## House of Control Group AS

## Notes to the Financial Statement 2019

### Payment schedule Innovasjon Norge loan

Year	Amount
2020	1 250 000
2021	1 250 000
2022	1 250 000
2023	937 500

Downpayment planned for the next 12 months are classified as short term debt.  
For the Facility loan, there are no downpayment planned in 2020

### Terms and payment schedule (House of Control AS)

	Currency	Nominal interest	Year of	Face Value
Facility B	NOK	NIBOR+7,5%	2024	82 000 000
<b>Total interest bearing loans as of December 31</b>				<b>82 000 000</b>
Capitalized costs				-10 356 407
<b>Closing balance as of December 31</b>				<b>71 643 593</b>

As Security for the facility and the loan from Innovasjon Norge, the Group has pledged all material assets including, but not limited to shares in subsidiaries, bank accounts, intercompany receivables, intellectual property, trade receivables and inventory.

Additionally, 90 % of the shareholders has pledged their shares as security.

The facility loan is subject to covenant restrictions. The most important being:

*Recurring revenue ration (Years 1&2)*

*Optional EBITDA ratio year 3*

*EBITDA ratio year 5 and 5*



House of Control Group AS

Notes to the Financial Statement 2019

**Note 6 Balance with group companies, etc.**

House of Control Group AS

	Trade debtors		Other debtors	
	2019	2018	2019	2018
Group companies	-	-	-	-
<b>Sum</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Other long term liabilities		Other liabilities	
	2019	2018	2019	2018
Group companies	-	-	27 795 667	22 796 527
<b>Sum</b>	<b>-</b>	<b>-</b>	<b>27 795 667</b>	<b>22 796 527</b>

**Note 7 Restricted bank deposits, overdraft facilities**

House of Control Group AS		Restricted bank deposits	Group	
2019	2018		2019	2018
-	-	Withheld employee taxes	2 984 161	3 012 075
<b>Overdraft facilities granted</b>				
-	-	Unused bank overdraft	-	10 000 000

**Note 8 Shareholders' equity**

House of Control Group AS

Equity changes in the year	Share capital	Share premium	Other equity	Total
Equity 01.01.	6 282 750	40 641 338	81 707	47 005 794
Capital increase	126 570	5 442 510	-	5 569 080
Profit for the year	-	-	-5 174 991	-5 174 991
<b>Equity 31.12.</b>	<b>6 409 320</b>	<b>46 083 848</b>	<b>-5 093 284</b>	<b>47 399 884</b>

Group

Equity changes in the year	Share capital	Share premium	Other equity	Total
Equity 01.01.	6 282 750	40 641 338	-34 580 783	12 343 305
Capital increase	126 570	5 442 510	-	5 569 080
Profit for the year	-	-	-18 064 040	-18 064 040
Currency effects	-	-	-152 529	-152 111
<b>Equity 31.12.</b>	<b>6 409 320</b>	<b>46 083 848</b>	<b>-53 388 853</b>	<b>-303 766</b>



House of Control Group AS

Notes to the Financial Statement 2019

**Note 9 Share capital and shareholder information**

The share capital of NOK 6 409 320 consists of 640 932 shares with nominal value of NOK 10 each

**List of major shareholders at 31.12.**

	<b>Number of shares</b>	<b>Ownership</b>
Viking Venture 7 AS	328 655	51,28 %
Bjørk Invest AS (controlled by board member Thorstein Berg)	90 117	14,06 %
Dunvik AS (controlled by general manager)	66 240	10,33 %
Viking Venture 7B AS	44 415	6,93 %
Fiwe AS	15 421	2,41 %
Morten Wang	11 472	1,79 %
Øyvind Robert Thorsen (board member)	10 664	1,66 %
Fat City AS	10 304	1,61 %
Stian Fladby	7 624	1,19 %
Akkar Invest AS	6 988	1,09 %
<b>Total</b>	<b>591 900</b>	<b>92,35 %</b>
<b>Other owners (ownership &lt; 1%)</b>	<b>49 032</b>	<b>7,65 %</b>
<b>Total number of shares</b>	<b>640 932</b>	<b>100 %</b>

**Note 10 Pension**

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

<b>Net pension cost</b>	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
Pension cost	1 551 977	770 869
<b>Total</b>	<b>1 551 977</b>	<b>770 869</b>

62



House of Control Group AS

Notes to the Financial Statement 2019

Note 11 Taxes

Calculation of deferred tax/deferred tax benefit

House of Control Group AS			Group	
2019	2018		2019	2018
		<b>Temporary differences</b>		
-	-	Fixed assets	-200 000	-2 753 078
-	-	Receivables	-2 104 466	-616 999
10 356 407	-	Other accrued receivables/liabilities	10 356 407	-
		<b>Net temporary differences</b>	<b>8 051 941</b>	<b>-3 370 077</b>
-15 738 563	-3 956 305	Tax losses carried forward	-28 253 312	-19 224 756
<b>-5 382 156</b>	<b>-3 956 305</b>	<b>Basis for deferred tax asset</b>	<b>-20 201 371</b>	<b>-22 594 833</b>
-1 184 074	-870 387	Deferred tax asset	-4 444 302	-4 970 863
-	-	Deferred tax asset not shown in the balance sheet	470 483	2 332 865
-	-	Deferred tax from allocated excess value	5 858 144	7 322 680
<b>-1 184 074</b>	<b>-870 387</b>	<b>Deferred tax asset in the balance sheet</b>	<b>1 884 326</b>	<b>4 684 681</b>

Basis for income tax expense, changes in deferred tax and tax payable

House of Control Group AS			Group	
2019	2018		2019	2018
		<b>Basis for income tax expense</b>		
-5 488 678	-788 680	Result before taxes	-20 864 395	-12 453 204
4 062 828	-	Permanent differences	4 153 221	-1 429 833
-1 425 850	-788 680	Basis for the tax expense for the year	-16 711 174	-13 883 037
-10 356 407	-	Change in temporary differences	-4 763 245	7 583 957
<b>-11 782 257</b>	<b>-788 680</b>	<b>Basis for income tax expense</b>	<b>-21 474 419</b>	<b>-6 299 080</b>
		+/- Group contributions received/given		
11 782 257	788 680	Change in tax loss carried forward	21 474 419	6 416 118
		Currency effect on loss carry forward		-117 039
		<b>Taxable income (basis for payable taxes in the balance sheet)</b>	<b>-</b>	<b>-</b>

House of Control Group AS			Group	
2019	2018		2019	2018
		<b>Components of the income tax expense</b>		
		Payable tax on this year's result	-	-
		Adjustment in respect of priors	-	-
		<b>Total tax payable</b>	<b>-</b>	<b>-</b>
-313 687	-909 950,4	Change in deferred tax benefit based on original tax rate	-2 800 355	-1 158 717
-	39 563,1	Change in deferred tax benefit due to change in tax rate	-	119 909
-	-	Change in deferred tax	-	-1 531 106
-	-	Change in deferred tax due to change in tax rate	-	-332 849
<b>-313 687</b>	<b>-870 387</b>	<b>Tax expense</b>	<b>-2 800 355</b>	<b>-2 902 764</b>



House of Control Group AS

Notes to the Financial Statement 2019

		<b>Reconciliation of the tax expense</b>	
-5 488 677,6	-788 680	Result before taxes	-20 864 395 -12 453 204
-1 207 509	-181 396	Calculated tax	-4 590 167 -2 864 237
-313 687	-870 387	Tax expense	-2 800 355 -2 902 764
893 822	-688 991	<b>Difference</b>	<b>-1 789 812 -38 527</b>
The difference consist of:			
893 822	-	Tax of permanent differences	913 709 -328 661
-	39 563	Change in deferred tax due to change in tax rate	- -212 940
-	-728 554	Other differences	-2 703 520 503 074
893 822	-688 991	<b>Sum explained differences</b>	<b>-1 789 812 -38 527</b>
<b>Payable taxes in the balance sheet</b>			
-	-	Payable tax in the tax charge	- -
-	-	Tax effect of SkatteFUNN	- -1 470 260
-	-	Tax effect of group contribution	- -
-	-	<b>Payable tax in the balance sheet</b>	<b>- -1 470 260</b>

**SkatteFUNN**

House of Control AS is eligible for public subsidies in form of contribution from the SkatteFUNN scheme. Calculations are as shown above, and in the balance sheet the contribution are presented as notes receivable. The contribution is distributed as a reduction in cost. The Company did not receive any SkatteFUNN in 2019.

**Note 12 Operating Income**

House of Control Group AS		Group	
2019	2018	2019	2018
833 852	495 969	Sales income	93 778 633 70 708 149
833 852	495 969	<b>Total</b>	<b>93 778 633 70 708 149</b>
2019	2018	<b>Geographical distribution</b>	
833 852	495 969	Norway	79 044 694 62 426 519
-	-	Sweden	6 429 185 3 298 581
-	-	Denmark	7 777 860 4 535 729
-	-	Other countries	526 894 447 320
833 852	495 969	<b>Total</b>	<b>93 778 633 70 708 149</b>

*Er*



House of Control Group AS

Notes to the Financial Statement 2019

**Note 13 Payroll expenses, number of employees, remunerations, loans to employees, etc.**

House of Control AS		Payroll expenses	Group	
2019	2018		2019	2018
1 028 400,00	-	Salaries/wages	57 550 059	40 130 830
-	-	Social security fees	6 959 284	6 477 062
-	-	Pension expenses	1 305 763	947 250
-	-	Other remuneration	3 040 431	4 137 156
<b>1 028 400,00</b>	<b>-</b>	<b>Total</b>	<b>68 855 537</b>	<b>51 692 298</b>
-	-	FTE in the accounting year	62	52

Remuneration to executives	General manager	Board
Salaries/board fee	3 882 102	1 000 000
Pension expenses	200 827	
Other remuneration	312 943	

No loans/sureties have been granted to the general manager, Board chairman or other related parties.

Expensed audit fee	House of Control Group AS	Group
Statutory audit (incl. technical assistance with financial statements)	28 229	307 382
Other assurance services	55 000	256 460
Other assistance (specified below)		20 000
<b>Total</b>	<b>83 229</b>	<b>583 842</b>

Other assistance relates to the establishment of House of Control Filial Sverige

**Note 14 Related-party transactions**

Transactions with related party	House of Control Group AS	Group
a) Sales of goods and services	833 852	3 960 679
b) Purchases of goods and services	833 852	3 960 679

*En*



House of Control Group AS

Notes to the Financial Statement 2019

Note 15 Specification of financial income and expenses

House of Control Group AS		Financial income	Group	
2019	2018		2019	2018
-	-	Currency gain	1 817 188	26 337
-	-	Interest income from group companies		-
	703	Other financial income	180 429	355 096
<b>0</b>	<b>703</b>	<b>Total financial income</b>	<b>1 997 617</b>	<b>355 096</b>

House of Control Group AS		Financial expenses	Group	
2019	2018		2019	2018
		Financing cost factoring	3 010 392	2 277 499
		Interest expenses	1 749 353	263 331
833 852	495 969	Interest expenses to group companies	-	-
		Currency loss	1 137 273	252 667
-	-	Other financial expenses	68 979	2 594 127
<b>833 852</b>	<b>495 969</b>	<b>Total financial expenses</b>	<b>5 965 997</b>	<b>2 846 794</b>

MA