



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	919 505 214
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	HI BIDCO AS
Forretningsadresse:	Grandavegen 26 6823 SANDANE

### Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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### 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:	29.04.2021

### Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 28.07.2022



## Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Lønnskostnad	10	254 000	0
Annen driftskostnad	10	5 163 000	1 181 000
<b>Sum kostnader</b>		<b>5 417 000</b>	<b>1 181 000</b>
<b>Driftsresultat</b>		<b>-5 417 000</b>	<b>-1 181 000</b>
<b>Finansinntekter og finanskostnader</b>			
Inntekt på investering i datterselskap og tilknyttet selskap	9	136 762 000	92 420 000
Renteinntekt fra foretak i samme konsern	9	2 445 000	514 000
Annen renteinntekt	9	12 000	11 000
<b>Sum finansinntekter</b>		<b>139 219 000</b>	<b>92 945 000</b>
Nedskrivning av finansielle eiendeler	9	0	225 000 000
Rentekostnad til foretak i samme konsern	9	3 037 000	1 673 000
Annen rentekostnad	9	114 860 000	130 087 000
<b>Sum finanskostnader</b>		<b>117 897 000</b>	<b>356 760 000</b>
<b>Netto finans</b>		<b>21 322 000</b>	<b>-263 815 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>15 905 000</b>	<b>-264 996 000</b>
Skattekostnad på ordinært resultat	8	0	0
<b>Ordinært resultat etter skattekostnad</b>		<b>15 905 000</b>	<b>-264 996 000</b>
<b>Årsresultat</b>		<b>15 905 000</b>	<b>-264 996 000</b>



## Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	1	1 630 001 000	1 630 001 000
Lån til foretak i samme konsern		9 646 000	5 000 000
<b>Sum finansielle anleggsmidler</b>		<b>1 639 647 000</b>	<b>1 635 001 000</b>
<b>Sum anleggsmidler</b>		<b>1 639 647 000</b>	<b>1 635 001 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	2	24 000	24 000
Andre fordringer	2	6 327 000	315 000
Konsernfordringer	2,4	171 179 000	132 721 000
<b>Sum fordringer</b>		<b>177 530 000</b>	<b>133 060 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		517 000	10 296 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>517 000</b>	<b>10 296 000</b>
<b>Sum omløpsmidler</b>		<b>178 047 000</b>	<b>143 356 000</b>
<b>SUM EIENDELER</b>		<b>1 817 694 000</b>	<b>1 778 357 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	5,6	90 000	90 000
Overkurs	5	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	2020	2019
<b>Opptjent egenkapital</b>			
Annen egenkapital	5	-275 604 000	-291 509 000
<b>Sum opptjent egenkapital</b>		<b>-275 604 000</b>	<b>-291 509 000</b>
<b>Sum egenkapital</b>		<b>324 436 000</b>	<b>308 531 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Obligasjonslån	3	1 326 055 000	1 312 629 000
Gjeld til kredittinstitusjoner	3	74 625 000	74 557 000
Langsiktig konserngjeld	2,3,4	77 236 000	63 848 000
<b>Sum annen langsiktig gjeld</b>		<b>1 477 916 000</b>	<b>1 451 034 000</b>
<b>Sum langsiktig gjeld</b>		<b>1 477 916 000</b>	<b>1 451 034 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	3	371 000	223 000
Annen kortsiktig gjeld	3	14 971 000	18 570 000
<b>Sum kortsiktig gjeld</b>		<b>15 342 000</b>	<b>18 793 000</b>
<b>Sum gjeld</b>		<b>1 493 258 000</b>	<b>1 469 827 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 817 694 000</b>	<b>1 778 358 000</b>



## Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	2.1,2.2	423 671 000	402 891 000
Annen driftsinntekt	2.1,2.2	306 000	1 162 000
<b>Sum inntekter</b>		<b>423 977 000</b>	<b>404 053 000</b>
<b>Kostnader</b>			
Varekostnad		76 804 000	68 164 000
Lønnskostnad	2.3	100 304 000	110 552 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	3.1,3.2 ,3.3	138 698 000	138 221 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	3.4	0	175 000 000
Annen driftskostnad	2.3	55 311 000	71 027 000
<b>Sum kostnader</b>		<b>371 117 000</b>	<b>562 964 000</b>
<b>Driftsresultat</b>		<b>52 860 000</b>	<b>-158 911 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt	4.5	716 000	400 000
<b>Sum finansinntekter</b>		<b>716 000</b>	<b>400 000</b>
Annen finanskostnad	4.5	124 652 000	141 789 000
<b>Sum finanskostnader</b>		<b>124 652 000</b>	<b>141 789 000</b>
<b>Netto finans</b>		<b>-123 936 000</b>	<b>-141 389 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-71 076 000</b>	<b>-300 300 000</b>
Skattekostnad på ordinært resultat	5.1	-13 527 000	-33 935 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-57 549 000</b>	<b>-266 365 000</b>
<b>Årsresultat</b>		<b>-57 549 000</b>	<b>-266 365 000</b>
Andre resultatkomponenter for IFRS-foretak		1 433 000	-428 000
Sum resultatkomponenter for IFRS-foretak		1 433 000	-428 000
<b>Totalresultat</b>		<b>-56 116 000</b>	<b>-266 793 000</b>



### Konsernets balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Forskning og utvikling	3.1	114 196 000	111 996 000
Licences	3.1	4 735 000	6 582 000
Trademark	3.1	24 839 000	31 166 000
Customer related assets	3.1	172 491 000	216 458 000
Other intangible	3.1	140 135 000	169 129 000
Right-of use asset	3.3	12 881 000	22 332 000
Utsatt skattefordel	5.1	2 242 000	1 958 000
Goodwill	3.1,3.4	1 298 595 000	1 298 595 000
<b>Sum immaterielle eiendeler</b>		<b>1 770 114 000</b>	<b>1 858 216 000</b>
<b>Varige driftsmidler</b>			
Tomter, bygninger og annen fast eiendom	3.2		151 000
Maskiner og anlegg		2 498 000	4 564 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		22 469 000	22 811 000
<b>Sum varige driftsmidler</b>		<b>24 967 000</b>	<b>27 526 000</b>
<b>Finansielle anleggsmidler</b>			
Investeringer i aksjer og andeler		21 000	155 000
<b>Sum finansielle anleggsmidler</b>		<b>21 000</b>	<b>155 000</b>
<b>Sum anleggsmidler</b>		<b>1 795 102 000</b>	<b>1 885 897 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer		4 673 000	5 183 000
<b>Sum varer</b>		<b>4 673 000</b>	<b>5 183 000</b>
<b>Fordringer</b>			
Trade and other receivables	2.4	13 431 000	16 579 000
Other receivables	2.4	31 226 000	29 896 000
Contract assets	2.2	110 804 000	112 661 000
<b>Sum fordringer</b>		<b>155 461 000</b>	<b>159 136 000</b>



### Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	4.4	65 348 000	44 824 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>65 348 000</b>	<b>44 824 000</b>
<b>Sum omløpsmidler</b>		<b>225 482 000</b>	<b>209 143 000</b>
<b>SUM EIENDELER</b>		<b>2 020 584 000</b>	<b>2 095 040 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	4.6	90 000	90 000
Overkurs	4.6	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>			
Udekket tap		351 476 000	295 360 000
<b>Sum opptjent egenkapital</b>		<b>-351 476 000</b>	<b>-295 360 000</b>
<b>Sum egenkapital</b>		<b>248 564 000</b>	<b>304 680 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	5.1	85 785 000	100 049 000
<b>Sum avsetninger for forpliktelser</b>		<b>85 785 000</b>	<b>100 049 000</b>
<b>Annen langsiktig gjeld</b>			
Obligasjonslån	4.1,4.2 ,4.3	1 326 055 000	1 312 629 000
Gjeld til kredittinstitusjoner	4.1,4.2 ,4.3	74 625 000	74 557 000
Non-current lease liabilities	3.3,4.3	4 493 000	12 373 000
Other non-current liabilities	4.1,4.2 ,4.3	183 531 000	175 472 000
<b>Sum annen langsiktig gjeld</b>		<b>1 588 704 000</b>	<b>1 575 031 000</b>
<b>Sum langsiktig gjeld</b>		<b>1 674 489 000</b>	<b>1 675 080 000</b>



## Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	2.5	23 965 000	30 005 000
Skyldige offentlige avgifter	2.5	17 399 000	18 257 000
Current lease liabilities	3.3,4.3	9 263 000	10 765 000
Other current liabilities	2.5	46 903 000	56 254 000
<b>Sum kortsiktig gjeld</b>		<b>97 530 000</b>	<b>115 281 000</b>
<b>Sum gjeld</b>		<b>1 772 019 000</b>	<b>1 790 361 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>2 020 583 000</b>	<b>2 095 041 000</b>



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.*



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HI BIDCO AS ("CONVENE GROUP")  
FORETAKSREGISTERET NO 919 505 214 MVA  
GRANDAVEGEN 26, 6823 SANDANE, NORWAY  
CONVENEGROUP.COM

## **Annual report 2020**

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



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CONVENE GROUP | ANNUAL REPORT 2020

## Report from the Board of Directors – HI Bidco AS

### NATURE OF THE BUSINESS ACTIVITIES AND WHERE THESE ARE CONDUCTED

HI Bidco AS was established on 14 August 2017. The company was established to become the parent company of the Convene Group (previously Melin Medical Group). HI Bidco AS is the parent company in the Group and the company's business is investments in wholly owned companies, primarily in Norway. The company also has investments in Scandinavia through its subsidiaries. The Group provides solutions to the healthcare sector and specializes in providing payment solutions and administration systems that release health professionals from unnecessary administrative work and improve processes around the work of healthcare professionals and communication with patients.

HI Bidco AS is located at Sandane.

On 30 October 2017, HI Bidco AS issued two bond loans of total NOK 1,350 million. On 26 October 2018, the bonds were 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 still related to providing payment- and administrative solutions towards the health market in Norway. On a national basis, the Group handles about 13 million payment transactions a year. Today, approximately 80% of the medical offices and emergency rooms in Norway, in addition to other healthcare providers, have benefited from a simpler working life with our services. The company is in addition to its location in Norway located in Denmark and Sweden.

Convene specializes in providing payment solutions and administration systems that free physicians and other health professionals from 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.

### GOING CONCERN

In accordance with section 3-3a of the Norwegian Accounting Act, it is confirmed that the assumptions of continued operation are present. Based on the assessment, the balance sheet and equity for 2020 and profit forecasts for the year 2021 are in a steady economic and financial position.

### COVID-19 UPDATE

In accordance with the rules in the Accounting Act on events after the balance sheet date, the company's board and management refer to the ongoing Covid-19 outbreak. The company is, similar to almost all businesses, affected by the outbreak. The company's management and the board follow the situation closely and adhere to the authorities' requirements and recommendations for anti-infection measures. This includes, among other things, that most of the employees in the subsidiary companies are working from home.

HI Bidco's subsidiary companies has been affected by reduced activity among general practitioners and physical therapists throughout parts of 2020 and into 2021 as both national and local authorities have implemented temporary regulations to help prevent the spread of the coronavirus. However, an increase in e-consultations, supported by the company's mobile pay solutions, has largely offset the short-term revenue decline. Additionally, the group is negatively impacted by the lengthy forced closure of fitness centres which reduces the number of debt collection claims handled on behalf of the clients.

At the time of preparation of the annual accounts, large parts of Norwegian society are still in various states of lockdowns in order to help prevent the spread of the now mutated versions of the coronavirus. Healthcare clinics have for a long period of time been exempted from the authorities' rules to close down public venues, while fitness centres have been – and still is – forced to keep their doors closed.



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CONVENE GROUP | ANNUAL REPORT 2020

Despite the continued challenges and effects caused by Covid-19, Convene Group delivered solid financial results in 2020. The company's management took necessary cost and liquidity measures to ensure that the company's financial position was not vulnerable. The company has demonstrated throughout 2020 and into 2021 that it is capable of adapting its operation to Covid-19 regulations in order to maintain a solid service level towards its customers, which in turn translates to sound financial results.

It is not believed that the credit risk associated with receivables has increased particularly. The company is not exposed to currency risk.

Based on the situation and the information that is available at the present time, the Board of Directors considers it reasonable to use the assumption of continued operations in the preparation of the annual accounts.

## BUSINESS OUTLOOK

In general, the board and management is satisfied with the group's financial performance in 2020, having increased revenues (excluding accrued revenues) by more than 7 percent and improved the EBITDA-result (excluding accrued revenues) by 28 percent.

Significant cut in collection fees will hurt revenues and EBITDA in 2021 and the years to come, however Convene Group continues to drive the implementation of identified growth initiatives as well as cost measures that are expected to improve the group's underlying performance in the coming years.

For 2021, Convene Group expects and EBITDA result (excluding accrued) to end between NOK 150 million and NOK 180 million.

## DEBT COLLECTION LEGISLATION

On 19 June 2020, the Norwegian Ministry of Justice and Public Security implemented new fee levels for debt collection fees, following an urgent public hearing after the Covid-19 outbreak in the spring of 2020. Hence, on 1 October 2020, new debt collection fees levels came into force. Fees for payment reminders and debt collection notifications was reduced from NOK 70 to NOK 35, and debt collection fees for claims up to NOK 500 was reduced from NOK 350 to NOK 175.

Convene Group has already implemented a number of growth initiatives that are expected to improve the group's underlying performance in the coming years and thereby alleviate the negative revenue effects caused by the new debt collection fee levels. With new revenue drivers in addition to collection of claims, with stronger growth potential, the group is well positioned for continued growth within healthcare technology.

Subsequent to year-end, Norwegian authorities have implemented two additional regulatory changes that will affect Convene Group's revenues going forward.

Firstly, the Norwegian Storting adopted the proposition to implement a 50% reduction in legal debt collection fees (to NOK 586) from 1 February 2021.

Secondly, the authorities decided to make unexpected changes to the co-pay structure for the health sector. The public exemption card (Norwegian: "frikort") system was previously organised via two different schemes ("egenandel 1" and "egenandel 2"), but this has now been combined into one scheme with a cap of NOK 2.460 to be paid by a patient during one calendar year.

- "Egenandel 1" was mainly related to visits at GP's, costs for medicines as well as travel expenses and had a cap of NOK 2.460.
- "Egenandel 2" was mainly to other healthcare services such as physiotherapists and dentists with a cap of NOK 2.176 to be paid by patients.

Convene Group is unsure whether this change is a permanent solution or if it is a temporary arrangement to limit people's health expenses during a challenging pandemic with uncertain economic consequences for many people.

## ANALYSIS OF THE ANNUAL ACCOUNTS AND KEY RISKS AND UNCERTAINTIES

*(Figures in parentheses relate to 2019)*

The company's revenues in 2020 was NOK 0 million (NOK 0 million) and the Group's revenues in 2020 was NOK 424.0 million (NOK 404.1 million). The Group's profit after tax was in 2020 NOK -57.5 million (NOK -266.4 million) and the company's profit after tax was NOK -15.9 million in 2020 (NOK -265.0 million). The Groups profit before tax in 2019 included a goodwill impairment of MNOK 175 driven by the proposed changes to the debt collection law. HI Bidco AS profit before tax in 2019 included a MNOK 225 impairment of shares in subsidiaries. The impairment test for 2020 shows no indication for impairment, and the Group has significant headroom.



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Research and development capitalized expenses in 2020 was NOK 35.9 million (NOK 34.2 million). The subsidiaries that carries expenses related to research and development are Convене AS, Convене Collection AS, CrediCare AS and Gordion AB. The research and development relate to new hardware and software for our customers, in addition to further development of new and existing software with modules and large features that will significantly increase the company's effectivity and production.

Total cash flow from operations in the Group was NOK 78.2 million (NOK 50.8 million), while operating profit for the Group amounted to NOK 52.9 million (NOK -158.9 million). The difference is mainly due to depreciation and changes in short term liabilities. Total cash flow from operations in the company was NOK -18.5 million (NOK -63.5 million), while operating profit in the company amounted to NOK -15.95 million (NOK -265.0 million).

Total investments in the Group in 2020 were NOK 46.2 million (NOK 51.6 million). NOK 35.6 million (NOK 34.6 million) is intangible assets related to research and development and licenses. NOK 10.8 million (NOK 10.4 million) is related to property plant and equipment.

The company's liquidity portfolio was per. 31.12.2020 NOK 0.5 million (NOK 10.3 million). The Group's liquidity portfolio was NOK 65.3 million (NOK 44.8 million) as of 31.12.2020.

The company's current liabilities amounted to 1.0 % (1.3 %) of total debt in the company as of 31 December 2020. The Group's current liabilities amounted to 5.5 % (6.4 %) of total liabilities in the Group as of 31 December 2020.

For the company, total capital at the end of the year was NOK 1,817.7 million (NOK 1,778.4 million). Equity ratio as of 31 December 2020 was 17.8 % (17.3 %). Total assets for the Group at the end of the year were NOK 2,020.6 million (NOK 2,095.0 million). The equity ratio in the Group as of 31 December 2020 was 12.3 % (14.5 %).

## FINANCIAL RISK

### OVERALL GOALS AND STRATEGY

HI Bidco AS Group is exposed to some financial risk in various areas, i.e. currency and interest rate risk. The goal is to reduce the financial risk to the greatest extent possible. The company's current strategy does not include the use of financial instruments, but this is subject to ongoing review by the Board.

### INTEREST RATE RISK

The Group's main interest rate risk arises from long-term 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. The company has chosen to hold floating interest rates during the reporting period. The floating interest rates is based on NIBOR 3 month.

### MARKET 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 recognized 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 2020, as the health sector has limited exposure to general market fluctuations. The Group has so far not had significant losses on receivables. Gross credit exposure at the balance sheet date totalled NOK 44.7 million for the Group and NOK 6.4 million for the company in 2020. 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.

### LIQUIDITY RISK

The swift implementation of reduced debt and legal collection fees as a response to Covid 19 outbreak in Norway increases the groups liquidity risk. The group has implemented measures to cut costs as a response to the reduced collection fees. Management weekly monitors rolling forecasts of the group's liquidity reserve and cash and cash equivalents on the basis of expected cash flows. The Board considers that the Groups short term liquidity needs are met through net cash flows from operations and existing cash reserves.



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## **WORKING ENVIRONMENT**

The parent company has no employees. The absence due to sickness in the Group was a total of approx. 5.3 % of total working hours in the Group. Adjusted for long-term sick leave, sickness absence was approx. 3.0 % for 2020 in the Group. The group will continue 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 injuries.

No serious occupational accidents or incidents have been experienced over the year, whether in the parent company or in the subsidiaries.

The working environment is considered to be good and ongoing measures are being taken for improvements. The HSE Group meets once a month to ensure good follow-up of various measures.

The cooperation with the employee organizations has been constructive and contributed positively to the operation.

## **EQUAL OPPORTUNITIES**

The Group's goal is to be a workplace where there is full equality between women and men. In its policy, the Group has introduced provisions aimed at preventing discrimination based on gender in matters such as salary, advancement and recruitment. The company has traditionally recruited from environments where the number of women and men is evenly represented.

Of the Group's 190 employees there are 84 women. There are no differences in remuneration for equal service provided between genders in the Group.

Working time schemes in the company follow the various positions and are independent of gender. The company plans to continue the implemented measures regarding gender equality described above.

## **NON-DISCRIMINATION AND ACCESSIBILITY**

The Group works actively, purposefully and in a plan to promote the purpose of the Anti-Discrimination Act within our activities. The activities include recruitment, pay and working conditions, promotion, development opportunities and protection against harassment.

The Group's goal is to be a workplace where there is no discrimination due to disability. The Group works actively and purposefully to design and organize 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 organized.

## **EXTERNAL ENVIRONMENT**

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 has an agreement with RENAS for the return of payment terminals.



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## ANNUAL RESULTS AND ALLOCATIONS

The Board proposes the following allocation of the annual result for the year of MNOK -15.9 in HI Bidco AS:

Allocated to other equity:	MNOK -15.9
<b>Total transfers:</b>	<b>MNOK -15.9</b>

The Board proposes the following allocation of the annual result for the year of the year of MNOK -56.1 in HI Bidco Group:

Allocated to other equity:	MNOK -56.1
<b>Total transfers:</b>	<b>MNOK -56.1</b>

*Oslo, 29 April 2021*

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*Johan Michelsen*  
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**JOHAN B. MICHELSEN**  
Chairman

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**NILS PETTER SKASET**  
Board member

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**INGVILL HESTENES**  
CEO



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## Consolidated financial statements 2020

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## Consolidated statement of total comprehensive income HI Bidco AS (Convene Group)

NOK '000	Notes	2020	2019
Revenue	2.1, 2.2	423 671	402 891
Other operating income	2.1, 2.2	306	1 162
<b>Total operating revenue</b>		<b>423 976</b>	<b>404 053</b>
Cost of sales		76 804	68 164
Personnel expenses	2.3	100 304	110 552
Depreciation	3.1, 3.2, 3.3	138 698	138 221
Impairment	3.4	-	175 000
Other operating expenses	2.3	55 311	71 027
<b>Total operating expenses</b>		<b>371 116</b>	<b>562 964</b>
<b>Operating profit</b>		<b>52 860</b>	<b>(158 911)</b>
Finance income	4.5	716	400
Finance costs	4.5	124 652	141 789
<b>Net financial items (+profit/-loss)</b>		<b>(123 935)</b>	<b>(141 389)</b>
<b>Profit (loss) before income taxes</b>		<b>(71 075)</b>	<b>(300 300)</b>
Income tax expense	5.1	13 527	33 935
<b>Profit (loss) for the period</b>		<b>(57 548)</b>	<b>(266 365)</b>
Other comprehensive income (loss) net of tax		1 433	(428)
<b>Total comprehensive income (loss) for the period</b>		<b>(56 115)</b>	<b>(266 793)</b>
Profit attributable to shareholders of HI Bidco AS		(56 115)	(266 793)

The above consolidated statement of total comprehensive income should be read in conjunction with the accompanying notes.



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## Consolidated statement of financial position

HI Bidco AS (Convene Group)

NOK '000	Notes	31 December 2020	31 December 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Deferred tax assets	5,1	2 242	1 958
Tangible assets	3.2	24 967	27 525
Right-of-use assets	3.3	12 881	22 332
Intangible assets	3.1	1 754 991	1 833 926
Other financial assets	4.1	21	155
<b>Total non-current assets</b>		<b>1 795 103</b>	<b>1 885 897</b>
<b>Current assets</b>			
Inventory		4 672	5 183
Trade receivables	2.4	13 431	16 579
Other receivables	2.4	31 226	29 896
Contract assets	2.2	110 804	112 661
Cash and cash equivalents	4.4	65 348	44 824
<b>Total current assets</b>		<b>225 481</b>	<b>209 144</b>
<b>Total assets</b>		<b>2 020 584</b>	<b>2 095 041</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.



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## Consolidated statement of financial position HI Bidco AS (Convene Group)

NOK '000	Notes	31 December 2020	31 December 2019
<b>EQUITY</b>			
Share capital	4.6	90	90
Share premium	4.6	599 950	599 950
Retained earnings		(351 476)	(295 360)
<b>Total equity</b>		<b>248 564</b>	<b>304 680</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	5.1	85 785	100 049
Bond loan	4.1, 4.2, 4.3	1 326 055	1 312 629
Liabilities to financial institutions	4.1, 4.2, 4.3	74 625	74 557
Non-current lease liabilities	3.3, 4.3	4 493	12 373
Other non-current liabilities	4.1, 4.2, 4.3	183 531	175 472
<b>Total non-current liabilities</b>		<b>1 674 489</b>	<b>1 675 080</b>
<b>Current liabilities</b>			
Trade payables	2.5	23 965	30 005
Public duties payable	2.5	17 399	18 257
Current lease liabilities	3.3, 4.3	9 263	10 765
Other current liabilities	2.5	46 903	56 254
<b>Total current liabilities</b>		<b>97 531</b>	<b>115 281</b>
<b>Total Liabilities</b>		<b>1 772 020</b>	<b>1 790 361</b>
<b>Total equity and liabilities</b>		<b>2 020 584</b>	<b>2 095 041</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Oslo, 29 April 2021

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*Johan Michelsen*  
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**JOHAN B. MICHELSEN**  
Chairman

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CEO

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**NILS PETER SKASET**  
Board member



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## Consolidated statement of changes in equity

HI Bidco AS (Convener Group)

### For the year ended 31 December 2020

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>

### For the year ended 31 December 2019

NOK '000	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Opening balance as at 1 January 2019	90	599 950	-	(28 567)	571 473
Profit for the period	-	-	-	(266 365)	(266 365)
Other comprehensive income	-	-	-	(428)	(428)
<b>Balance at 31 December 2019</b>	<b>90</b>	<b>599 950</b>	<b>-</b>	<b>(295 360)</b>	<b>304 680</b>

Other comprehensive income mainly comprise of translation differences.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



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<b>Consolidated statement of cash flows</b>			
<b>HI Bidco AS (Convene Group)</b>			
<b>NOK '000</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
Profit before income tax		(71 075)	(300 300)
Adjustments for;			
Depreciation	3.1, 3.2, 3.3	138 698	138 221
Impairment	3.4	-	175 000
Income taxes		(815)	(148)
Interest expense lease liabilities	3.3	1 575	2 189
Change in accounts receivable and payable	2.4, 2.5	(2 891)	(819)
Change in accruals, other short term assets and liabilities	2.4, 2.5	12 759	36 659
<b>Net cash flow from operating activities</b>		<b>78 249</b>	<b>50 801</b>
<b>Cash flow from investing activities</b>			
Payment for acquisition of subsidiary		-	(10 136)
Payments non-current assets	3.1, 3.2	(46 371)	(44 967)
Proceeds from disposal of non current assets	3.2	175	3 500
<b>Net cash flow from investing activities</b>		<b>(46 196)</b>	<b>(51 602)</b>
<b>Cash flow from financing activities</b>			
Proceeds from borrowings	4.3	-	10 000
Repayment of lease liabilities	3.3, 4.3	(11 529)	(10 668)
<b>Net cash flow from financing activities</b>		<b>(11 529)</b>	<b>(668)</b>
<b>Net increase in cash and cash equivalents</b>		<b>20 524</b>	<b>(1 469)</b>
Cash and cash equivalents at 1 January	4.4	44 824	46 293
<b>Cash and cash equivalents at the end of year</b>		<b>65 348</b>	<b>44 824</b>



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## 1.1 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.

### Basis of preparation

#### *Compliance with IFRS*

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).

Implementation of new and amended accounting standards:

- The group has not implemented new standards in 2020.

## 1.2 Key accounting principles

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

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 is most effected by management judgement related to the estimates of the transaction price for the debt collection services. The probabilities of a favourable outcome is estimated based on experience 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.

A 5 % reduction in recognition of debt collection in each step of the debt collection process will reduce accrued revenue for the debt collection services by MNOK 19.0. Furthermore, a 5 % decrease in the estimated success rate for invoice services will reduce the accrued revenue by MNOK 1.7.

### *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 2020 resulted in no impairment of Goodwill. See note 3.4 for information regarding impairment testing of goodwill.



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## 2.1 Segment information

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:

### 1. 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.

### 2. Gordion

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

Following the integration of the acquired entity CrediCare into the Group, the operations in Convene, Convene Collection and CrediCare are intertwined to a degree that they are combined in one reporting segment.

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

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 2.2.

## Profit and loss disclosures

2020	Year ended 31 December 2020				
	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>

2019	Year ended 31 December 2019				
	Convene and CrediCare	Gordion	Not allocated	Inter segment eliminations	Total
Revenue	371 050	31 842	-	-	402 891
Other income	1 162	-	-	-	1 162
<b>Total operating revenue</b>	<b>372 212</b>	<b>31 842</b>	<b>-</b>	<b>-</b>	<b>404 053</b>
<b>EBITDA</b>	<b>151 697</b>	<b>3 927</b>	<b>(1 315)</b>	<b>-</b>	<b>154 310</b>
Depreciation	(135 210)	(3 010)	-	-	(138 221)
Impairment	(175 000)	-	-	-	(175 000)
Net finance	(2 400)	(8)	(138 982)	-	(141 389)
<b>Profit before income taxes</b>	<b>(160 913)</b>	<b>909</b>	<b>(140 297)</b>	<b>-</b>	<b>(300 300)</b>
Income tax expense	(17 182)	(456)	51 573	-	33 936
<b>Profit for the period</b>	<b>(178 095)</b>	<b>454</b>	<b>(88 723)</b>	<b>-</b>	<b>(266 364)</b>



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## Segment assets

2020	Year ended 31 December 2020				Total
	Convene and Credicare	Gordion	Not allocated	Inter segment eliminations	
Intangible assets	1 720 265	34 726	-	-	1 754 991
Tangible assets	24 775	162	29	-	24 967
Right-of-use assets	12 567	314	-	-	12 881
Deferred tax assets	1 857	-	384	-	2 242
Financial fixed assets	21	-	-	-	21
Inventory	2 274	2 398	-	-	4 672
Trade and other receivables	31 232	7 073	6 352	-	44 657
Contract assets	110 804	-	-	-	110 804
Cash and cash equivalents	53 117	11 383	849	-	65 348
<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>

2019	Year ended 31 December 2019				Total
	Convene and Credicare	Gordion	Not allocated	Inter segment eliminations	
Intangible assets	1 795 755	38 171	-	-	1 833 926
Tangible assets	27 282	144	98	-	27 525
Right-of-use assets	21 818	514	-	-	22 332
Deferred tax assets	1 726	-	232	-	1 958
Financial fixed assets	155	-	-	-	155
Inventory	2 066	3 117	-	-	5 183
Trade and other receivables	40 437	5 302	737	-	46 476
Contract assets	112 661	-	-	-	112 661
Cash and cash equivalents	31 844	2 635	10 345	-	44 824
<b>Total segment assets</b>	<b>2 033 744</b>	<b>49 884</b>	<b>11 412</b>	<b>-</b>	<b>2 095 041</b>



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## Segment liabilities

2020	Year ended 31 December 2020				Total
	Convene and Credicare	Gordion	Not allocated	Inter segment eliminations	
<b>Non-current liabilities</b>					
Deferred tax liabilities	85 785	-	-	-	85 785
Bond loan	-	-	1 326 055	-	1 326 055
Liabilities to financial institutions	-	-	74 625	-	74 625
Non-current lease liabilities	4 339	154	-	-	4 493
Other non-current liabilities	-	-	183 531	-	183 531
<b>Current liabilities</b>					
Accounts payables	20 827	2 755	383	-	23 965
Public duties payable	17 399	-	-	-	17 399
Current lease liabilities	9 095	168	-	-	9 263
Other current liabilities	20 557	11 375	14 971	-	46 903
<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>

2019	Year ended 31 December 2019				Total
	Convene and Credicare	Gordion	Not allocated	Inter segment eliminations	
<b>Non-current liabilities</b>					
Deferred tax liabilities	100 049	-	-	-	100 049
Bond loan	-	-	1 312 629	-	1 312 629
Liabilities to financial institutions	-	-	74 557	-	74 557
Non-current lease liabilities	12 013	359	-	-	12 373
Other non-current liabilities	-	-	175 472	-	175 472
<b>Current liabilities</b>					
Accounts payables	28 064	1 462	479	-	30 005
Public duties payable	18 257	-	-	-	18 257
Current lease liabilities	10 559	206	-	-	10 765
Other current liabilities	32 232	5 621	18 401	-	56 254
<b>Total segment liabilities</b>	<b>201 174</b>	<b>7 648</b>	<b>1 581 538</b>	<b>-</b>	<b>1 790 360</b>



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## 2.2 Revenue and other income

### Geographical presentation of revenue

2020	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>

2019	Norway	Sweden	Denmark	Total
Revenue from terminals	34 255	1 345	1 023	36 623
Sales of terminals	-	31 157	-	31 157
Revenue from invoicing	101 117	-	277	101 394
Reminder fee	20 679	-	-	20 679
Debt collection	156 858	449	1 216	158 523
Legal claims	15 388	-	-	15 388
Accrued revenue	4 656	-	-	4 656
Other revenue	35 634	-	-	35 634
<b>Total revenue</b>	<b>368 586</b>	<b>32 951</b>	<b>2 516</b>	<b>404 053</b>

### 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.

2020	Convence	Convence Collection	Credicare	Gordion	Total
Revenue from terminals	41 618	-	-	-	41 618
Sale of terminals	-	-	-	35 685	35 685
Revenue from invoicing	109 531	-	11 159	-	120 691
Reminder fee	-	24 680	3 791	-	28 471
Debt collection	-	102 449	52 545	-	154 994
Legal claims	-	6 936	5 065	-	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>155 477</b>	<b>144 452</b>	<b>88 362</b>	<b>35 685</b>	<b>423 976</b>

### Timing of revenue recognition

- At point in time	-	-	-	-	-
- Over time	155 477	144 452	88 362	35 685	423 976
<b>Total revenue</b>	<b>155 477</b>	<b>144 452</b>	<b>88 362</b>	<b>35 685</b>	<b>423 976</b>



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2020	Convene	Convene Collection	Credicare	Gordion	Total
<b>Number of solution 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>

2019	Convene	Convene Collection	Credicare	Gordion	Total
Revenue from terminals	36 623	-	-	-	36 623
Sale of terminals	-	-	-	31 157	31 157
Revenue from invoicing	90 234	-	11 159	-	101 393
Reminder fee	-	16 888	3 791	-	20 679
Debt collection	-	105 978	52 545	-	158 523
Legal claims	-	10 323	5 065	-	15 388
Accrued revenue	(3 632)	5 238	3 051	-	4 656
Other revenue	2 799	11 730	21 106	-	35 635
<b>Total segment revenue</b>	<b>126 024</b>	<b>150 156</b>	<b>96 716</b>	<b>31 157</b>	<b>404 053</b>

#### Timing of revenue recognition

- At point in time	-	-	-	-	-
- Over time	126 024	150 156	96 716	31 157	404 053
<b>Total revenue</b>	<b>126 024</b>	<b>150 156</b>	<b>96 716</b>	<b>31 157</b>	<b>404 053</b>

2019	Convene	Convene Collection	Credicare	Gordion	Total
<b>Number of solution in operation</b>					
Terminals	1 424	n.a.	194	n.a.	1 618
Invoicing solutions	576	n.a.	1 183	n.a.	1 759
<b>Total solutions in operation</b>	<b>2 000</b>	<b>-</b>	<b>1 377</b>	<b>-</b>	<b>3 377</b>

#### Contract assets and liabilities

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

	2020	2019
Contract assets relating to accrued revenue 1 Jan	112 661	108 030
Adjustment from last year	1 987	-
Change in accounting period	(3 845)	4 632
<b>Contract assets relating to accrued revenue 31 Dec</b>	<b>110 804</b>	<b>112 661</b>

The subsidiaries, Convene AS, Convene Collection AS and CrediCare AS uses 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. Management has determined that the fair value of contract assets in all material aspects is similar to the carrying amount at the balance sheet date.



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## Lease income

Convene Group have customer contracts with healthcare clinics across Norway, Sweden and Denmark. Customers rent the payment terminals in the following entities: Convene AS, Convene AB and Convene Collection 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. The customer contracts regarding physical payment of terminals are non-terminable during the contract period.

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:

	<b>2020</b>	<b>2019</b>
Lease income within one year	42 450	37 355
Lease income within two to five years	31 838	56 033
<b>Total</b>	<b>74 288</b>	<b>93 388</b>



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## 2.3 Personnel and other operating expenses

Personnel expenses	2020	2019
Salaries	102 378	105 240
Social security fees	12 422	15 058
Pension expenses	3 455	3 482
Other personnel expenses	2 844	6 434
Capitalized R&D	(20 794)	(19 661)
<b>Total</b>	<b>100 304</b>	<b>110 552</b>
<i>Full-time equivalent employees (FTEs) at the end of the period</i>	<i>164</i>	<i>189</i>

At the end of the period 12 employees in the subsidiary Gordion Aktiebolag was on 40 % furlough because of reduced activity due to the Covid-19 virus.

### 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

	2020	2019
Statutory audit (incl. technical assistance with financial statements)	2 115	2 153
Other assurance services	20	-
Tax advisory fee (incl. technical assistance with tax return)	86	164
Other assistance (to be specified)	124	214
<b>Total audit fees</b>	<b>2 344</b>	<b>2 531</b>

Other assistance of kNOK 124 in 2020 is related to a routine regulatory supervision in regards to debt collection. In 2019 the amount of kNOK 214 was related to changes in the legal structures of the Group.



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## 2.4 Trade and other receivables

### Trade receivables

	2020	2019
Trade receivables at nominal value	14 658	17 498
Allowance for expected credit losses	(1 227)	(919)
<b>Total trade receivables (net)</b>	<b>13 431</b>	<b>16 579</b>

### Other receivables

	2020	2019
Receivables associated companies*	6 000	5 336
Other	25 227	24 561
<b>Total other receivables</b>	<b>31 227</b>	<b>29 896</b>

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

#### (i) Classification as trade and other receivables

Trade 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. Trade 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 trade and other receivables are outlined 9a) (iii) and (iv) 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 trade 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 trade 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 4.8.

## 2.5 Trade payables and other current liabilities

### Trade payables and other current liabilities

	2020	2019
Trade payables	23 965	30 005
Public duties payable	17 399	18 257
<i>Other current liabilities</i>		
Accrued payable interest	18 009	18 570
Other payables	28 895	37 684
<b>Total other current liabilities</b>	<b>46 903</b>	<b>56 254</b>
<b>Total trade payables and other current liabilities</b>	<b>88 267</b>	<b>104 516</b>

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.



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## 3.1 Intangible assets

### 31 December 2020

Intangible assets	R&D internally generated	Other R&D	Licenses	Total
Purchase cost pr. 1 January	84 399	84 966	9 976	<b>179 341</b>
Additions	21 042	14 452	83	35 577
Disposals	-	-	-	-
Exchange differences	-	675	-	675
Purchase cost pr. 31 December	105 441	100 092	10 059	215 592
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

Intangible assets	Trademark	Customer related assets	Other intangible	Goodwill	Total
Purchase cost pr. 1 January	44 290	307 767	231 948	1 473 595	<b>2 057 601</b>
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange differences	-	-	-	-	-
Purchase cost pr. 31 December	44 290	307 767	231 948	1 473 595	2 057 601
Accumulated depreciation 31 Decer	19 451	135 276	91 813	-	246 541
Accumulated impairment 31 Decer	-	-	-	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  
 Impairment in the year - - - - -

Estimated useful life 7 years 7 years 8 years No depreciation  
 Depreciation plan Straight line Straight line Straight line

### 31 December 2019

Intangible assets	R&D internally generated	R&D	Licenses	Total
Purchase cost pr. 1 January	64 371	71 544	9 776	<b>145 690</b>
Additions	20 028	14 207	372	34 607
Disposals	-	742	172	914
Exchange differences	-	(43)	-	(43)
Purchase cost pr. 31 December	84 399	84 966	9 976	179 341
Accumulated depreciation 31 December	38 711	18 648	3 394	60 753
Accumulated impairment 31 December	-	-	-	-
Exchange differences	-	9	-	9
<b>Net book value pr. 31 December</b>	<b>45 687</b>	<b>66 308</b>	<b>6 582</b>	<b>118 578</b>

Depreciation in the year 16 880 14 909 2 084 33 874

Estimated useful life 5 years 5 years 3-5 years  
 Depreciation plan Straight line Straight line Straight line



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## 31 December 2019

<b>Intangible assets</b>	<b>Trademark</b>	<b>Customer related assets</b>	<b>Other intangible</b>	<b>Goodwill</b>	<b>Total</b>
Purchase cost pr. 1 January	44 290	307 767	231 948	1 473 595	<b>2 057 601</b>
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange differences	-	-	-	-	-
Purchase cost pr. 31 December	44 290	307 767	231 948	1 473 595	2 057 601
Accumulated depreciation 31 Dec	13 124	91 310	62 820	-	167 253
Accumulated impairment 31 Dec	-	-	-	175 000	175 000
Exchange differences	-	-	-	-	-
<b>Net book value pr. 31 December</b>	<b>31 166</b>	<b>216 458</b>	<b>169 129</b>	<b>1 298 595</b>	<b>1 715 348</b>
Depreciation in the year	6 328	43 968	28 993	-	79 289
Impairment in the year				175 000	
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 MNOK 35,6 in 2020. This include capitalized internal personnel expenses of MNOK 21,0.

### 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.

Goodwill, Trademark, Customer related assets, Other intangible assets and R&D mainly derives from the acquisition of Helseinnovasjon AS, Odin Kapital AS, Gordion AB and Credicare AS. At 31 December 2020, the group has booked an excess value from the acquired companies of mNOK 1,662 where Goodwill is the residual of unidentified assets. The effect of deferred taxes

Goodwill is monitored by management at the level of the operating segments identified in note 2.1. For impairment considerations of goodwill, see note 3.4.



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## 3.2 Tangible assets

### 31 December 2020

Fixed assets	Buildings and land	Machinery	Equipment, fixtures and fittings	Total fixed assets
Purchase cost 1 January	992	45 692	10 982	57 665
Additions	-	10 680	114	10 794
Disposals	-	-	-	0
Exchange differences	-	525	120	644
Purchase cost 31 December	992	56 897	11 215	69 104
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	

### 31 December 2019

Fixed assets	Buildings and land	Machinery	Equipment, fixtures and fittings	Total fixed assets
Purchase cost 1 January	4 493	35 755	10 972	51 219
Additions	-	9 935	417	10 351
Disposals	3 501	-	386	3 887
Exchange differences	-	2	(20)	-19
Purchase cost 31 December	992	45 692	10 982	57 665
Accumulated depreciation 31 December	841	22 868	6 422	30 131
Exchange differences	-	13	(4)	9
<b>Net book value 31 December</b>	<b>151</b>	<b>22 811</b>	<b>4 564</b>	<b>27 525</b>
Depreciation in the year	394	11 299	2 697	14 390
Expected useful life	5-20 years	4-5 years	3-5 years	
Depreciation plan	Straight line	Straight line	Straight line	



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### 3.3 Right-of-use assets and lease liabilities

Right-of-use assets	Buildings and land	Machinery	Equipment, fixtures and fittings	Total right-of-use assets
Net book value 1 January	16 362	492	5 478	22 332
Net additions/disposals	(665)	(12)	1 250	573
Depreciations	(7 268)	(345)	(2 411)	(10 024)
<b>Net book value 31 December</b>	<b>8 428</b>	<b>135</b>	<b>4 318</b>	<b>12 881</b>
<b>Lease liabilities</b>				<b>2020</b>
Total lease liabilities at 1 January				23 138
New leases recognised during the period				574
Cash payments for the principal portion of the lease liability				(11 529)
Interest expense on lease liabilities				1 575
<b>Total lease liabilities recognized as at 31 December</b>				<b>13 757</b>
Current lease liabilities				9 263
Non-current lease liabilities				4 494
Short-term leases recognized on a straight-line basis as expense				44
Low-value leases recognized on a straight-line basis as expense				57



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## 3.4 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 2021-2023. The effects of the Covid-19 pandemic has been considered in the forward going business plans and are estimated to have minimal effects on the forecasted numbers. Periods beyond 2023 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 most critical factors in executing the groups business plan over the next years is the change in regulated collection fees, the expansion into the Swedish market and the introduction of financing-as-a-service. Management has assigned probabilities to the outcome of these factors and modelled different scenarios based on the expected impact.

### 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 %. As a consequence of the new Debt Collection Act, revenue from the existing business in Norway is expected to contract over the forecasted period. However, management expect the introduction of financing-as-a-service and the expansion into the Swedish market to counter the decline within the existing core business.

EBITDA margin is estimated based on the current margin level and expected effect of new fee structure. The proposed changes in the Debt Collection Act will lead to lower revenue and hence EBITDA margins from debt collection. Parts of the negative effects will be mitigated by organizational efficiencies and the introducing of more automated processes. Invoicing fee and revenue from terminal rent is not regulated by the Debt Collection Act. EBITDA margins from these revenue streams are therefore assumed to remain at current levels.

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

The pre-tax discount rate of 7.8 % 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

### Conclusion and sensitivity

The impairment test for 2020 shows no indications for impairment, and the Group has significant headroom.

The impairment test is most sensitive to the discount rate 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 1.25 %. If this would be the case, the impairment charge would be about NOK 48 million
- The impairment test model shows no indications of impairment using the discount rate of 7.8 %, 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 introduction of financing-as-a-service, the impairment test shows that if both initiatives do not succeed, and contributes with no substantial cash flows, this would result in an impairment

Reporting segment (CGU)	The recoverable amount exceeds carrying amount by	Goodwill recognized in the statement of financial position	Impairment
Convene and CrediCare	269 992	1 281 328	No impairment
Gordion	13 112	17 268	No impairment



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## 4.1 Overview of financial assets and financial liabilities

The group holds the following financial instruments:

Financial assets	Note	Financial assets at amortised cost	
		2020	2019
Trade receivables	2.4	13 431	16 579
Other receivables	2.4	31 227	29 896
Cash and cash equivalents	4.4	65 348	44 824
Other financial assets		21	155
<b>Total financial assets</b>		<b>110 027</b>	<b>91 455</b>

Financial liabilities	Note	Liabilities at amortised cost	
		2020	2019
<b>Non-current</b>			
Bond loan	4.2	1 326 055	1 312 629
Liabilities to financial institutions	4.2	74 625	74 557
Non-current lease liabilities	3.3	4 494	12 373
Other non-current liabilities (loan from parent company)	4.2	183 531	175 472
<b>Current</b>			
Trade payables	2.5	23 965	30 005
Current lease liabilities	3.3	9 263	10 765
Other current liabilities	2.5	46 903	56 254
<b>Total financial liabilities</b>		<b>1 668 836</b>	<b>1 672 054</b>

The group's exposure to various risks associated with the financial instruments is discussed in note 4.8. 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.



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## 4.2 Interest-bearing liabilities

<i>Secured</i>	2020		
	Current	Non-current	Totalt
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>	-	1 400 680	1 400 680
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</i>	2019		
	Current	Non-current	Totalt
Senior secured callable bond	-	972 480	972 480
2nd Lien Bond	-	340 149	340 149
RCF Pareto Securities	-	74 557	74 557
<b>Total secured borrowings</b>	-	1 387 186	1 387 186
Liability to parent company	-	175 472	175 472
Lease liabilities	10 765	12 373	23 138
<b>Total borrowings</b>	<b>10 765</b>	<b>1 575 031</b>	<b>1 585 796</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 2020 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 983 (nominal value MNOK 1 000) has been traded in the bond market with a discount relative to nominal value.
- 2nd lien bond with carrying amount MNOK 343 (nominal value MNOK 350) has been traded in the bond market with a discount relative to nominal value.



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#### 4.3 Ageing of financial liabilities and cash flow informations

Contractual maturities of financial liabilities					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>At December 2020</b>						
<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
Trade 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>

Contractual maturities of financial liabilities					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>At December 2019</b>						
<b>Non-derivatives</b>						
Senior secured callable bond	-	-	1 000 000	-	1 000 000	972 480
2nd Lien Bond	-	-	350 000	-	350 000	340 149
Lease liabilities	11 142	8 738	4 675	-	-	23 138
RCF Pareto Securities	-	75 000	-	-	75 000	74 557
Trade and other payables	115 281	-	-	-	115 281	115 281
Liability to parent company	-	-	175 472	-	175 472	175 472
<b>Total non derivatives</b>	<b>126 423</b>	<b>83 738</b>	<b>1 530 147</b>	<b>-</b>	<b>1 715 753</b>	<b>1 701 077</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.

	2020	2019
<b>Net debt</b>		
Liabilities to financial institutions	74 625	74 557
Liability to parent companies	183 531	175 472
Leasing liabilities	13 757	23 138
Bond loan - repayable after one year	1 326 055	1 312 629
<b>Book value debt</b>	<b>1 597 967</b>	<b>1 585 796</b>
Amortization RCF	375	443
Amortization bond	23 945	37 371
Cash and cash equivalents	-65 348	-44 824
<b>Net debt</b>	<b>1 556 940</b>	<b>1 578 786</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 4.8.



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#### 4.3 Ageing of financial liabilities and cash flow informations cont.

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

	Cash effects			Non-cash effects			
	At 1 January 2020	Repayment of borrowings	Payments for principal portion of lease liabilities	Proceeds from borrowings	New leases	Amortisation and interest	At 31 December 2020
Bond loan	1 312 629	-	-	-	-	13 426	1 326 055
Liabilities to financial institutions	74 557	-	-	-	-	68	74 625
Lease liabilities	23 138	-	(11 529)	-	574	1 575	13 757
Other non-current liabilities	175 472	-	-	-	-	8 059	183 531
<b>Total liabilities from financing</b>	<b>1 585 796</b>	<b>-</b>	<b>(11 529)</b>	<b>-</b>	<b>574</b>	<b>23 128</b>	<b>1 597 967</b>



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<b>4.4 Cash and cash equivalents</b>		
	<b>2020</b>	<b>2019</b>
Cash at bank and in hand	65 348	44 824
Net client funds	-	-
<b>Total cash and cash equivalents</b>	<b>65 348</b>	<b>44 824</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.

<b>4.5 Finance income and expenses</b>		
	<b>2020</b>	<b>2019</b>
<i>Finance income</i>		
Interest income	164	280
Other finance income	552	120
<b>Finance income</b>	<b>716</b>	<b>400</b>
<i>Finance costs</i>		
Interest expenses	122 279	141 221
Other finance expenses	2 372	568
<b>Finance costs</b>	<b>124 652</b>	<b>141 789</b>
<b>Net finance costs</b>	<b>123 935</b>	<b>141 389</b>



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## 4.6 Share capital and shareholder information

### Share capital and share premium

	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>

	Number of shares	Share capital	Share premium
At 31 December 2019	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>



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## 4.7 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 2020, 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 2.2: Contract assets relating to accrued revenue
- Note 2.4: Trade and other receivables
- Note 2.5: Trade and other current liabilities
- Note 3.4: Goodwill
- Note 4.2: Interest-bearing liabilities



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## 4.8 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 long-term 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.

Specification of bond	Ticker	Issue amount	Book Value	Coupon rate	Maturity date
Senior secured callable bond	HIBID01	1 000 000	982 794	3 month NIBOR + 5.5%	30.10.2022
2nd Lien Bond	HIBID02	350 000	343 260	3 month NIBOR + 8%	30.01.2023

  

Credit facilities	Issue amount	Book Value	Interest rate	Maturity date
RCF	75 000	74 625	6 month NIBOR + 4.75%	31.12.2021

  

Other non-current liabilities	Issue amount	Book Value	Interest rate	Maturity date
Liability to parent company	165 000	183 531	Fixed rate 4%	31.03.2023

#### Sensitivity

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

	Impact on pre tax profit	Impact on other components of equity
	2020	2020
Interest rates- Increase by 100 basis points	(14 250)	(11 115)
Interest rates- decrease by 100 basis points	14 250	11 115

### 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 trade receivables.



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## 4.8 Financial risk management cont.

### *Impaired trade 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 2.4 for expected losses on trade 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 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 failure to meet short term payment obligations as well as long term refinancing risk. Management weekly monitors rolling forecasts of the group's liquidity reserve and cash and cash equivalents (note 4.4) 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.

In addition to the maturity information presented above, please refer to note 4.3 for a complete overview of the ageing of the Group's financial liabilities. The Groups cash and cash equivalent amounted to MNOK 65.3 as of 31.12.2020, this together with net cash flow from operating activities is considered to be sufficient to meet the Group's short term payment obligations and investment needs going forward. Long term mitigation of liquidity risks is reliant on extending the current revolving credit facility together with refinancing bond loans maturing 2022/2023.



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<b>5.1 Taxes</b>		
<b>Income tax expense</b>	<b>2020</b>	<b>2019</b>
<i>Current tax</i>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	1 020	611
<b>Total current tax expense</b>	<b>1 020</b>	<b>611</b>
<i>Deferred income tax</i>		
Decrease/(Increase) in deferred tax assets	(283)	(643)
(Decrease)/Increase in deferred tax liabilities	(14 264)	(33 903)
<b>Total deferred tax expense/(benefit)</b>	<b>(14 547)</b>	<b>(34 547)</b>
<b>Income tax expense</b>	<b>(13 526)</b>	<b>(33 935)</b>
<b>Reconciliation between the expected tax expense and the actual tax expense</b>		
	<b>2020</b>	<b>2019</b>
Profit before tax	(71 075)	(300 300)
<b>Calculated tax</b>	<b>15 637</b>	<b>66 066</b>
Tax effect of permanent differences	(194)	(2 809)
Tax effect of impairment of goodwill	-	(38 500)
Change in deferred tax asset not capitalized	(3 572)	9 249
Difference in tax rate between countries	5	276
Other differences	1 652	(347)
<b>Actual tax expense</b>	<b>13 527</b>	<b>33 935</b>
<b>Effective tax rate</b>	<b>-19 %</b>	<b>-11 %</b>
<b>Tax effect on temporary differences</b>		
Taxable temporary differences - non current items		
Other intangible assets	66 836	66 577
Other	7 350	9 098
	<b>74 186</b>	<b>75 675</b>
Taxable temporary differences - current items		
Inventory	-	(18)
	<b>-</b>	<b>(18)</b>
Deductible temporary differences - non current items		
Fixed assets	75	(1 597)
	<b>75</b>	<b>(1 597)</b>
Deductible temporary difference - current items		
Accounts receivable	24 478	25 471
	<b>24 478</b>	<b>25 471</b>
Tax losses carried forward	(15 661)	(17 604)
	<b>(15 661)</b>	<b>(17 604)</b>
Amount not to be included in deferred tax	4 949	18 121
	<b>4 949</b>	<b>18 121</b>



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## 5.1 Taxes cont.

Deferred tax assets	(2 242)	(19 218)
Deferred tax liabilities	85 785	119 267
Net deferred tax in balance sheet	83 543	100 049

Deferred tax assets recognised in the statement of financial position relates to tax losses carried forward from group companies outside of Norway.

### Tax losses

Unused tax losses for which no deferred tax asset has been recognised	20 081	80 016
Potential tax benefit at 22 %	4 418	17 604



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## 6.1 Consolidated entities

### Material subsidiaries

The groups principal subsidiaries at 31 December 2020 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



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## 7.1 Related party transactions

### Parent entities

The Group is controlled by the following entities

	Number of shares	Ownership
HI Midco AS (parent to HI Bidco AS)	1 000	100 %

### List of major shareholders in HI Midco at 31 December

Codee Holding AS	20 832 291	40,0 %
Myrild AS	10 000 000	19,2 %
Commenda AS	11 250 000	21,6 %
Lorenz AS	3 413 333	6,5 %
Strøjer AS	3 413 333	6,5 %
Hawk Invest AS	3 217 708	6,2 %
<b>Total number of shares</b>	<b>52 126 665</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 lengths principle.

PatientSky AS and Hove Medical Systems AS are indirectly controlled by Codee Holding AS.

Tyrion Eiendom AS is controlled by chairman of the board Mr. Johan Michelsen.

	2020	2019
<i>Sales</i>		
PatientSky AS	1 015	-
Tyrion Eiendom AS	-	3 500
Programvareforlaget AS	2	-
<i>Purchases of goods and services</i>		
PatientSky AS	4 084	285
Hove Medical Systems AS	-	11 612
Programvareforlaget AS	-	269
Tyrion Eiendom AS	428	-
<b>Outstanding balances from sales/purchases of goods and services</b>	<b>2020</b>	<b>2019</b>
<i>Trade and other receivables</i>		
PatientSky AS	-	163
Hove Medical Systems AS	-	-
<i>Trade and other payables</i>		
PatientSky AS	-	122
Hove Medical Systems AS	368	10 280
Programvareforlaget AS	-	208
Tyrion Eiendom AS	131	-



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## 7.2 Remuneration to Management and the Board

<b>Management remuneration</b>	<b>Salary</b>	<b>Other benefits</b>	<b>Pension premium</b>	<b>Total remuneration</b>
Ingvill Hestenes, CEO Group	2 607	321	22	2 950
Steffen Voss, CFO Group from June 2020	1 242	4	22	1 268
Ingebrikt Bjørkhaug, CFO Group to June 2020	-	960	-	960
Frode Narheim, CTO Group	1 329	179	22	1 530
Anders Kjøs, COO Convene Collection from August 2019	1 139	54	22	1 215
Børge Klakegg, CEO Credicare	966	13	51	1 030
<b>Total management remuneration</b>	<b>7 283</b>	<b>1 531</b>	<b>139</b>	<b>8 953</b>

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

### Board remuneration

Chairman	75
Directors	150



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## 7.3 Subsequent events

### **Covid-19 outbreak**

Subsequent to year-end, the spread of the Covid-19 virus and several mutations has led to further restrictions and a continued lockdown of the society. This has affected the group companies through decreased visitor levels to general practitioners and therapists and closed fitness centres in several of Norway's largest cities, resulting in lower fee income and debt collection claims handled on behalf of clients. This is counteracted by an increase in e-consultations and mobile pay transactions, and the more regional footprint of the closure of the fitness centres. The effects will also highly depend on the progress of the vaccination program in the country. As a consequence, Management currently considers the effects to have a limited impact on the groups financial position.

At the time of the presentation of the annual accounts, it is however considered not to be possible to make a reliable estimate of the consequences from the further lockdowns and restrictions, as this largely depends on the development of the pandemic, the vaccination program and the continued measures implemented by the authorities.

### **Healthcare exemption card**

From 1 January 2021, the changes to the public exemption card system (Norwegian: "frikort") came into effect. The system was previously organised via two different schemes ("egenandel 1" and "egenandel 2"),

- "Egenandel 1" was mainly related to visits at GP's, costs for medicines as well as travel expenses and had a cap of NOK 2.460.
- "Egenandel 2" was mainly to other healthcare services such as physiotherapists and dentists with a cap of NOK 2.176 to be paid by patients.

The two schemes are now combined into one scheme with a cap of NOK 2.460 to be paid by a patient during one calendar year for all the related services. At the time of the presentation of the annual accounts, it is however considered not to be possible to make a reliable estimate of the consequences due to uncomplete dataset available to the company as well as changed patient behaviour due to Covid 19 (as mentioned above). Management expects a negative impact from this change driven by a reduced number of transactions, but the effects are considered not to be material for the group's impairment considerations.

### **Changes to the Dispute Act**

As of 1 February 2021, the Norwegian authorities implemented a 50 % reduction in legal debt collection fees to NOK 586. This is estimated to have a negative impact on the groups EBITDA of MNOK 5 in 2021.



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## 8.1 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Hi Bidco AS and its subsidiaries.

### Principles of consolidation

#### *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. 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.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision makers consist of the Chairman of the board together with top management of the group, including CEO, CFO and COO in Convene Collectors group. The operating decision makers assesses the financial performance and position of the group, and makes strategic decisions.

### Foreign currency translation

#### *Functional and presentation currency*

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian currency units (NOK), which is HI Bidco's functional and presentation currency.

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as current financial assets are recognised in other comprehensive income.

#### *Group companies*

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.



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## Revenue recognition

The group generates revenues through sale of goods, rendering of services and as a lessor.

### *Lease revenues*

The group is a lessor of self-service payment terminals, mainly used within the healthcare industry. Generally the leasing contracts has a non-cancellable period of 5 years. After the initial 5 years period the contracts continues with 12 months reciprocal termination notice. The contracts have fixed monthly payments. 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.

### *Revenues from rendering of services*

The group deliver payment services, invoicing services and subsequent debt collection services.

The payment services are related to the self-service payment terminals. Depending of 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 cash. For card transactions the group earns a fixed transaction based revenue. This revenue is recognised on the transaction date.

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 produce the invoice and sends it to the debtor (customers of the group's customer). The invoice will 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 keep the invoice fee and transfers the principal to its customer. Since the group will only be entitled to compensation if the debtor pays the customer's invoice, the entire transaction price is variable. The group processes a large number of invoices with similar characteristics every month. The characteristics is 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. Experience 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.

For invoices that are not paid when due, a debt collection services 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 will only be entitled to consideration if the principal is collected on behalf of the customer. Debt collection service is a 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 owned (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 debt collection starts to legal proceedings will be initiated. During this period the group will obtain information from credit rating agencies about the individual customer. Based on this information the debtors is segmented into different categories, where different collection strategies are applied. Because of relative 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 are entitled to keep all debt collection fees and interests that has been added to the principal, while the customer will receive the original principal.

Transaction price for the debt collection services are also based on expected value. For these services the consideration that the group will be entitled to if the debtor pays, will also be dependent on when the debtor pays. The collection fees will increase in steps triggered by activities performed and time. There are four level of collection fees, including 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 represent 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 contract assets, until the group receive payment from the debtor.



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#### *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.

#### **Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially 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 liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

#### **Business combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.



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## **Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

## **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.

## **Trade 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 trade receivables.

Trade receivables are recognised initially at nominal amount, subsequent measurement will be at the same amount, less provision for impairment. See note 2.4 for further information about the group's accounting for trade receivables and note 3.4 for a description of the group's impairment policies.

## **Investments and other financial assets**

### *Classification*

The group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

### *Measurement*

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### *Debt instruments*

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments. pr 31.12.2020 all of the group debt instruments are classified as amortised cost.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective losses on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### *Impairment*

The group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.



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Income recognition

*Interest income*

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

*Dividends*

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits.

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

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. 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 in note 3.2.

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.

### **Leases**

Leases are recognized 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. 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 interest rate implicit in the lease, if that rate can be determined, or the lessee's incremental borrowing rate. 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 recognized 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 TNOK 50.

### *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 recognized 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 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.



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## **Intangible assets**

### *Goodwill*

Goodwill is measured as described in note 3.1. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (note 2.1).

### *Trademarks, licences and customer contracts*

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses 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.

### *Software*

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 and development*

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.

## **Trade and other payables**

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## **Borrowings**

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. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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.



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## **Provisions**

Provisions for legal claims, service warranties and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

## **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.

## **Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.



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Annual Report  
HI Bidco AS  
Parent company

## Income Statement

NOK '000

		HI Bidco AS	
	Note	2020	2019
Personnel expenses	10	254	
Other operating expenses	10	5 163	1 181
<b>Total operating expenses</b>		<b>5 418</b>	<b>1 181</b>
<b>Operating result</b>		<b>-5 418</b>	<b>-1 181</b>
Finance income	9	139 220	92 945
Finance costs	9	117 897	356 759
<b>Net financial items</b>		<b>21 322</b>	<b>-263 814</b>
<b>Earnings before tax</b>		<b>15 905</b>	<b>-264 995</b>
Income taxes	8	0	0
<b>Net result for the period</b>		<b>15 905</b>	<b>-264 995</b>



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## Balance Sheet

NOK '000

### HI Bidco AS

ASSETS	Note	31 December 2020	31 December 2019
<b>Financial assets</b>			
Shares in subsidiaries	1	1 630 001	1 630 001
Loans to group companies		9 646	5 000
<b>Total financial fixed assets</b>		<b>1 639 647</b>	<b>1 635 001</b>
<b>TOTAL FIXED ASSETS</b>		<b>1 639 647</b>	<b>1 635 001</b>
Trade receivables	2	24	24
Other current receivables	2	6 327	315
Intercompany receivables	2, 4	171 179	132 721
<b>Total receivables</b>		<b>177 531</b>	<b>133 060</b>
<b>Cash and cash equivalents</b>		<b>517</b>	<b>10 296</b>
<b>TOTAL CURRENT ASSETS</b>		<b>178 047</b>	<b>143 357</b>
<b>TOTAL ASSETS</b>		<b>1 817 694</b>	<b>1 778 358</b>



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## Balance Sheet

NOK '000

### HI Bidco AS

EQUITY AND LIABILITIES	Note	31 December 2020	31 December 2019
Share capital	5, 6	90	90
Share premium	5	599 950	599 950
<b>Total paid-in equity</b>		<b>600 040</b>	<b>600 040</b>
Retained earnings	5	-275 604	-291 509
<b>Total retained earnings</b>		<b>-275 604</b>	<b>-291 509</b>
<b>TOTAL EQUITY</b>		<b>324 436</b>	<b>308 531</b>
Intragroup loans	2, 3, 4	77 236	63 848
Bond loan	3	1 326 055	1 312 629
Liabilities to financial institutions	3	74 625	74 557
<b>Total non-current liabilities</b>		<b>1 477 916</b>	<b>1 451 033</b>
Trade payables	3	371	223
Other current liabilities	3	14 971	18 570
<b>Total current liabilities</b>		<b>15 342</b>	<b>18 793</b>
<b>TOTAL LIABILITIES</b>		<b>1 493 258</b>	<b>1 469 826</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 817 694</b>	<b>1 778 358</b>

Oslo, 29 April 2021

DocuSigned by:  
*Johan Michelsen*  
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Johan Bernt Michelsen,  
Chairman of the Board

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Board member

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Ingvill Hestenes,  
CEO



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## Cash flow

NOK '000	Notes	HI Bidco AS	
		2020	2019
Profit before income tax		15 905	(264 995)
Adjustments for;			
Impairment		-	225 000
Increase/decrease in trade receivables		(0)	-
Increase/decrease in trade payables		147	(19)
Change in accruals, other current assets and liabilities		(34 574)	(23 532)
<b>Net cash flow from operating activities</b>		<b>(18 521)</b>	<b>(63 546)</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>
Cash flow from financing activities			
Proceeds from long term loans	2	-	-
Change in group loans	3	8 742	72 600
<b>Net cash flow from financing activities</b>		<b>8 742</b>	<b>72 600</b>
<b>Net increase in cash and cash equivalents</b>		<b>(9 780)</b>	<b>9 053</b>
Cash and cash equivalents at beginning of year		10 297	1 243
<b>Cash and cash equivalents at the end of year</b>		<b>517</b>	<b>10 297</b>



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## Accounting principles

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

### *Use of estimates*

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 Bidco 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 recognized 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**

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.

the asset.

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



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## **Fixed assets**

Land is not depreciated. Other fixed 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 fixed 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.

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.

## **Long term contracts**

Work in progress on long term fixed-price contracts is valued according to the percentage of completion method. The degree of completion is calculated as expenses incurred as a percentage of estimated total expense. Total expenses are reviewed on a regular basis. If projects are expected to result in losses, the total estimated loss is recognised immediately.

## **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**

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**

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.



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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.



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## Note 1 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
Helseinnovasjon AS	Sandane	100 %	383 805	-1 373	1 630 001
Balance sheet value 31.12.					<b>1 630 001</b>

## Note 2 Trade receivables and other receivables

Trade receivables	2020	2019
Other current receivables	6 327	315
Trade receivables	24	24
Bad debts provision	0	0
<b>Trade debtors in the balance sheet</b>	<b>6 351</b>	<b>339</b>
Intercompany receivables	171 179	132 721
<b>Total receivables</b>	<b>177 531</b>	<b>133 060</b>

## Note 3 Liabilities

Specification of bond loan	Issue amount	Book Value	Coupon rate	Maturity date
Senior secured callable bond	1 000 000	982 794	3 month NIBOR + 5.5%	30.10.2022
2nd Lien Bond	350 000	343 260	3 month NIBOR + 8%	30.01.2023
<b>Credit facilities</b>	<b>Issue amount</b>	<b>Book Value</b>	<b>Interest rate</b>	<b>Maturity date</b>
RCF	75 000	74 625	6 month NIBOR + 4.75%	31.12.2021

Contractual maturities of financial liabilities					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>At December 2020</b>						
<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
Trade and other payables	15 342	-	-	-	15 342	15 342
Intragroup loans	-	-	77 236	-	183 531	183 531
<b>Total non-derivatives</b>	<b>15 342</b>	<b>1 075 000</b>	<b>427 236</b>	<b>-</b>	<b>1 623 873</b>	<b>1 599 553</b>

Contractual maturities of financial liabilities					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>At December 2019</b>						
<b>Non-derivatives</b>						
Senior secured callable bond	-	-	1 000 000	-	1 000 000	972 480
2nd Lien Bond	-	-	350 000	-	350 000	340 149
RCF Pareto Securities	-	75 000	-	-	75 000	74 557
Trade and other payables	18 793	-	-	-	18 793	18 793
Intragroup loans	-	-	63 848	-	175 472	175 472
<b>Total non derivatives</b>	<b>126 423</b>	<b>83 738</b>	<b>1 530 147</b>	<b>-</b>	<b>1 715 753</b>	<b>1 701 077</b>



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*(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 2020 reporting period.

*(iii) Fair value*

Material differences between fair value and carrying amount are identified for the following borrowings:

- Senior secured callable bond with carrying amount MNOK 983 (nominal value MNOK 1 000) has been traded in the bond market with a discount relative to nominal value.

- 2nd lien bond with carrying amount MNOK 343 (nominal value MNOK 350) has been traded in the bond market with a discount relative to nominal value.

<b>Note 4</b>		
<b>Balance with group companies, etc.</b>		
	<b>Trade receivables</b>	
	<b>2020</b>	<b>2019</b>
Group companies	24	24
Associated companies	0	0
<b>Total</b>	<b>24</b>	<b>24</b>
	<b>Other receivables</b>	
	<b>2020</b>	<b>2019</b>
Group companies	171 179	132 721
Associated companies	0	0
<b>Total</b>	<b>171 179</b>	<b>132 721</b>
	<b>Other long term liabilities</b>	
	<b>2020</b>	<b>2019</b>
Group companies	77 236	63 848
Associated companies	0	0
<b>Total</b>	<b>77 236</b>	<b>63 848</b>

<b>Note 5</b>					
<b>Shareholders' equity</b>					
	<b>Share capital</b>	<b>Share premium</b>	<b>Other paid-in equity</b>	<b>Other equity</b>	<b>Total</b>
Equity 01.01	90	599 950	0	-291 509	308 531
Profit for the period				15 905	15 905
<b>Equity 31.12.</b>	<b>90</b>	<b>599 950</b>	<b>0</b>	<b>-275 604</b>	<b>324 436</b>

<b>Note 6</b>		
<b>Share capital and shareholder information</b>		
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 consists of 1 000 shares with nominal value of NOK 90 each.		
<b>List of major shareholders at 31.12.</b>	<b>Number of shares</b>	<b>Ownership</b>
HI Midco AS	1 000	100 %
Total number of shares	1 000	100 %

<b>Note 7</b>	
<b>Pensions</b>	
HI Bidco AS does not have any employees.	



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<b>Note 8</b>		<b>Taxes</b>		
<b>Basis for income tax expense, changes in deferred tax and tax payable</b>		<b>2020</b>	<b>2019</b>	
Result before taxes		15 905	-264 995	
Permanent differences			225 000	
Allocation of loss to be brought forward		-15 905		
<b>Basis for the tax expense for the year</b>		<b>0</b>	<b>-39 995</b>	
Change in temporary differences		0	0	
<b>Basis for payable taxes in the income statement</b>		<b>0</b>	<b>-39 995</b>	
+/- Group contributions received/given		0	0	
<b>Taxable income (basis for payable taxes in the balance sheet)</b>		<b>0</b>	<b>-39 995</b>	
<b>Components of the income tax expense</b>				
Payable tax on this year's result		-30 088	-20 332	
Tax effect on group contribution		30 088	20 332	
<b>Total payable tax</b>		<b>0</b>	<b>0</b>	
Change in deferred tax based on original tax rate		0	0	
Change in deferred tax due to change in tax rate		0	0	
<b>Tax expense</b>		<b>0</b>	<b>0</b>	
<b>Payable taxes in the balance sheet</b>		<b>2020</b>	<b>2019</b>	
Payable tax in the tax charge		0	-39 995	
Deferred tax not booked		0	39 995	
<b>Payable tax in the balance sheet</b>		<b>0</b>	<b>0</b>	
		<b>2020</b>	<b>2019</b>	<b>Change</b>
Accumulated loss to be brought forward		-50 604	-66 509	15 905
Not included in the deferred tax calculation		50 604	66 509	-15 905
<b>Deferred tax assets (22%)</b>		<b>0</b>	<b>0</b>	<b>0</b>

Deferred tax is not recognized in the balance sheet.

<b>Note 9</b>		<b>Specification of financial income and expenses</b>		
<b>Financial income</b>		<b>2020</b>	<b>2019</b>	
Interest income from group companies		2 445		
Other financial income		136 762	92 934	
Other interest income		12	11	
<b>Total financial income</b>		<b>139 220</b>	<b>92 945</b>	
<b>Financial expenses</b>		<b>2020</b>	<b>2019</b>	
Interest expenses to group companies		3 037	1 673	
Other financial expenses		114 860	130 087	
Impairment of long term investments		0	225 000	
<b>Total financial expenses</b>		<b>117 897</b>	<b>356 759</b>	

An impairment of MNOK 225 of the shares in Helseinnvasjon AS was recognized in 2019. This should be seen in conjunction with the impairment of goodwill in the consolidated accounts.

<b>Note 10</b>		<b>Payroll expenses, number of employees, remunerations, loans to employees, etc.</b>		
HI Bidco AS does not have any employees.				
<b>Expensed audit fee</b>		<b>2020</b>	<b>2019</b>	
Statutory audit (incl. technical assistance with financial statements)		1 149	826	
Other assistance (to be specified)			135	
<b>Total audit fees</b>		<b>1 149</b>	<b>961</b>	

Other assistance is related to changes in the legal structures of the Group.



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## Responsibility statement

We confirm that, to the best of our knowledge, the consolidated financial statements for the year ended 31 December 2020 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 2020 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, 29 April 2021

DocuSigned by:  
*Johan Michelsen*  
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**JOHAN B. MICHELSEN**  
Chairman

DocuSigned by:  
*Nils Petter Skaset*  
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**NILS PETTER SKASET**  
Board member

DocuSigned by:  
*Ingvill Hestenes*  
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**INGVILL HESTENES**  
CEO



To the General Meeting of HI Bidco AS

## *Independent Auditor's Report*

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

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#### *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 2020, 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 balance sheet as at 31 December 2020, 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 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 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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#### *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.

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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 - HI Bidco AS



*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.

Impairment of goodwill and accrued revenue contains the same characteristics and risks as last year and continue to be important focus areas to our audit.

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 1 299 million, is subject to an impairment review when impairment indicators are present and at least annually as required by IFRS. No impairment was recognized in 2020.</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 future revenue, costs and level of reinvestment needed.</p> <p>See Note 3.4 <i>Impairment considerations</i> where management explains how they account for goodwill and their impairment test.</p>	<p>We obtained management's impairment review. The review included documentation about how management assessed cash generating units (CGUs). We satisfied ourselves that the impairment review contained the elements required by IFRS. We have also tested the mathematical accuracy of the impairment model.</p> <p>We challenged management's assumptions on future revenues, costs and level of reinvestment. Our assessment included using historical financial data, future budgets approved by management and other available from external sources such as relevant benchmarks for growth.</p> <p>We evaluated the discount rate used by management by reviewing the elements in the calculation of the discount rate against internal and external information.</p> <p>Based on our audit procedures we found management's assumptions reasonable.</p> <p>Finally, we considered the adequacy of Financial Statements disclosures in note 3.4 and found them appropriate.</p>
<p><i>Accrued revenue</i></p> <p>The majority of the group's revenue have a variable consideration in the form of a no cure; no pay arrangement. As a consequence, it is necessary to estimate whether parts of the revenue are earned and then accrue for that part of the revenue. The Accrued revenue amount to NOK 111 million in the balance sheet.</p> <p>We consider accrued revenue to be a Key Audit Matter due to the level of judgement made by the management each period related to the estimate of</p>	<p>We obtained management's documentation and calculation of the estimated Accrued revenue. The documentation contained a portfolio of claims with resolution rates, based on experience data, in each step of the debt collection process also including invoice fee and reminder fee.</p> <p>We made inquiries and tested how management extract data to find resolution rates and outstanding volume of claims. We reconciled management documentation with the general ledger. We evaluated the volume of outstanding claims by requesting supporting documentation from the ERP system. Furthermore, we</p>

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## Independent Auditor's Report - HI Bidco AS



transaction price and measure of progress. Accrued revenue consists of invoice fee, reminder fee and debt collection fee. The financial statements are most sensitive to management judgment related to the estimates of the transactions price for the debt collection services. The probabilities of a favorable outcome are based on experience data. Empirical data has been used to estimate resolution rates for invoice fee.

See note 2.2 and note 8.1 for further information about calculation of Accrued revenue.

made a sample to test the details in the supporting documentation against underlying data.

We evaluated the resolution rates by requesting supporting documentation for the calculations. We recalculated the resolution rates and challenged management's judgement on how they are calculated. The evaluation contains assessment of the adequacy of the length of period of the experience data in each step of collection process.

Based on our audit procedures we found management's assumptions reasonable.

Finally, we considered the adequacy of Financial Statements disclosures in note 2.2 and 8.1 and found them appropriate.

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### *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.

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### *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 a true and fair view of the financial statements of the Company 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 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

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## Independent Auditor's Report - HI Bidco AS



Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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.
- 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.

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Independent Auditor's Report - HI Bidco AS



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 Board of Directors 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.

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

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#### *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 and in the statements on Corporate Governance and Corporate Social Responsibility 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.

Trondheim, 29 April 2021  
**PricewaterhouseCoopers AS**

Kjetil Smørdal  
State Authorised Public Accountant

(This document is signed electronically)

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 Securely signed with Brevio

Revisjonsberetning

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Smørødal, Kjetil	BANKID_MOBILE	2021-04-29 14:42

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