Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Lasse Sten
Dato for fastsettelse av årsregnskapet:	05.05.2022

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 28.05.2023

Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	5		370 000
Sum inntekter			**370 000**
Kostnader			
Lønnskostnad	2	1 738 000	1 228 000
Annen driftskostnad	2, 5	12 245 000	1 925 000
Sum kostnader		**13 983 000**	**3 153 000**
Driftsresultat		**-13 983 000**	**-2 783 000**
Finansinntekter og finanskostnader			
Annen renteinntekt	3, 5	9 967 000	767 000
Annen finansinntekt	3	460 000	
Sum finansinntekter		**10 427 000**	**767 000**
Annen rentekostnad	3, 5, 10	17 410 000	11 331 000
Annen finanskostnad	3, 10	479 000	5 000
Sum finanskostnader		**17 889 000**	**11 336 000**
Netto finans		**-7 462 000**	**-10 569 000**
Ordinært resultat før skattekostnad		**-21 445 000**	**-13 352 000**
Skattekostnad på ordinært resultat	4	-4 339 000	-2 937 000
Ordinært resultat etter skattekostnad		**-17 106 000**	**-10 415 000**
Årsresultat		**-17 106 000**	**-10 415 000**

Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	4	13 138 000	8 799 000
Sum immaterielle eiendeler		**13 138 000**	**8 799 000**
Finansielle anleggsmidler			
Investering i datterselskap	7	142 806 000	142 806 000
Lån til foretak i samme konsern	5	239 223 000	0
Andre fordringer	10	6 524 000	
Sum finansielle anleggsmidler		**388 553 000**	**142 806 000**
Sum anleggsmidler		**401 691 000**	**151 605 000**
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	5	1 908 000	28 641 000
Sum fordringer		**1 908 000**	**28 641 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		92 908 000	320 573 000
Sum bankinnskudd, kontanter og lignende		**92 908 000**	**320 573 000**
Sum omløpsmidler		**94 816 000**	**349 214 000**
SUM EIENDELER		**496 507 000**	**500 819 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	8,9	11 420 000	11 383 000
Overkurs	8	415 879 000	414 652 000

Balanse

Beløp i: NOK	Note	2021	2020
Sum innskutt egenkapital		**427 299 000**	**426 035 000**
Opptjent egenkapital			
Annen egenkapital	8	-32 613 000	-15 508 000
Sum opptjent egenkapital		**-32 613 000**	**-15 508 000**
Sum egenkapital		**394 686 000**	**410 527 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	94 844 000	87 344 000
Sum annen langsiktig gjeld		**94 844 000**	**87 344 000**
Sum langsiktig gjeld		**94 844 000**	**87 344 000**
Kortsiktig gjeld			
Leverandørgjeld	5	3 747 000	1 235 000
Skyldige offentlige avgifter		74 000	0
Annen kortsiktig gjeld		3 156 000	1 713 000
Sum kortsiktig gjeld		**6 977 000**	**2 948 000**
Sum gjeld		**101 821 000**	**90 292 000**
SUM EGENKAPITAL OG GJELD		**496 507 000**	**500 819 000**

Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	5, 6	177 162 000	124 795 000
Sum inntekter		**177 162 000**	**124 795 000**
Kostnader			
Varekostnad	5	4 076 000	1 254 000
Lønnskostnad	5, 7, 11	154 983 000	106 304 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	10, 12, 13	50 105 000	26 811 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	10	52 761 000	
Annen driftskostnad	5, 8	43 089 000	22 331 000
Transaksjonsrelaterte kostnader	5, 8	3 404 000	13 830 000
Sum kostnader		**308 418 000**	**170 530 000**
Driftsresultat		**-131 256 000**	**-45 735 000**
Finansinntekter og finanskostnader			
Annen finansinntekt	9	1 433 000	1 109 000
Sum finansinntekter		**1 433 000**	**1 109 000**
Annen finanskostnad	9	23 410 000	17 035 000
Sum finanskostnader		**23 410 000**	**17 035 000**
Netto finans		**-21 977 000**	**-15 926 000**
Ordinært resultat før skattekostnad		**-153 233 000**	**-61 661 000**
Skattekostnad på ordinært resultat	23	-32 398 000	-7 448 000
Ordinært resultat etter skattekostnad		**-120 835 000**	**-54 213 000**
Årsresultat		**-120 835 000**	**-54 213 000**
Omregningsdifferanser		-1 420 000	-116 000
Sum resultatkomponenter for IFRS-foretak		-1 420 000	-116 000
Totalresultat		**-122 255 000**	**-54 329 000**

Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
Overføringer og disponeringer			
Udekket tap		-122 255 000	-54 329 000
Sum overføringer og disponeringer		**-122 255 000**	**-54 329 000**

Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Immaterielle eiendeler	10, 28	231 895 000	137 481 000
Utsatt skattefordel	23	35 058 000	9 930 000
Rett-til-bruk eiendeler	12	22 718 000	10 169 000
Sum immaterielle eiendeler		**289 671 000**	**157 580 000**
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	13	838 000	946 000
Sum varige driftsmidler		**838 000**	**946 000**
Finansielle anleggsmidler			
Andre fordringer	20	7 071 000	578 000
Sum finansielle anleggsmidler		**7 071 000**	**578 000**
Sum anleggsmidler		**297 580 000**	**159 104 000**
Omløpsmidler			
Varer			
Varer	14	184 000	188 000
Sum varer		**184 000**	**188 000**
Fordringer			
Kundefordringer og andre fordringer	15	30 897 000	11 999 000
Kontraktseiendeler	11	32 154 000	25 276 000
Sum fordringer		**63 051 000**	**37 275 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	16	143 049 000	346 680 000
Sum bankinnskudd, kontanter og lignende		**143 049 000**	**346 680 000**
Sum omløpsmidler		**206 284 000**	**384 143 000**
SUM EIENDELER		**503 864 000**	**543 247 000**

Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	17	11 420 000	11 383 000
Overkurs		438 716 000	437 489 000
Annen innskutt egenkapital		-233 626 000	-111 372 000
Sum innskutt egenkapital		**216 510 000**	**337 500 000**
Sum egenkapital		**216 510 000**	**337 500 000**
Gjeld			
Langsiktig gjeld			
Langsiktig leasingforpliktelse	12	15 913 000	5 818 000
Andre langsiktige forpliktelser	20, 22	22 781 000	3 635 000
Sum avsetninger for forpliktelser		**38 694 000**	**9 453 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	20	95 781 000	89 532 000
Sum annen langsiktig gjeld		**95 781 000**	**89 532 000**
Sum langsiktig gjeld		**134 475 000**	**98 985 000**
Kortsiktig gjeld			
Leverandørgjeld		5 320 000	3 920 000
Skyldige offentlige avgifter		22 335 000	16 421 000
Kortsiktig leasingforpliktelse	12	8 197 000	5 322 000
Uopptjent inntekt	6	77 229 000	63 120 000
Annen kortsiktig gjeld	22	39 798 000	17 978 000
Sum kortsiktig gjeld		**152 879 000**	**106 761 000**
Sum gjeld		**287 354 000**	**205 746 000**
SUM EGENKAPITAL OG GJELD		**503 864 000**	**543 246 000**

HOUSE OF CONTROL

HOC Group - Consolidated Financial Statement 2021 (Group).pdf

Signers:

Name/Phone	*Method*	*Date*
Hagen, Erik Fjellvær	BANKID	2022-03-23 16:54
Vik, Jostein	BANKID	2022-03-23 19:20
Thaulow, Heidi Gjersø	BANKID	2022-03-23 20:13
Stoltz, Radmila Nenad	BANKID_MOBILE	2022-03-23 17:21
Bauer, Øyvind Skeie	BANKID_MOBILE	2022-03-23 16:53
Sten, Lasse	BANKID_MOBILE	2022-03-23 17:15

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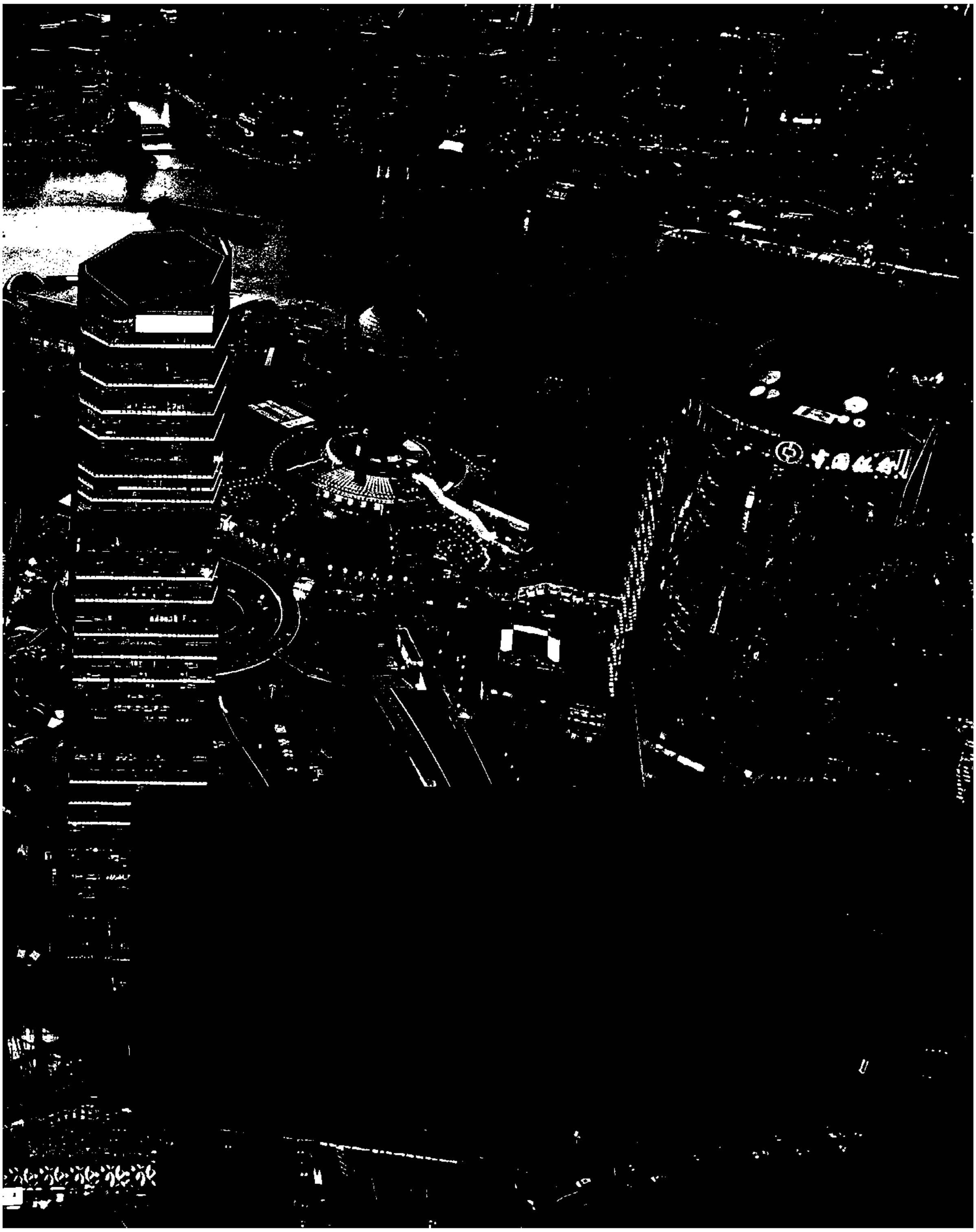

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 January - 31 December

NOK 1000	Note	2021	2020
Revenue	5, 6	177 162	124 795
Total operating revenue		**177 162**	**124 795**
Operational service expenses	5	4 076	1 254
Personnel expenses	5, 7, 11	154 982	106 304
Other operating expenses	5, 8	43 089	22 331
Transaction related costs	5, 8	3 404	13 830
Total operating expenses before depreciation and amortization		**205 551**	**143 719**
Earnings before interest, tax, depreciation and amortization ("EBITDA")		**-28 389**	**-18 924**
Depreciation and amortization	10, 12, 13	50 105	26 811
Impairment losses	10	52 761	-
Operating profit / (loss)		**-131 256**	**-45 735**
Financial income	9	1 433	1 109
Financial expenses	9	23 410	17 035
Net financial items		**-21 977**	**-15 926**
Profit / (Loss) before income tax		**-153 233**	**-61 661**
Income tax expense (income)	23	-32 398	-7 448
Profit / (Loss) for the year		**-120 835**	**-54 213**
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Translation differences on foreign operations		-1 420	-115
Other comprehensive income (loss)		**-1 420**	**-115**
Total comprehensive income (loss) for the year		**-122 255**	**-54 329**
Earnings per share in NOK			
Basic earnings per share	24	-2,12	-1,41
Diluted earnings per share	24	-2,12	-1,41
Profit / (Loss) attributable to			
Equity holders of the parent company		-120 835	-54 213
Non-controlling interests		-	-
Total		**-120 835**	**-54 213**
Total comprehensive income attributable to			
Equity holders of the parent company		-122 255	-54 329
Non-controlling interests		-	-
Total		**-122 255**	**-54 329**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December

NOK 1000	Note	2021	2020
Assets			
Intangible assets including goodwill	10, 28	231 895	137 480
Property, plant and equipment	13	838	946
Right-of-use assets	12	22 718	10 169
Deferred tax assets	23	35 058	9 930
Other non-current receivables	20	7 071	578
Total non-current assets		**297 580**	**159 104**
Cost to obtain contracts	11	32 155	25 277
Inventories	14	184	188
Trade and other receivables	15	30 897	11 999
Cash and cash equivalents	16	143 049	346 680
Total current assets		**206 284**	**384 143**
Total assets		**503 864**	**543 246**
Equity and Liabilities			
Share capital	17	11 420	11 383
Other paid in equity		438 716	437 489
Other equity		-233 626	-111 371
Total equity		**216 510**	**337 500**
Interest bearing debt	20	95 781	89 532
Non-current lease liabilities	12	15 913	5 818
Other non-current liabilities	20, 22	22 781	3 635
Total non-current liabilities		**134 475**	**98 985**
Current lease liabilities	12	8 198	5 322
Deferred revenue	6	77 229	63 120
Trade and other payables		5 320	3 920
Public duties payable		22 335	16 421
Other current liabilities	22	39 798	17 978
Total current liabilities		**152 880**	**106 761**
Total liabilities		**287 355**	**205 746**
Total equity and liabilities		**503 864**	**543 246**

The Board of Directors of House of Control Group AS
Høvik, 23 March 2022

Jostein Vik Chairman of the board	**Lasse Sten** General manager	**Radmila Nenad Stoltz** Member of the board
Heidi Gjersø Thaulow Member of the board	**Øyvind Skeie Bauer** Member of the board	**Erik Fjellvær Hagen** Member of the board

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Paid-in equity		Other equity		
NOK 1000	Note	Share capital	Other Paid in equity	Other reserves	Retained earnings	Total equity
Equity as at 1 January 2020		**6 409**	**46 519**	**-279**	**-56 763**	**-4 114**
Profit (Loss) for the year		-	-	-	-54 213	-54 213
Translation differences		-	-	-115	-	-115
Total comprehensive income for the year		**-**	**-**	**-115**	**-54 213**	**-54 329**
Issuance of shares related to the acquisition of DinERP		1 536	47 085	-	-	48 621
Employee share options	18	-	11 533	-	-	11 533
Capital increases (net of transaction costs)	17	3 438	332 352	-	-	335 789
Transactions with owners		**4 973**	**390 970**	**-**	**-**	**395 943**
Equity as at 31 December 2020		**11 383**	**437 489**	**-394**	**-110 977**	**337 500**
Equity as at 1 January 2021		**11 383**	**437 489**	**-394**	**-110 977**	**337 500**
Profit (Loss) for the year		-	-	-	-120 835	-120 835
Translation differences		-	-	-1 420	-	-1 420
Total comprehensive income for the year		**-**	**-**	**-1 420**	**-120 835**	**-122 255**
Capital increases (net of transaction costs)	17	37	1 227	-	-	1 264
Employee share options	18	-		-	-	-
Transactions with owners		**37**	**1 227**	**-**	**-**	**1 264**
Equity as at 31 December 2021		**11 420**	**438 716**	**-1 815**	**-231 812**	**216 510**

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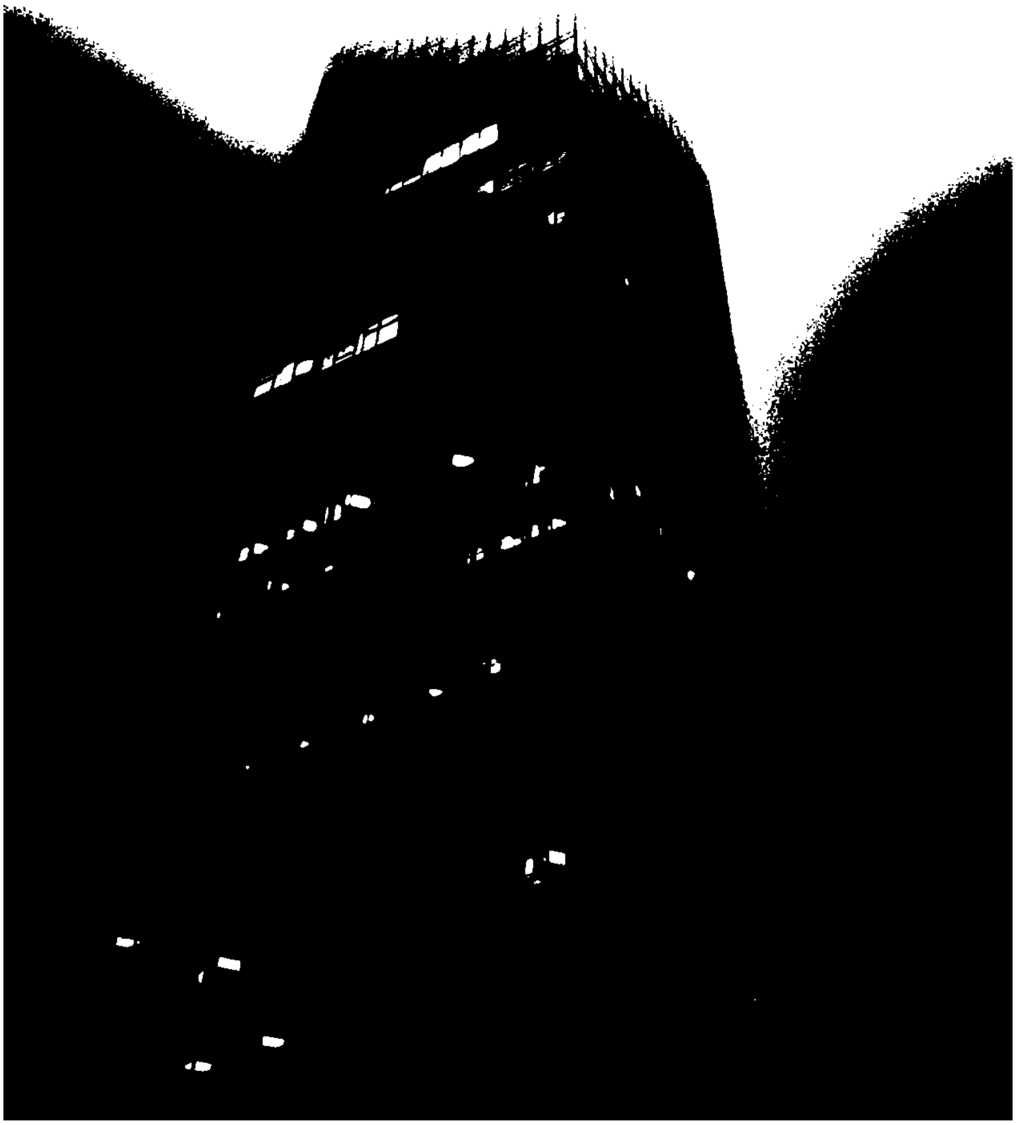
CONSOLIDATED STATEMENT OF CASH FLOWS

1 January - 31 December

NOK 1000	Note	2021	2020
Cash flow from operating activities			
Profit/(Loss) before tax		-153 233	-61 661
Taxes paid		-209	-
Depreciation and amortization	10, 12, 13	50 105	26 811
Impairment losses	10, 30	52 761	-
Non-cash employee benefits expense – share-based payments	18	-	10 816
Interest and other financial items	9	15 318	12 712
Changes in inventories	14	4	31
Changes in trade receivables	15	-7 446	278
Changes in trade payables		-705	-881
Changes in other current balance sheet items		12 637	1 332
Net cash flow from operating activities		**-30 768**	**-10 562**
Cash flow from investing activities			
Payments for internally generated intangible assets	10	-33 099	-17 668
Purchase of tangible assets	13	-222	-549
Payment for acquisition of subsidaries, net of cash acquired	26	-98 178	-2 416
Change in other non-current receivables		-	-418
Changes in other non-current liabilities	26	-6 493	-
Net cash flow from investing activities		**-137 992**	**-21 050**
Cash flow from financing activities			
Net proceeds from borrowings	16	-	20 000
Repayment of borrowings	16	-11 806	-31 153
Principal element of lease payments	12	-6 742	-4 161
Interest element of lease payment	12	-1 928	-1 121
Financing costs of long term loans		-3 041	-6 427
Interest payment on long term loans	9	-13 391	-11 578
Net proceeds from share issuance		1 264	331 112
Net cash flow from financing activities		**-35 644**	**296 672**
Exchange gains/(losses) on cash and cash equivalents		**773**	**11**
Net change in cash and cash equivalents		-203 631	265 071
Cash and cash equivalents at 1 January		346 680	81 609
Cash and cash equivalents at 31 December		**143 049**	**346 680**



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CONTENTS – NOTES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Reporting entity
The reporting entity reflected in these consolidated financial statements comprises House of Control Group AS (the "Company") and consolidated subsidiaries (the "Group"). The parent company, House of Control Group AS, is a publicly listed company on the Euronext Growth in Oslo. The Group's corporate headquarter is at Høvik, Norway.

The Group has operations in Norway, Sweden and Denmark and develops and sells Software-as-a-Service ("SaaS") solutions providing financial control and facilitating optimization of business processes.

The consolidated financial statements were approved by the Board on 23 March 2022.

Note 2 - Basis for preparation
The consolidated financial statements of House of Control Group AS and its subsidiaries are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) effective as of 31 December 2021. The Group also provides disclosures as specified under the Norwegian Accounting Act ("Regnskapsloven").

The financial statements are prepared on a historical cost basis, except for certain assets, liabilities and financial instruments, which are measured at fair value. Preparation of the financial statements, including the note disclosures, requires management to make estimates and assumptions that affect amounts reported. Actual results may differ. Slight rounding differences may occur between the financial statements and the note disclosures.

The functional currency of House of control Group AS is the Norwegian krone (NOK). The Group's financial statements are presented in NOK thousands, except when otherwise stated.

Note 3 - Significant accounting policies
The following descriptions of accounting principles applies to House of Control Group AS's 2021 IFRS financial reporting, including all comparative figures. See below for a discussion related to changes in accounting policies and new pronouncements not yet adopted and for a discussion of significant estimates and judgments.

Basis of consolidation
The consolidated financial statements include House of Control Group AS and subsidiaries, which are entities in which the Company has the power to govern the financial and operating policies of the entity (control). Control is normally achieved through ownership, directly or indirectly, of more than 50% of the voting power. The Company has 100% of the voting power in all group subsidiaries. Subsidiaries are included from the date control commences until the date control ceases.

Intercompany transactions and balances have been eliminated. Profit and loss resulting from intercompany transactions have been eliminated.

Business combinations
Business combinations are accounted for according to IFRS 3 using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value according to IFRS 13. Acquisition-related costs are expensed as incurred and included in transaction related costs.

The acquiree's identifiable assets, liabilities and contingent liabilities are recognized sep-

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arately at the acquisition date at their fair value irrespective of any non-controlling interest, and goodwill recognized to the extent the consideration exceeds identified net assets.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. The contingent consideration is considered to be a financial instrument and within the scope of IFRS 9 Financial Instruments and any changes in fair value between the initial recognition and the payment date is recognized in the statement of comprehensive income.

After the acquisition date, the accounting policies of the acquired entity are applied consistently with the Group's policies.

Foreign currency transactions
Transactions in foreign currencies are initially recorded in the functional currency of the transacting entity by applying the rate of exchange as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity at the rate of exchange at the balance sheet date. Net currency gains or losses are included in Financial items.

Foreign currency translation
For consolidation purposes, the financial statements of subsidiaries with a functional currency other than the presentation currency of the Norwegian krone (NOK) are translated into NOK. Assets and liabilities are translated using the rate of exchange as of the balance sheet date. Income, expenses and cash flows are translated using the average exchange rate for the reported period.

Translation adjustments are recognized in Other comprehensive income and accumulated in Other reserves in Other equity. On disposal of such subsidiary the cumulative translation adjustment of the disposed entity is recognized in the Statement of Comprehensive Income as part of the gain or loss on disposal.

Statement of cash flows
The Group uses the indirect method to present cash flows from operating activities. Interest and dividends received are included in cash flow from investing activities, while interest and other finance charges related to the financing are included in cash flows from financing activities.

Measurement of fair value
The Group measures certain assets and liabilities at fair value for the purposes of recognition or disclosure. Non-recurring fair value measurement is used for transactions, such as business combinations, contingent consideration, and other non-routine transactions. The Group does not have any recurring fair value measurement as the Group does not have any derivative financial instruments, material equity investments or other similar financial assets or liabilities that are measured at fair value.

Revenue
The Group accounts for revenue in accordance with IFRS 15 Revenue from Contracts with Customers. IFRS 15 requires the reporting entity, for each contract with a customer, to identify the performance obligations, determine the transaction price, allocate the transaction price to performance obligations to the extent the contract covers more than one performance obligation, determine whether revenue should be recognized over time or at a point in time, and, finally,

recognize revenue when or as performance obligations are satisfied. A performance obligation is satisfied when or as the customer obtains control of the goods or services delivered.

Software license fees
The Group's revenue mainly relates to license fees, which are typical SaaS contracts consisting of a software licensing model where software is licensed on a subscription basis and centralized on the Group's platform. License fees are considered as "right to access" licenses, since the customers cannot take possession of the software. Therefore, revenue related to subscription fees are recognized over time in accordance with the applicable contract period. The annual subscription fee is paid in advance and recognized as deferred revenues until the performance obligation is satisfied.

Software initialization fees
Customer contracts also includes initialization fees related to start up services. Initial fees that are assessed as separate performance obligations distinct from the main delivery in the contract, are recognized at the point in time when delivered to the customer. The initialization fee is invoiced when the related contract is signed.

Rendering of other services
The Group also provide additional consultancy services beyond the main contract that consist of special customization or additional services for customers. Such consultancy is considered as separate performance obligation distinct from the main contract and are recognized point in time when the services are performed. Other services are invoiced after the service are performed.

Operational service expenses
External costs that are directly related to subscription fees and direct sales are classified as operational service expense to reflect the actual external expenses of sales. Operational service expenses include expenses for hosting of servers and security, and changes in inventory as cost of goods sold. Payroll costs for employees in the Group's sales and customer support divisions are classified as Personell expenses.

Personnel expenses
Payments to employees, such as wages, salaries, social security contributions, paid annual leave and bonus agreements are accrued in the period in which the associated services are rendered by the employee. Post-employment benefits are recognized in accordance with IAS 19 Employee Benefits. Contributions to defined contribution plans are recognized as an expense in the period in which they accrue.

Financial income and financial expenses
Financial income includes interest earned on bank accounts and other interest-bearing financial assets, as well as net foreign currency exchange gains. Financial expense includes interest expense related to lease liabilities and interest expense on loans. Financial expense also includes net foreign currency exchange losses.

Share based payment
The Group has a share-based payment program for certain of its employees. The plan is an equity-settled plan where the Group receives services from the employees as consideration for equity instruments in the Company. The fair value of the related instrument is measured at the grant date of the instrument and recognized as a personnel expense over the vesting period.

Depreciation and amortization
Depreciation includes the reporting period's depreciation expense on property, plant and equipment as well as the depreciation for the period on right-of-use assets and any impairment charges that have been recognized on these asset

classes. Amortization relates to the definite useful life of intangible assets.

Earnings per share
Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated by dividing net profit or loss for the year attributable to ordinary equity holders of the Company, adjusted for the effects of all dilutive potential ordinary shares.

Cost to obtain contracts
The Group capitalize incremental costs of obtaining a contract, if the Group expects to recover the costs. Incremental costs include costs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained and includes direct sales commissions to the seller and to the team leader. The capitalized costs are amortized over the average length of the initial contract period, currently about 33 months, as a personnel expense.

Intangible assets
Costs related to development activities are capitalized to the extent that the product or the process is technically and commercially viable and the Group has sufficient resources to complete the development project. Cost related to research activities are expensed as incurred. Costs that are capitalized include costs of material and external suppliers, direct salaries and other expenditure only if it can be directly attributed to prepare the product or process for its use. Intangible assets acquired in a business combination are recognized at fair value separately from goodwill when they arise from contractual or legal rights or can be separated from the acquired entity and sold or transferred.

Intangible assets with a definite life are amortized on a straight-line basis over the estimated useful life of the asset.

Goodwill
Goodwill is an intangible asset which may not individually be recognized as an intangible asset due to the requirements in IAS 38. The value of goodwill is primarily related to synergies, assembled workforce and their competency to generate and commercialize new technology as well as high growth expectations. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized, but subject to impairment testing. The testing is performed annually at 31 December and when circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Impairment is determined by assessing the recoverable amount of each CGU to which goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Property, plant and equipment
Property, plant and equipment consists of fixture and fittings, tools and office equipment and are recognized at acquisition cost. Acquisition cost is the amount of cash paid or the fair value of other consideration given to acquire the asset and includes any import duties less any trade discounts or rebates. The carrying value is comprised of the historical cost less accumulated depreciation and any accumulated impairment losses (if any). Depreciation expenses are measured on a straight-line basis over the estimated useful life of the asset, commencing when the asset is ready for its intended use. At each closing date, the Group reviews the residual value and useful life of its assets, with any estimate changes accounted for prospectively over the remaining useful life of the asset.

Inventory
Inventory consists of finished goods used in delivering services to customers and consists primarily of security label stickers. Inventory is measured at the lower of cost and net realizable value. Net realizable value is the net amount the Group expects to realize from the sale of the inventory in the ordinary course of business. The cost of inventories includes all costs of purchase incurred to bring the inventory to its location for use in delivery to customers.

Accounts receivable
Accounts receivable is a financial asset initially recognized at transaction price, subsequently accounted for at amortized cost and are reviewed for impairment on an ongoing basis based on a lifetime expected credit loss model (ECL). Individual accounts are assessed for impairment taking into consideration indicators of financial difficulty and management assessment.

Cash and cash equivalents
Cash and cash equivalents include cash, bank deposits and all other monetary instruments with a maturity of less than three months from the date of acquisition. Bank deposits earn interest at floating rates based on the different bank agreements. Material balances of restricted cash are deducted from cash and cash equivalents when preparing the statement of cash flows.

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

The lease liability is initially measured at the present value of the lease payments for the right to use the underlying asset during the lease term, that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease if the rate is easily available, and if not the Group’s incremental borrowing rate (“IBR”). The lease term represents the non-cancellable period of the lease, together with periods covered by an option to extend the lease when the Group is reasonably certain to exercise this option, and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. The lease liability is subse-

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quently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

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

The Group uses IBR to measure the lease liability, since the implicit interest rate in the leases has not been easily available. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the IBR using observable inputs (such as market interest rates) when available and make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). The Group uses a revised discount rate when lease payments are updated for a change in the lease term or a revised assessment of a purchase option.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. These adjustments are primarily rate increases linked to NIBOR + margin or LIBOR + margin-based lease agreements. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. When the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life, which is greater than the lease term.
When a right-of-use asset is purchased during or at the end of the lease term, the asset is transferred from the right-of-use asset classification in the statement of financial position to classification as property, plant and equipment.

Payments associated with low-value leases and short-term leases of IT- and office equipment are recognized on a straight-line basis as an operating expense in profit or loss.

Financial instruments
Financial assets
Financial assets represent a contractual right by the Group to receive cash or another financial asset in the future. Financial assets include cash and cash equivalents, accounts receivable and other current and non-current receivables. On initial recognition, a financial asset is measured at fair value, and classified for subsequent measurement at amortized cost or at fair value through profit or loss (FVTPL). Classification depends on the business model and, for some instruments, the entity's choice. Financial assets are derecognized when the rights to receive cash from the asset have expired or when the Group has transferred the asset.

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Financial liabilities
Financial liabilities represent a contractual obligation by the Group to deliver cash in the future and are classified as either current or non-current. Financial liabilities include the accounts payable, current and non-current loans and current and non-current lease liabilities. Financial liabilities are initially recognized at fair value, including transaction costs directly attributable to the transaction, and are subsequently measured at amortized cost. Financial liabilities are derecognized when the obligation is discharged through payment or when the Group is legally released from the primary responsibility for the liability.

Deferred taxes and tax expense
Taxes payable is based on taxable profit for the year, which excludes items of income or expense that are taxable or deductible in other years. Taxable profit also excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as of the balance sheet date.

Deferred income tax expense is calculated using the liability method in accordance with IAS 12 Income Taxes. Deferred tax assets and liabilities are classified as non-current in the balance sheet and are measured based on the difference between the carrying value of assets and liabilities for financial reporting and their tax basis when such differences are considered temporary in nature. For items recognized as an asset and a liability at inception, such as a lease, temporary differences related to the asset and liability are considered in combination, and deferred tax assets and liabilities are recognized on changes to the temporary differences through the life of the items.

Temporary differences related to intercompany profits are deferred using the buyer's tax rate. Deferred tax assets are reviewed for recoverability every balance sheet date, and the amount probable of recovery is recognized.

Deferred income tax expense represents the change in deferred tax asset and liability balances during the year, except for the deferred tax related to items recognized in Other comprehensive income or resulting from a business combination or disposal. Changes resulting from amendments and revisions in tax laws and tax rates are recognized when the new tax laws or rates become effective or are substantively enacted. Uncertain tax positions are recognized in the financial statements when probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority, and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred taxes are not provided on undistributed earnings of subsidiaries when the timing of the reversal of this temporary difference is controlled by the Group and is not expected to happen in the foreseeable future.

Provisions
Provisions are liabilities of uncertain timing or amount. The Group recognizes provisions in the statement of financial position when there is a present obligation (legal or constructive) as a result of a past event that can be estimated in amount and it is probable that a payment will be required to settle the obligation. When the effect of the time value of money is material, the provision is recognized at the present value of the expected expenditure, using a pre-tax discount rate reflecting the risks specific to the liability. The Group reviews all provisions at the end of each

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reporting period and updates the provision to reflect the current best estimate. Provisions are reversed when the obligating event is no longer valid.

New pronouncements not yet adopted
None of the issued, not yet effective accounting standards or amendments to such standards are expected to have significant effects for the Group's financial reporting.

Significant accounting estimates and judgments
The preparation of financial statements involves the use of accounting estimates which, by definition, will seldom equal the actual results. Management is required to exercise judgment in applying the Group's accounting policies. This note provides an overview of areas that involved a higher degree of judgment or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions that will differ from the actual results.

Significant judgment in accounting for business combinations
In a business combination, consideration, assets and liabilities are recognized at estimated fair value. In the business the Group operates, fair value of individual assets and liabilities are normally not readily observable in active markets. Estimation of fair values requires the use of valuation models for acquired assets and liabilities as well as ownership interests. Such valuations are subject to numerous assumptions and thus uncertain. The quality of the fair value estimates may impact periodic amortization of intangible assets and possible impairment in future periods. The specific significant judgment made by management is the identification and fair value assessment of acquired intangible assets.

Significant judgment in accounting for capitalization of internal development costs
Capitalization of internal development costs is based upon an assessment by the management that technological and economic feasibility is confirmed. This is normally at a stage when the product development project has reached a defined milestone according to an established project plan. In determining the amounts to be capitalized, management make assumptions regarding if the milestone has been reached and expected future cash flow related to the product that has been developed.

Significant judgment related to the recognition of a deferred tax asset
A deferred tax asset is recognized to the extent that is probable that taxable profit in future periods will be available. Management assesses at each reporting date if future taxable profit in relevant jurisdictions is probable to justify the capitalized value of the deferred tax asset. In making this assessment management make judgment about future taxable income, which is considered to be a significant judgment.

Note 4 - Financial risk management
Financial risk management policies
The Group's overall financial risk management focuses on unpredictability of financial markets and seek to minimize potential adverse effects on the Group's financial performance. The current strategy does not include the use of derivative financial instruments, but this is assessed dynamically by the management.

Foreign exchange risk
Management is monitoring the currency exposure on a group level. The cash in and outflow in SEK and DKK related to revenues and expenses in the subsidiaries in Sweden and Denmark is considered to be well balanced with no significant net currency exposure.

The Group is financed through a loan and credit facility denom-

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inated in NOK. Since the Group also generate a net positive cash flow from its operations in Norway, this gives a natural hedge with a reduced exposure in NOK. Management consider therefore that the currency exposure currently is not significant.

Sensitivity
For the financial year 2021, if the currencies DKK and SEK had weakened/strengthened by 5 percent against the NOK with all other variables held constant, operating loss would have been impacted with +/- 0.8 percent change. The Group's equity would have been impacted with +/- 0.5 percent change.

Operational risks
The Group's revenue is based on recurring contracts from Software as a Service solutions. The customer base is very large, the 5 largest customers represent less than 10 percent of total revenues.

The horizontal nature of the Group's offering provides a highly diversified customer base with regards to industries and sectors. This reduces the commercial risk and makes the Group more resilient to economic cycles. The Group is not immune to economic cycles, but the long-term growth supports the activity and revenues in situations with lower economic activity in our markets.

Interest rate risk
The Group's interest rate risk arises from long-term borrowings. The Group's debt is drawn up in NOK with a corresponding interest in NOK. Management analyzes its interest rate exposure on a running basis in relation to the effect on the profitability of the Group and ability to service the debt. Currently no hedging instruments are in use by the Group.

Sensitivity
Based upon the simulations performed for the financial year 2021, the impact on loss before tax of +/- 1.0 percentage point shift in interest would be a maximum increase or decrease of +/- NOK 1.0 million.

Credit risk
Credit risk is managed on a group and entity level. Credit risk arises mainly from trade with customers and outstanding receivables. The level of receivables and overdue are monitored on a monthly basis. The Group has a large number of customers in different industries, where each customer has a limited amount outstanding. Historically, the Group have had limited loss on receivables.

Funding and liquidity risk
Cash-flow forecasting is performed by management in a budget and updated during the year. The Group keeps track of its liquidity requirements to ensure there is sufficient cash to meet operational needs and maintain financial flexibility for M&A activities important to the Group. Recurring revenues are invoiced yearly in advance. The liquidity risk is perceived to be low.

Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in the interest of customers, employees, shareholders, and other stakeholders. Management monitors capital on the basis of the ratio of total debt to recurring revenue ("recurring revenue ratio") and the ratio of total debt to pro forma EBITDA ("leverage ratio").

Note 5 - Segment information
Operating segments
The Group identifies its reportable segments and discloses segment information in accordance with IFRS 8 Operating Segments. Accordingly, The Group identifies its segments consistent with the reporting structure used by management. Operating segments are components of a business that are evaluated regularly by the chief operating

decision maker for the purpose of assessing performance and allocating resources. The financial information is disclosed on the same basis as used by the chief operating decision maker.

The CEO for the House of Control Group AS and his executive management is the chief operating decision maker (CODM) for the entire Group within the framework of the CEO instructions from the Board of Directors and the annual operational budget and investment frames approved by the Board of Directors. The executive management consists of CEO, CFO, CTO, VP HR, VP Customer Success and VP Sales. The Group's CEO and executive management monitor and follow up the business in the three major segments, Norway, Sweden and Denmark. The executive management make decisions about resource allocation within the segment and within the framework of the approved budgets and investments for the segment, according to IFRS 8. Management uses local gaap figures as profit measure for the segments.

The Group's develops and sells Software-as-a-Service ("SaaS") solutions that provides financial control and facilitates optimization of business processes. The Group will disclose segment information based upon the following reportable segments: Norway, Sweden and Denmark. The column unallocated and IFRS adjustments represents group activities, elimination of intercompany balances and transactions, and identified differences between NGAAP and IFRS in relation to the Group's conversion to IFRS in 2020. In 2021, all activities have been allocated to operating segments Norway, Sweden and Denmark.

As of and for the year ended 31 December 2021

NOK 1000	Norway	Sweden	Denmark	Unallocated and IFRS adjustments	Total IFRS
Revenue from customer contracts	139 267	22 484	15 410	-	177 162
Operating revenue	**139 267**	**22 484**	**15 410**	**-**	**177 162**
Personnel costs	126 314	20 244	8 425	-	154 982
Operational service expenses and other operating expenses	43 287	1 260	2 618	-	47 165
Transactions related costs	2 441	963	-	-	3 404
Total operating expenses before depreciation and amortization	**172 041**	**22 467**	**11 043**	**-**	**205 551**
Earnings before interest, tax, depreciation and amortization ("EBITDA")	**-32 774**	**17**	**4 367**	**-**	**-28 389**
Working capital					
Current assets	179 946	16 837	9 502	-	206 284
Current liabilities	128 824	14 973	9 082	-	152 880
Net working capital	**51 121**	**1 864**	**420**	**-**	**53 405**

As of and for the year ended 31 December 2020

NOK 1000	Norway	Sweden	Denmark	Unallocated and IFRS adjustments	Total IFRS
Revenue from customer contracts	108 359	10 263	11 250	-5 077	124 795
Operating revenue	**108 359**	**10 263**	**11 250**	**-5 077**	**124 795**
Personnel costs	76 372	7 046	7 518	15 369	106 304
Operational service expenses and other operating expenses	17 886	7 036	7 812	-9 149	23 585
Transactions related costs	-	-	-	13 830	13 830
Total operating expenses before depreciation and amortization	**94 258**	**14 082**	**15 329**	**20 050**	**143 719**
Earnings before interest, tax, depreciation and amortization ("EBITDA")	**14 101**	**-3 819**	**-4 080**	**-25 127**	**-18 924**
Working capital					
Current assets	457 878	6 939	4 299	-84 973	384 143
Current liabilities	140 397	36 104	6 418	-76 158	106 761
Net working capital	**317 481**	**-29 165**	**-2 120**	**-8 814**	**277 382**

Note 6 - Revenue from contracts with customers

Revenues in the Group is mainly subscription-based and derived from providing Software-as-a-Service ("SaaS") solutions in the B2B market. SaaS solutions provided are digital tools that the Group's customers can easily apply to improve the performance of the finance department and other part of their organization. Revenue from subscription fees is almost exclusively recurring. The Group also provide additional services that is related to the license purchased, i.e., initial customer support for training and onboarding, as well as consultancy services for greater customization.

Specification of revenue from contracts with customers per contract type

The Group's revenue from contracts with customers is presented in product categories in the table below.

Acquisitions of subsidiaries and a high focus of research and development has given the Group several new product categories in 2021. Despite that, the main part of revenue is still generated from the SaaS solution Complete Control. Relevant product categories are therefore categorized in "Complete Control licenses" and "Other provided licenses and services".

Deferred revenues

Deferred revenues mainly consists of subscription fees that is invoiced and paid from customers in advance. The invoiced fees are recognized as revenues when the performance obligation is satisfied over the subscription period.

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Specification of revenue from contracts with customers per contract type

NOK 1000	2021	2020
Complete Control licenses	127 320	105 420
Other provided licenses and services	49 842	19 375
Total	**177 162**	**124 795**

Deferred revenues		
Deferred revenue as per 1 January	63 120	63 913
New subscriptions paid in advance	191 270	124 002
Performance obligations satisfied during the period	177 162	124 795
Deferred revenue as per 31 December	**77 229**	**63 120**

Note 7 - Personnel expenses

Specification of personnel expenses

NOK 1000	2021	2020
Salaries	102 796	62 752
Amortization of sales commissions	18 403	15 487
Social security tax	22 636	10 190
Pension cost	5 395	2 332
Other employee-related expenses	5 752	3 194
Expense related to share based payments	-	12 349
Personell expenses	**154 982**	**106 304**
Full time employees	124	94

Management remuneration for the year ended 31 December 2021

NOK 1000	General Manager	Board
Salary	3 340	1 800
Bonus	3 900	-
Pension costs	398	-
Other benefits	350	-
Total	**7 988**	**1 800**

Management remuneration
The general manager is remunerated from House of Control AS. The general manager has a bonus agreement. For 2021 the bonus payment amounted to NOK 3,900,000. The notice period for the general manager is 6 months, with a termination payment

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agreement of 12 months. No loans or security have been granted to the general manager, the board or other related parties. See note 18 for information regarding share-based payments and note 25 for information regarding related party transactions.

Pension contribution plans
The Group has pension plans covering all of employees. All Group pension plans are in accordance with local laws and regulations. The majority of the plans are contribution plans, where an amount is deposited annually in the pension contribution fund on the behalf of the individual employees. This contribution is expensed as a part of salary and personnel expenses. The Group has no further pension obligations after the payment of the pension contribution.

Director and officer liability insurance
The Group maintains director and officer liability insurance and indemnifies directors and officers of the Group against liabilities which may arise out of the performance of normal duties as directors or officers, unless the liability relates to conduct involving a lack of good faith. This includes indemnity of costs and expenses incurred in defending an action that falls within the scope of the indemnity. The limit of liability is NOK 30 million for each claim and in the aggregate for the period of insurance. Retentions is NOK 200 thousands for each claim.

Note 8 - Other operating expenses and transaction related costs

Specification of other operating expenses

NOK 1000	2021	2020
Office expenses	644	1 133
Consulting services	21 653	7 736
Sales and marketing expenses	4 664	2 473
IT expenses	12 814	6 083
Travel expenses	2 765	2 617
Other operating expenses	547	2 288
Other operating expenses	**43 089**	**22 331**

Auditor fees

Statutory audit fee	2 118	437
Other assurance services	55	411
Other assistance	2 531	82
Total remuneration to the auditor	**4 704**	**930**

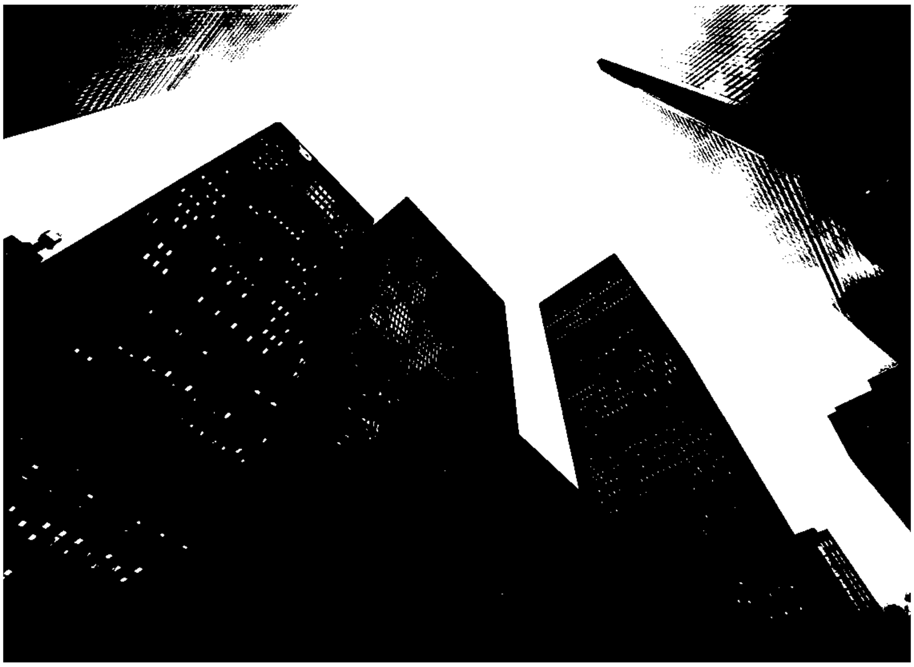
Specification of transaction related costs

Transaction cost incurred in relation to acquisition activities	3 404	2 961
Transaction cost incurred in relation to capital market transactions	-	10 868
Transaction related costs	**3 404**	**13 830**

Note 9 - Financial Items

Specification of financial items

NOK 1000	2021	2020
Interest income	74	913
Currency exchange gain	995	29
Other financial income	364	167
Financial income	**1 433**	**1 109**
Interest on long term debt	13 516	11 805
Interest expense leases	1 928	1 121
Currency exchange loss	1 769	1 007
Financing cost factoring	1 970	2 743
Other financial expenses	4 228	360
Financial expenses	**23 410**	**17 035**
Net financial gain / (loss)	**-21 977**	**-15 926**



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Note 10 - Intangible assets

NOK 1000	Goodwill	Capitalized Develop-ment Costs	Customer Contracts and Relationships	Order Backlog	Total
Acquisition cost 31 .12.20	**-**	**152 462**	**58 091**	**-**	**210 553**
Additions	-	33 099	-	-	33 099
Additions through business combinations	89 619	42 066	19 814	6 422	157 920
Reclassifications of government grants	-	1 457	-	-	1 457
Disposals	-	-	-	-	-
Translation differences	-725	-920	-335	-119	-2 098
Acquisition cost 31.12.21	**88 894**	**228 165**	**77 571**	**6 303**	**400 932**
Acc.amort. & write-downs 31.12.20	**-**	**52 571**	**20 502**	**-**	**73 073**
Amortization of the year	-	35 512	6 304	716	42 532
Amortization of government grants	-	682	-	-	682
Write-downs of the year	-	30 966	21 795	-	52 761
Translation differences	-	-11	-	-	-11
Acc.amort. & write-downs 31.12.21	**-**	**119 720**	**48 601**	**716**	**169 037**
Net book value 31.12.20	**-**	**99 891**	**37 589**	**-**	**137 480**
Net book value 31.12.21	**88 894**	**108 445**	**28 970**	**5 586**	**231 895**
Economic life	Indefinite	5 and 10 years	10 years	3 years	
Amortization method		Straight line method	Straight line method	Straight line method	

Goodwill

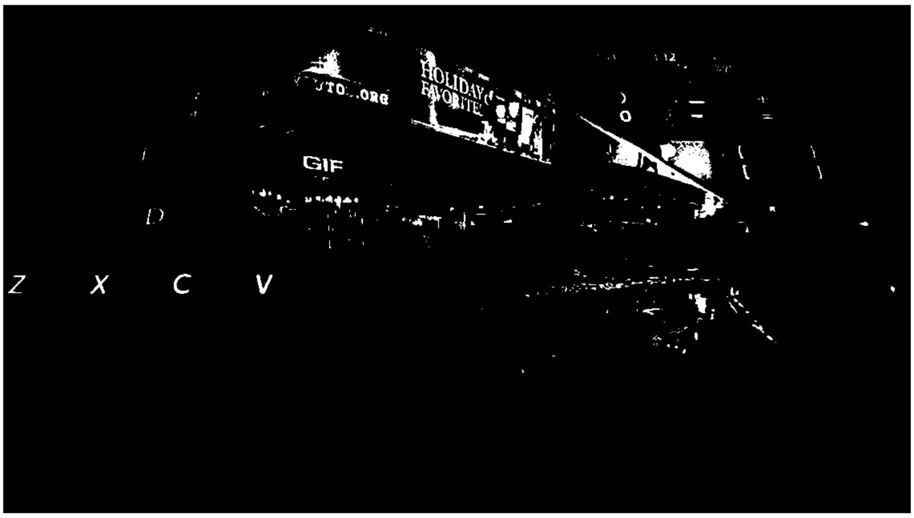
All of the goodwill presented in the table above derives from recent acquisitions in 2021, which are expected to have a positive development in future growth and earnings. NOK 25.3 million in goodwill was recognized as part of the acquisition of Business Analyze AS in April 2021, NOK 28.7 million was recognized as part of the acquisition of Egreement AB in September 2021, and NOK 35.5 million was recognized as part of the business combination of Keyforce AS in November 2021. For more information about additions from acqusitions refer to Note 26. Book value of goodwill is measured at the acquisition date as the excess of total consideration transferred over the net of the identifiable assets acquired and the liabilities assumed in accordance with IFRS 3.

The Group has performed annual test to assess the impairment of goodwill and intangible assets with indefinite useful lives at year-end in accordance with IAS 36. The Group has no impairment indicators of goodwill related to recently acquired entities during 2021. For more information about test to assess the impairment of goodwill and intangible assets with indefinite useful lives at year-end refer to Note 28.

Capitalized development costs
Capitalized development costs consist of internally generated intangible assets and acquired tecnology from acquisitions. Both categories consist of technology developed by companies within the Group and are therefore presented as "Capitalized development costs". Capitalized development costs from acquisitions are presented as "Additions through business combinations".

Government grants
Government grants ("Skattefunn") related to internally generated intangible assets are presented as deferred income in the statement of financial position for 2021 in accordance with IAS 20. Government grants earned in 2020 was classified as deduction of assets in the statement of financial position for 2020. For the consolidated financial statement for 2021, all government grants are presented as deferred income and amortized in accordance with the related intangible asset. For more information about government grants refer to Note 19.

Write-downs of the period
Write-downs in the period are related to impairment of capitalized development costs and customer relationships in the subsidiary DinERP AS. Please refer to Note 30 for more information. No goodwill was recognized in the purchase price allocation related to the acquisiton of DinERP AS, therefore the calculated impairment is fully allocated to intangible assets with definite useful life.



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Note 11 - Cost to obtain contracts

The Group capitalize incremental costs of obtaining a contract, if the Group expects to recover the costs. Incremental costs include costs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained and includes direct sales commissions to the seller and to the team leader. Commissions are capitalized when obtained, while payments are made to sales personnel and team leaders in arrears. The capitalized costs are amortized over the average initial contract length, currently about 33 months, as a personnel expense.

Costs to obtain contracts

NOK 1000	2021	2020
Costs as of 1 January	25 277	22 901
Additions	25 281	17 862
Amortization	-18 403	-15 487
Cost to obtain contracts as of 31 December	**32 155**	**25 277**

Note 12 - Leases

The Group leases several assets, including office buildings, transportation vehicles, furniture, movables and IT and other equipment. Leases of office buildings generally have lease terms between 2 and 10 years, while transportation vehicles, furniture, movables, IT and other equipment have lease terms between 2 and 5 years. The Group has also leases within these categories that are expensed as incurred as they are either considered short term or of low value, according to IFRS 16.5. For leases of office buildings, non-lease components (i.e., for instance common costs for services) are excluded from the lease payments.

The Group has chosen the practical expedient to not separate non-lease components from the lease payments for transportation vehicles and other leased assets.

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

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Right-of-use assets

NOK 1000	Office rent	Trans-portation vehicles	Furnitures and movables	IT and equipment	Total
Right-of-use assets at 1 Januar 2020	**8 965**	**93**	**619**	**443**	**10 120**
Additions	1 051	1 051	-	101	2 202
Additions through business combinations	2 467	-	-	38	2 505
Disposals	-	-420	-	-	-420
Depreciation	-3 550	-383	-254	-216	-4 404
Translation differences	142	-	-	24	166
Right-of-use assets at 31 December 2020	**9 073**	**341**	**365**	**390**	**10 169**
Additions	13 201	2 138	602	698	16 639
Additions through business combinations	3 387	167	-	-	3 553
Disposals	-	-326	-	-	-326
Depreciation	-5 783	-611	-316	-481	-7 192
Translation differences	-117	-4	-	-5	-126
Right-of-use assets at 31 December 2021	**19 761**	**1 704**	**651**	**603**	**22 718**
Useful life in years	2-10 years	2-5 years	2-5 years	2-5 years	
Depreciation plan	Straight line method	Straight line method	Straight line method	Straight line method	

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

Lease liabilities

NOK 1000	Office rent	Trans-portation vehicles	Furnitures and movables	IT and equipment	Total
Lease liabilities at 1 Januar 2020	**9 626**	**109**	**657**	**456**	**10 847**
Additions	1 051	1 051	-	101	2 202
Additions through business combinations	2 467	-	-	38	2 505
Disposals	-	-431	-	-	-431
Lease payments	-4 273	-461	-302	-246	-5 282
Interest on the lease liability	949	85	48	39	1 121
Translation differences	152	-	-	26	177
Lease liabilities at 31 December 2020	**9 971**	**353**	**403**	**413**	**11 140**
Additions	13 201	2 138	602	698	16 639
Additions through business combinations	3 387	167	-	-	3 553
Disposals	-	-340	-	-	-340
Lease payments	-7 069	-677	-375	-551	-8 671
Interest on the lease liability	1 676	133	45	74	1 928
Translation differences	-131	-4	-	-5	-140
Lease liabilities at 31 December 2021	**21 035**	**1 770**	**675**	**630**	**24 110**

Classification of non-current vs current

NOK 1000	2021	2020
Current lease liabilities	8 198	5 322
Non-current lease liabilities	15 913	5 818
Total lease liabilities	**24 110**	**11 140**

Undiscounted lease liabilities and maturity of cash outflows

NOK 1000	2021	2020
Less than 1 year	9 946	6 369
1-2 years	9 228	5 062
2-3 years	7 572	4 456
3-4 years	6 652	4 405
4-5 years	2 976	3 570
More than 5 years	1 812	888
Total undiscounted lease liabilities at 31 December	**38 186**	**24 751**

Summary of other lease expenses recognized in profit or loss

NOK 1000	2021	2020
Variable lease payments expensed in the **period**	-	-
Operating expenses in the period related to short-term leases	166	115
Operating expenses in the period related to low value assets	253	222
Total lease expenses included in other operating expenses	**419**	**337**

Note 13 - Property, plant and equipment

NOK 1000	Buildings and land	Fixture and fittings	Total
Acquisition cost 1 January 2020	**711**	**1 194**	**1 906**
Additions	-	549	549
Disposals	-	-	-
Acquisition cost 31 December 2020	**711**	**1 744**	**2 455**
Additions	-	284	284
Disposals	-	-9	-9
Acquisition cost 31 December 2021	**711**	**2 018**	**2 730**
Acc.dep. & write-downs 1 January 2020	**711**	**468**	**1 179**
Depreciation of the year	-	330	330
Disposals	-	-	-
Acc.dep. & write-downs 31 December 2020	**711**	**797**	**1 509**
Depreciation of the year	-	383	383
Disposals	-	-	-
Acc.dep. & write-downs 31 December 2021	**711**	**1 180**	**1 891**
Net book value 31 December 2020	-	**946**	**946**
Net book value 31 December 2021	-	**838**	**838**
Economic life	5 years	3-5 years	
Depreciation method	Staright line method	Staright line method	

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Note 14 - Inventories

NOK 1000	2021	2020
Finished goods	184	188
Total	**184**	**188**

Note 15 - Trade and other short-term receivables

NOK 1000	2021	2020
Trade receivables	23 441	8 591
Other short-term receivables	7 456	3 408
Total	**30 897**	**11 999**

Trade receivables maturity

NOK 1000	2021	2020
Not overdue	14 485	5 658
Overdue 1-30 days	3 570	2 893
Overdue 31-60 days	3 139	244
Overdue 61-90 days	669	55
Overdue > 90 days	2 865	193
Gross trade recievables	**24 728**	**9 043**
Total provision for bad debt	1 287	452
Net trade receivables	**23 441**	**8 591**

Note 16 - Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at 31 December:

NOK 1000	2021	2020
Bank deposits	135 974	341 110
Restricted cash	7 075	5 570
Total cash and cash equivalents	**143 049**	**346 680**

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Changes in liabilities arising from financing activities

Lease liabilities

NOK 1000	2021	2020
Balance at the beginning of the period	**11 140**	**10 847**
Cash changes		
Payments to lessor	-8 671	-5 282
Non-cash changes		
Additions	16 639	2 202
Additions through business combinations	3 553	2 505
Disposals	-340	-431
Accrued interest	1 928	1 121
Foreign currency translation effect	-140	177
Balance at the end of the period	**24 110**	**11 140**

Borrowings

NOK 1000	2021	2020
Balance at the beginning of the period	**90 782**	**76 331**
Cash changes		
Cash proceeds received from lender	-	20 000
Downpayments	-11 806	-14 351
Payments of capitalized borrowing costs	-3 041	-6 427
Non-cash changes		
Changes from business combinations	10 556	13 101
Accrued interest	4 017	2 127
Reclassification of capitalized fees related to CAF	6 524	-
Balance at the end of the period	**97 031**	**90 782**

Information about changes in balance
Total balance at the end of the period includes NOK 1.25 million in current portion of loan from Innovasjon Norge that is classified as other current liabilites. Reclassification of capitalized fees is related to capitalized transaction costs on Capital and Acquisition facility (CAF). Please refer to note 20 for more information.

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Note 17 - Share information

Total shares outstanding	2021	2020
Number of shares outstanding at 1 January	56 913 200	32 046 600
New shares issued	186 450	24 866 600
Number of shares outstanding at 31 December	**57 099 650**	**56 913 200**

Shareholders at 31 December 2021

Total shares outstanding	Shares	Ownership %
VIKING VENTURE 7 AS	10 372 500	18,2 %
Morgan Stanley & Co. LLC	8 316 420	14,6 %
Goldman Sachs & Co. LLC	4 268 619	7,5 %
BJØRK INVEST AS	2 920 950	5,1 %
DUNVIK AS	2 539 500	4,4 %
J.P. MORGAN BANK LUXEMBOURG S.A.	2 343 118	4,1 %
The Northern Trust Comp, London Br	2 267 934	4,0 %
VIKING VENTURE 8 AS	2 247 400	3,9 %
J.P. MORGAN BANK LUXEMBOURG S.A.	2 202 341	3,9 %
RBC INVESTOR SERVICES TRUST	2 099 434	3,7 %
DIN ERP HOLDING AS	1 804 766	3,2 %
DZ Privatbank S.A.	1 480 000	2,6 %
VIKING VENTURE 7B AS	1 401 700	2,5 %
Danske Bank A/S	1 050 000	1,8 %
The Northern Trust Comp, London Br	1 001 214	1,8 %
Citibank, N.A.	988 744	1,7 %
BNP Paribas	849 289	1,5 %
Citibank, N.A.	805 050	1,4 %
CLEARSTREAM BANKING S.A.	716 082	1,3 %
NIKFAN AS	549 600	1,0 %
Total	**50 224 661**	**88,0 %**
Other (ownership < 1%)	6 874 989	12,0 %
Total shares	**57 099 650**	**100,0 %**

Note 18 - Share-based payments
There has been no changes in the Group's share option program during 2021.

The Group's share option program
In March 2020, the Group entered into a share option program covering 9 employees in management. The share option program gives the employees right to purchase shares in the Company at a strike price of NOK 7.06. A total of 3,079,900 options were included in the program, while 167,550 were exercised in 2021. The options vest over a 36-month period started at 1 April 2020. The options in this program are exercisable in the period ending on the earlier of (i) the date falling five years after the date of the agreement and (ii) the date of an exit under the Shareholders' agreement, i.e. a flotation or sale of shares in the Company subject to the drag-along rights of the Shareholders' agreement.

In July 2020, the Group entered into a share option plan with employees in the management from an acquired company, to replace options previously granted in the company before the entity was acquired by House of Control Group AS. A total of 226,750 options at a strike price of NOK 8.47 were included in this part of the program, while 18,900 were exercised in 2021. The options are fully vested in the company before the acquisition and therefore not recognized as cost of payroll in the Group. In accordance with IFRS 3 the fair value of the options are recognized as part of the total purchase price of the acquisition. The terms of the option program are similar to the share option program described above, except the exercise period that expires four years after the date of the agreement.

The March 2020 options were fully vested in connection with the listing of the Company's shares on Euronext Growth in October 2020. Relevant adjustments to the terms in the Group's option programs were introduced in connection with the listing:

- Changes in shareholder structure no longer affect the exercise period for the option holder.
- Restrictions in purchase periods were added, that prevents the option holder from exercising options in possession of inside information.
- Descriptions of fair value in the share option agreement was referred to as the share price given at Euronext Growth.
- Number of shares and strike price was recalculated according to corresponding values after the capital increase made before the listing.

Calculation of the expense in the share-based program
The program is considered an equity settled program. The fair value of the issued options in the program is calculated using a Black & Scholes option pricing model.

The current price of the underlying shares at the grant date is estimated taken into consideration the market capitalization of companies in the same industry, since the shares in the Company was not listed on a marketplace at the time the options were issued. The volatility is estimated using the historic volatility for comparable companies that equals 32% at the grant date. Dividend per share is set to zero. The return on a Norwegian Bond with similar maturity as the options is used as input to the risk- free interest rate.
The fair value of the issued options at grant date is expensed over the vesting period. When the vesting conditions was amended in October 2020, the non-vested part of the program was vested.

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Since all options were fully vested in 2020, the Group has no costs related to related to share based programs in 2021. In 2020 the Group expensed NOK 12.3 million. The expense was recorded as a personal expense with a corresponding credit to paid in capital as equity. Social security tax on the options is recorded as a liability and is recognized over the estimated vesting period, based upon the intrinsic value method.

Equity-settled programs

Number of options	2021	2020
Outstanding at 1 January	3 306 650	523 500
Exercised during the period	-186 450	-523 500
Granted during the period	-	3 306 650
Outstanding at 31 December	**3 120 200**	**3 306 650**
Exercisable at 31 December	3 120 200	3 306 650

The outstanding options are subject to the following conditions:

Expiry date	Average strike price (NOK)	Number of share options
31.01.2022	7,06	283 850
31.05.2022	8,47	207 850
20.03.2025	7,06	2 628 500
Total		**3 120 200**

Exercised options

Expiry date	Strike price	No. of exercised options
29.01.2021	7,06	75 700
11.02.2021	7,06	50 000
07.05.2021	8,47	18 900
21.10.2021	7,06	41 850
Total		**186 450**

Note 19 - Government grants

Investment grants are recognised in the balance sheet based on gross amounts, and allocated to operating income over the economic life of the investment. Operating grants received are matched with their corresponding costs.

The Group has received government grants in the form of refund of tax ("SkatteFunn"). The refunds is calculated as a percent of project costs related to research and development of new software. The Group calculated NOK 2.8 million in refund for 2021 which is recognized as other receivables. The calculated refund both relates to project costs capitalized as internally generated intangible assets and projects cost booked as operating costs.

Note 20 - Interest-bearing debt

Specification of interest bearing debt as of 31 December

NOK 1000	2021	2020
Loan Facility AshGrove Capital	82 000	82 000
Capital and Acquisition Facility AshGrove Capital	20 000	20 000
Innovasjon Norge	2 188	3 438
Total nominal value interest-bearing debt	**104 188**	**105 438**
Less capitalized fees	-7 156	-14 656
Total book value interest-bearing debt	**97 031**	**90 782**
Current portion of interest-bearing debt	1 250	1 250
Non-current portion of interest-bearing debt	95 781	89 532
Capitalized fees related to CAF reclassified to non-current receivables	6 524	-
Changes in liabilities arising from financing activities	6 250	14 450

Loan Facility and Capital and Acquisition facility (CAF)
The Group has a loan agreement with AshGrove Capital to secure financing for organic and inorganic growth activities. The agreement provides two facilities: a Loan Facility of NOK 82 million and a committed Capital and Acquisition Facility of NOK 218 million, of which NOK 198 million is unutilized at 31 December 2021. Both the Loan and the Capital and Acquisition Facilities have a five year maturity and fall due on 18 December 2024, with no installments during the outstanding period.

Both facilities carry interest of NIBOR with a floor of 1 percent plus a margin ranging from 6,5 to 7,5 percent p.a. depending on the current leverage ratio in the Group. The lender is entitled to capitalize part of the interest accrued during the outstanding period as a part of the outstanding loan as PIK interest. Separate interest rates applies to such caplitalized interests.

Fees paid in connection with the establishment of the loan facility are recognized as transaction costs and amortized as a part of the interest expense in accordance with the effective interest method.

Fees paid in connection with the CAF are recognized as transaction costs related to the part of the CAF that a drawn down is probable, assessed at the time of establishment. In this case, the amortization of the fee is

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deferred until the draw-down occurs. In the balance sheet as pr 31 December 2020 capitalized fees related to the loan facility were presented net the value of interest bearing debt. Since the CAF is considered by the Group to be a liquidity reserve, the fees are capitalized as a prepayment for liquidity services and amortized over the outstanding period of the facility. In the balance sheet as pr 31 December 2021 capitalized fees are reclassified as prepayment as part of non-current receivables.

Pledged assets and security
House of Control Group AS has pledged all material assets, including but not limited to shares in subsidiaries, bank accounts and intercompany receivables as security for the facilities.

Covenants
The facility loan is subject to covenants restrictions, including a recurring revenue ratio and a leverage ratio. The recurring revenue ratio is calculated as the ratio of total debt to proforma recurring revenue LTM for the relevant period. The leverage ratio is calculated as the ratio of debt to proforma EBITDA. The covenant related the recurring revenue ratio applies to periods up to 31 December 2022. After that, the covenant related to the leverage ratio will be applicable.

The Group reports economic conditions due to requirements of financial covenants to Ash-Grove Capital on a monthly basis. The Group confirms that on the last day of the relevant period ending on 31 December 2021, total debt was NOK 107.2 million and proforma recurring revenue LTM for such relevant period was NOK 189.0 million. Total debt is defined as the total of (i) Term Loan B (NOK 82 million), (ii) CAF (NOK 20 million), (iii) Loan from Innovasjon Norge (NOK 2.2 million), and (iv) SG Finans Debt (NOK 3.0 million). Proforma recurring revenue LTM is the total recurring revenue including recurring revenue in acquired companies between 1 January 2021 and the relevant acquisition dates in 2021. The recurring revenue ratio did not exceed 0.73:1 for such relevant period and the covenant contained in Clause 23.2 (Financial condition) of the Facilities Agreement has been complied with.

Loan from Innovasjon Norge
The Group has also a loan from Innovasjon Norge with an outstanding amount of NOK 2.2 million. The loan is interest bearing with 4,45 percent p.a. The pledged claims serve as security for the obligations (with interest and costs) that the debtor has or may have to Innovasjon Norge, up to NOK 5 million.

Collateral and security as of December 31
Book value of debt with collateral security

NOK 1000	2021	2020
Loan and Capital Acquisition Facility	94 844	87 344
Innovasjon Norge	2 188	3 438
Total book value of loans	**97 031**	**90 782**

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Book value of assets included as security in House of Control Group AS

NOK 1000	2021	2020
Cash and Cash equivalents	92 908	320 573
Intercompany receivables	240 318	28 559
Shares in subsidiaries	142 807	142 807
Total book value of security	**476 033**	**491 939**

Maturities of financial liabilities as of 31 December 2021

NOK 1000	Less than 1 year	1-5 year	Over 5 years	Total	Carrying amount
Contractual maturities of financial liabilities					
Loan Facility	-	75 195	-	75 195	75 195
Capital and Acquisition Facility	-	19 649	-	19 649	19 649
Innovasjon Norge	1 250	938	-	2 188	2 188
Trade payables	5 320	-	-	5 320	5 320
Other current and non-current liabilities	53 265	8 869	-	62 134	62 134
Total at 31 December 2021	**59 835**	**104 650**	-	**164 485**	**164 485**

Maturities of lease liabilities are included in note 12.

Maturities of financial liabilities as of 31 December 2020

NOK 1000	Less than 1 year	1-5 year	Over 5 years	2021	2020
Contractual maturities of financial liabilities					
Loan Facility	-	68 063	-	68 063	68 063
Capital and Acquisition Facility	-	19 282	-	19 282	19 282
Innovasjon Norge	1 250	2 188	-	3 438	3 438
Trade payables	3 920	-	-	3 920	3 920
Other current and non-current liabilities	33 149	3 635	-	36 784	36 784
Total at 31 December 2020	**38 319**	**93 167**	-	**131 485**	**131 485**

Maturities of lease liabilities are included in note 12.

Liquidity reserve

The liquidity reserve of the Group consists of cash and cash equivalents in addition to undrawn credit facilities as follows as of 31 December.

NOK 1000	2021	2020
Cash and cash equivalents	143 049	346 680
Undrawn facility	198 000	198 000
Total liquidity reserve	**341 049**	**544 680**

Note 21 - Financial assets and financial liabilities

The specification given below relates to financial statement items containing financial instruments. Information is classified and measured in accordance with IFRS 9. Financial assets, classified as current and non-current, represent the maximum exposure the Group has towards credit risk as at the reporting date. All financial assets and liabilities measured at amortized cost (FAAC and FLAC) in the table have an amortized cost that approximates fair value at the balance sheet date.

NOK 1000	Category	2021	2020
Financial assets			
Investment in shares	FVTPL	-	-
Financial assets included in Other non-current receivables	FAAC	7 071	578
Accounts receivable	FAAC	23 441	8 591
Financial assets included in Other current receivables	FAAC	7 382	3 408
Cash and cash-equivalents	FAAC	143 049	346 680
Total financial assets		**180 943**	**359 257**

NOK 1000	Category	2021	2020
Financial liabilities			
Non-current lease liabilities	FLAC	15 913	5 818
Non-current loans	FLAC	95 781	89 532
Other non-current liabilities	FLAC	22 781	3 635
Accounts payable	FLAC	5 320	3 920
Current portion of lease liabilities	FLAC	8 198	5 322
Other current provisions	FLAC	8 869	-
Current portion of loans	FLAC	1 250	1 250
Total financial liabilities		**158 111**	**109 477**

Categories

FAAC - Financial Assets at Amortized Costs

FVTPL - Fair Value Through P&L

FLAC - Financial Liabilities at Amortized Costs

Note 22 - Other current and non-current liabilities

Specification of other current and other non-current liabilities

NOK 1000	2021	2020
Accrued expenses	4 563	2 451
Holiday pay payable	16 639	10 329
Accrued salaries payable	3 738	625
Social security taxes payable	2 718	1 785
Current provisions	8 869	-
Current portion of interest bearing debt	1 250	1 250
Other	2 021	1 537
Total other current liabilities	**39 798**	**17 978**
Non-current provisions	19 988	3 635
Deferred revenue from government grants ("Skattefunn")	2 793	-
Total other non-current liabilities	**22 781**	**3 635**

Note 23 - Taxes

Calculation of deferred tax/deferred tax benefit

NOK 1000	2021	2020
Temporary differences		
Intangible assets	63 925	60 547
Property, plant and equipment	-140	-265
Leasing	-1 493	-958
Current and non-current assets	43 148	6 168
Liabilities	-2 793	-
Other differences	-1 646	-1 534
Net temporary differences	**101 001**	**63 958**
Tax losses carried forward	-284 787	-116 863
Basis for deferred tax (asset)	**-183 786**	**-52 905**
Deferred tax (asset)	-40 438	-11 639
Deferred tax	-	-
Deferred tax asset not recognized in the balance sheet	5 380	1 709
Deferred tax asset in the balance sheet	**-35 058**	**-9 930**
Deferred tax in the balance sheet	**-**	**-**

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

NOK 1000	2021	2020
Result before taxes	-153 233	-61 661
Permanent differences	873	73
Basis for income tax expense	**-152 360**	**-61 588**
Change in temporary differences	-13 813	-27 022
Change in tax loss carried forward	167 925	88 609
Taxable income (basis for payable taxes in the balance sheet)	**1 752**	**-**
Components of the income tax expense		
Payable tax on this year's result	375	-
Adjustment in respect of prior year	-	-
Total tax payable	**375**	**-**
Change in deferred tax (asset)	-23 884	-11 854
Change in deferred tax (asset) posted to equity	-	4 406
Change in deferred tax (asset) from aquisitions ex OCI effects	-9 222	-
Change in def. tax (asset) due to tax rate	333	-
Tax expense	**-32 398**	**-7 448**
Reconciliation of the tax expense		
Result before tax expense	-153 233	-61 661
Calculated tax	-33 711	-13 565
Tax expense	-32 398	-7 448
Difference	**1 313**	**6 118**

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The difference consists of:		
Tax of permanent differences	192	-4 754
Effect of tax rates outside Norway	-30	-
Other differences, including tax cost recognised in equity	-2 185	9 163
Change in deferred tax asset not recognised	3 670	1 709
Adjustments recognised for tax from prior periods	-333	-
Sum explained differences	**1 313**	**6 118**
Payable taxes in the balance sheet	**375**	**-**
Payable tax in the tax charge	375	-
Payable tax in the balance sheet	**375**	**-**

Note 24 - Earnings per share

NOK 1000 (except per share amounts)	2021	2020
Net loss	-120 835	-54 213
Weighted-average ordinary shares outstanding for the period	57 035 741	38 567 731
Basic earnings per share in NOK	**-2,12**	**-1,41**
Net loss	-120 835	-54 213
Weighted-average ordinary shares outstanding after dilution	59 122 139	40 245 792
Diluted earnings per share in NOK	**-2,12**	**-1,41**

Potential outstanding shares after dilution are considered anti-dilutive, and dilutive earnings per share is therefore the same as basic earnings per share.

Note 25 - Related party transactions

No loans or guarantees have been issued to related parties during the years ended 31 December 2021 or 2020 by the Group. Furthermore, the Group has not identified any other transactions with related parties during the same period. See note 18 for share options held by management in the Group.

Note 26 - Business combinations

Acquisitions during 2021

During 2021, the Group acquired three companies, Business Analyze AS on 27 April 2021, Egreement AB on 24 September 2021, and Keyforce AS on 3 November 2021.

Business Analyze AS

On 27 April 2021, the Group acquired 100% of the shares in Business Analyze AS. Business Analyze is a Norwegian company that provides Business Intelligence (BI) solutions that extract,

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analyze and present data from various stand-alone systems.

The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when the Group obtained control of the legal entity. The same date is relevant for tax and economic purposes.

The transaction was settled by NOK 29 million in cash. In addition, the agreement included an earn-out element to compensate the seller for future business achievements. The net present value of the earn-out is estimated to NOK 4.8 million. Transaction costs of NOK 1 million were expensed and are included in M&A costs for the second quarter of 2021.

Egreement AB
On 24 September 2021, the Group acquired 100% of the shares in Egreement AB, a Swedish digital signature and contract workflow company. The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when the Group obtained control of the legal entity. The same date is relevant for tax and economic purposes.

The transaction was settled by NOK 36.8 million in cash. In addition, the purchase price includes a hold-back amount of NOK 6.5 million and an earn-out element of NOK 11.2 million to compensate the seller for future business achievements. Hold-back amount and the earn-out is measured to the net present value of the time of acquisition. Transaction costs of NOK 1 million were expensed and are included in M&A costs for the third quarter of 2021.

Keyforce AS
On 3 November 2021, the Group acquired 100% of the shares in Keyforce AS. Keyforce develops software for standard integrations that tie accounting systems from Microsoft and Visma together with SuperOffice CRM. With more than 20 years of experience, Keyforce AS delivers integrations to Scandinavia with subsidiaries in Norway, Sweden, and Denmark.

The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when the Group obtained control of the legal entity. The same date is relevant for tax and economic purposes.

The transaction was settled by NOK 42.5 million in cash. In addition, the agreement included an earn-out element to compensate the seller for future business achievements. The net present value of the earn-out is estimated to NOK 9.2 million. Transaction costs of NOK 0.9 million were expensed and are included in M&A costs for the fourth quarter of 2021.

Acquisitions

	Main business activities	Closing date of acqusition	Proportion of voting equity acquired	Acquiring entity
Business Analyze AS	Insight	27.04.2021	100 %	House of Control Midco AS
Egreement AB	Business Processes	24.09.2021	100 %	House of Control Midco AS
Keyforce AS	Business Processes	03.11.2021	100 %	House of Control Midco AS

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Purchase consideration

NOK 1000	Business Analyze AS	Egreement AB	Keyforce AS
Cash paid	29 000	36 761	42 500
Earn-out (Fair value estimate at date of aquisition)	4 849	11 194	9 179
Other contingent considerations	-	6 493	-
Total purchase consideration	**33 849**	**54 448**	**51 679**

Purchase consideration

NOK 1000	Business Analyze AS	Egreement AB	Keyforce AS
Assets			
Goodwill	25 329	28 750	35 539
Capitalized development costs	13 559	12 499	16 008
Customer relationships	1 245	13 276	5 293
Order backlog	1 429	4 724	269
Property, plant & equipment	11	63	-
Right-of-use assets	1 914	241	1 404
Trade and other receivables	2 632	1 466	3 306
Cash	4 334	4 135	1 614
Total assets	**50 454**	**65 154**	**63 433**
Liabilities			
Interest bearing debt	4 391	5 149	1 017
Deferred tax liability	841	4 207	4 262
Lease liabilities (current and non-current)	1 914	241	1 404
Trade creditors	716	665	724
Other short-term liabilities	8 743	445	4 348
Total liabilities	**16 605**	**10 706**	**11 755**
Net identifiable assets	**33 849**	**54 448**	**51 679**
Total consideration for the shares			
Of which cash	33 849	54 448	51 679
Of which shares	-	-	-

Additional information and pro-forma revenue and profit (loss)
Related to the acquisitions in 2021, for accounting purposes the Group consolidated statements of Comprehensive Income only include the revenues (and related expenses) as from the dates of the acquisitions. The first table below presents the revenue and profit (loss) for the acquired companies since their respective acquisition date included in the Group's consolidated accounts for the year ended 31 December 2021. The second table below presents the revenue and profit (loss) as if the acquisition dates for all acquisitions had been at the beginning of 2021.

Revenue and profit (loss) from the acquisition date to 31 December in the acquisition year

NOK 1000	Business Analyze AS	Egreement AB	Keyforce AS
Revenue	9 010	2 660	4 217
Profit (loss)	-2 223	-1 396	1 993

Revenue and profit (loss) from 1 January to 31 December in the acquisition year

NOK 1000	Business Analyze AS	Egreement AB	Keyforce AS
Revenue	15 775	11 743	20 536
Profit (loss)	-3 962	-1 336	2 255

Note 27 - Subsidiaries

Consolidated entities 31 December 2021	Country of Incorporation	Ownership
House of Control Midco AS	Norway	100 %
House of Control AS	Norway	100 %
House of Control Denmark A/S	Denmark	100 %
DinERP AS	Norway	100 %
Effectplan International AB	Sweden	100 %
Business Analyze AS	Norway	100 %
Egreement AB	Sweden	100 %
Keyforce AS	Norway	100 %
Keyforce Norge AS	Norway	100 %
Keyforce Consulting AS	Norway	100 %
Keyforce Sverige AB	Sweden	100 %
Keyforce Danmark ApS	Denmark	100 %

Note 28 - Goodwill

NOK 1000	Goodwill
Acquisition cost 1 January 2020	**-**
Additions through acquisitions	-
Translation differences	-
Acquisition cost 31 December 2020	**-**
Additions through acquisitions	89 619
Translation differences	-725
Acquisition cost 31 December 2021	**88 894**
Accumulated impairment 1 January 2020	**-**
Year's impairment	-
Translation differences	-
Accumulated impairment 31 December 2020	**-**
Year's impairment	-
Translation differences	-
Accumulated impairment 31 December 2021	**-**
Carrying amount 31 December 2020	**-**
Carrying amount 31 December 2021	**88 894**

References are made to note 26 for goodwill arising on business combinations in 2021.

Impairment test of goodwill
The Group has performed annual test to assess the impairment of goodwill and intangible assets with indefinite useful lives at year-end in accordance with IAS 36. The Group's impairment test for goodwill and intangible assets with indefinite useful lives is based on value-in-use calculations.

Group's cash-generating units (CGUs)
Goodwill is tested for impairment by groups of cash-generating units (CGUs) equal to the defined operating segments in accordance with Note 5 Segment information. Norway, Sweden, and Denmark are defined as groups of cash-generating units (CGUs) within the Group.

NOK 1000	Norway	Sweden	Denmark
Carrying amount of goodwill as at 1 January 2020	-	-	-
Carrying amount of goodwill as at 31 December 2020	-	-	-
Carrying amount of goodwill as at 31 December 2021	60 869	28 025	-

Goodwill arising on business combinations
All of the goodwill presented in the table above derives from recent acquisitions in 2021, which are expected to have a positive development. NOK 25.3 million in goodwill was recognized as part of the acquisition of Business Analyze AS in April 2021, NOK 28.7 million was recognized as part of the acquisition of Egreement AB in September 2021, and NOK 35.5 million was recognized as part of the business combination of Keyforce AS in November 2021. For more details refer to note 26.

Recoverable amount
The recoverable amounts of CGUs Norway, Sweden and Denmark have been determined based on their value in use.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The cash flows are derived from budgets approved by the board of directors, covering a five-year period from 2022 to 2026. The projected cash flows are based on historical numbers and adding a moderate growth in the total market, our market share and the prices of our licenses and services. Subsequent to the five-year period a terminal growth rate for each CGU has been applied. Management believes that no reasonably possible change in the key assumptions above would cause the carrying amount of the CGU to materially exceed its recoverable amount.

Key assumptions applied to determine the recoverable amount
Discount rate
The discount rate reflects the current market assessment of the risks specific to each CGU. The discount rate for the Group is estimated based on the weighted average cost of capital (WACC). The main components of the WACC are the risk-free interest rate, the equity beta, the market risk premium, the small-cap premium, the cost of debt, the expected debt/enterprise value ratio, and the corporate tax rate. The pre-tax discount rate is determined by an iterative computation so that value in use determined using pre-tax cash flows and a pre-tax discount rate equals value in use determined using post-tax cash flows and a post-tax discount rate (WACC). The applied pre-tax discount rate for CGU Norway is 12.38%, for CGU Sweden is 10.53% and for CGU Denmark is 10.27%.

Terminal revenue growth rate
The terminal growth rate is the estimated long-term rate of growth in the economy where the business operates, aligned with long-term global inflation targets. The applied terminal growth rate is 2% in Norway, 1.5% in Sweden and 1.5% in Denmark. The lower terminal growth rates in Sweden and Denmark are compensating for lower risk free rates.

Note 29 - Commitments
Office lease contract in Stockholm, Sweden
On 11 October 2021, the Group renewed the lease contract for office rental in Stockholm, Sweden. The lease contract provides extended office premises for the Swedish branch House of Control Filial Sverige. The initial contract period is three years with commencement date at 1 January 2022. New yearly lease payment is NOK 1.7 million, increased from earlier yearly lease payment of NOK 0.6 million.

Office lease contract in Glostrup, Denmark
On 8 June 2021, the Group signed a new lease contract for office rental in Glostrup, Denmark that will replace the existing rented office for the subsidiary House of Control Denmark A/S. The contract period is five years with

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commencement date planned at 1 April 2022. Yearly lease payment for the first years of the lease period is NOK 1.5 million.

Note 30 - Subsequent events
Divestment of 'on premises' contracts
On 27 January 2022, House of Control Group announced the closing of an agreement with Cillco Technology AS for transfer of assets owned by the subsidiary DinERP AS. Cillco Technology AS is a newly incorporated company founded by DinERP employees who will take over on-premise customer contracts outside of the House of Control Group's core business as well as 26 employees from the subsidiary DinERP AS. Annual recurring revenue (ARR) from the contracts is approximately NOK 14 million, and the Group expects annual cost savings of approximately NOK 30 million. The agreement with Cillco Technology will take effect from 1 March 2022.

Cillco Technology will retain the responsibility to service and further develop the above-mentioned SaaS solutions developed by DinERP that will continue to be marketed and sold by House of Control Group.

The divestment was a strategic step to focus on the Group's core products, and improved utilization of the Group's sales organization to strengthen further growth. The divestment will have significant positive effects on the Group's operations and finances. Following this transaction, the Group expects to reach EBITDA break-even in 2022 and a positive cash flow in 2023.

The transaction has implied impairment losses of NOK 52.8 million for the Group in 2021, reflecting a decrease in the recoverable amount of capitalized development costs and customer contracts in relation to DinERP AS. The impairment is recognized in accordance with IAS 36, based on future expected cash flow from the remaining business in DinERP AS in cooperation with Cillco Technology AS. The remaining value of the intangible assets related to DinERP AS is NOK 7.7 million.

Merger of subsidiaries
In February 2022, the recently acquired company Keyforce AS has merged with its two Norwegian wholly owned subsidiaries Keyforce Norge AS and Keyforce Consulting AS. Pursuant to the merger, all employees and customer contracts in the former subsidiaries are transferred to the merged company, Keyforce AS. There have been no other material events subsequent to the reporting period that might have a significant effect on the financial statements for 2021.

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HOUSE OF CONTROL

HOC Group AS - Financial statement 2021 (parent company).pdf

Signers:

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Hagen, Erik Fjellvær	BANKID	2022-03-23 16:53
Vik, Jostein	BANKID	2022-03-23 19:18
Thaulow, Heidi Gjersø	BANKID_MOBILE	2022-03-23 20:14
Stoltz, Radmila Nenad	BANKID_MOBILE	2022-03-23 17:33
Bauer, Øyvind Skeie	BANKID_MOBILE	2022-03-23 16:52
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PROFIT AND LOSS STATEMENT FOR PARENT COMPANY

NOK 1000	Note	2021	2020
Operating revenue and operating expenses			
Other operating income	5	-	370
Total operating revenue		**-**	**370**
Personnel expenses	2	1 738	1 228
Other operating expenses	2, 5	12 245	1 924
Total operating expenses		**13 983**	**3 152**
Operating profit / (loss)		**-13 983**	**-2 783**
Financial income and financial expenses			
Interest income	3, 5	9 967	767
Other financial income	3	460	-
Interest expenses	3, 5, 10	17 410	11 331
Other financial expenses	3, 10	480	5
Net financial items		**-7 462**	**-10 569**
Profit / (Loss) before income tax		**-21 445**	**-13 352**
Income tax expense (income)	4	-4 339	-2 937
Profit / (Loss) for the year		**-17 106**	**-10 414**

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BALANCE SHEET AT 31 DECEMBER FOR PARENT COMPANY

NOK 1000	Note	2021	2020
Assets			
Non-current assets			
Deferred tax assets	4	13 138	8 799
Investments in subsidiaries	7	142 807	142 807
Loan to group companies	5	239 223	-
Other non-current receivables	10	6 524	-
Total non-current assets		**401 691**	**151 605**
Current assets			
Other short-term receivables	5	1 908	28 641
Cash and cash equivalents		92 908	320 573
Total current assets		**94 816**	**349 214**
Total assets		**496 507**	**500 819**
Equity			
Paid-in equity			
Share capital	8, 9	11 420	11 383
Share premium reserve	8	415 879	414 652
Total paid-in capital		**427 299**	**426 035**
Retained earnings			
Other equity	8	-32 613	-15 508
Total retained earnings		**-32 613**	**-15 508**
Total equity		**394 686**	**410 527**
Liabilities			
Other non-current liabilities			
Interest bearing debt	10	94 844	87 344
Total non-current liabilities		**94 844**	**87 344**
Current liabilities			
Trade payables	5	3 746	1 235
Public duties payable		74	-
Other current liabilities		3 156	1 713
Total current liabilities		**6 977**	**2 948**
Total liabilities		**101 821**	**90 292**
Total equity and liabilities		**496 507**	**500 819**

The Board of Directors of House of Control Group AS
Høvik, 23 March 2022

Jostein Vik	**Lasse Sten**	**Radmila Nenad Stoltz**
Chairman of the board	General manager	Member of the board
Heidi Gjersø Thaulow	**Øyvind Skeie Bauer**	**Erik Fjellvær Hagen**
Member of the board	Member of the board	Member of the board

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CASH FLOW STATEMENT FOR PARENT COMPANY

NOK 1000	Note	2021	2020
Cash flow from operating activities			
Profit/(loss) before tax		-21 445	-13 352
Taxes paid		-	-
Interest and other financial items		17 408	8 835
Changes in trade payables		2 511	337
Changes in intercompany balances	5	-211 759	-56 377
Changes in other balance sheet items		787	17 198
Net cash flow from operating activities		**-212 498**	**-43 359**
Cash flow from investing activities			
Investment in subsidiaries	7	-	-30
Net cash flow from investing activities		**-**	**-30**
Cash flow from financing activities			
Net proceeds from borrowings	10	-	20 000
Repayment of borrowings	10	-	-25 000
Financing costs of long term loans		-3 041	-6 427
Interest payment on long term loans		-13 391	-8 835
Net proceeds from share issuance	8	1 264	351 255
Cost related to share issuance		-	-31 011
Net cash flow from financing activities		**-15 168**	**299 982**
Net change in cash and cash equivalents		-227 666	256 593
Cash and cash equivalents at beginning balance		320 573	63 981
Cash and cash equivalents at ending balance		**92 908**	**320 573**

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CONTENTS – NOTES FOR PARENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR PARENT COMPANY

Note 1 - Accounting principles
The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

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

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

Foreign currency
All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date.

Other expenses
In principle, cost of sales and other expenses are recognised in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated.

Financial income and financial expenses
Financial income includes interest earned on bank accounts and other interest-bearing financial assets, as well as net foreign currency exchange gains. Financial expense includes interest expense on loans. Financial expense also includes net foreign currency exchange losses.

Deferred taxes and tax expense
Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognised directly in equity. Tax expense consists of current income tax expense and change in net deferred tax. The tax expenseis allocated to ordinary income and the effect of extraordinary items in accordance with the respective taxable income. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

Shares in subsidiaries and associates
Subsidiaries and investments in associates are carried at cost in the parent company accounts. The cost price is increased when funds are added through capital increase or when group contributions are mase to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in the purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.

A write-down to fair value will be performed if the impairment is not considered to be temporary, and an impairment charge is deemed necessary according to generally accepted acccounting principles.

Cash and cash equivalents
Cash and cash equivalents include cash, bank deposits and all other monetary instruments with a maturity of less than three months from the date of acquisition

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

Note 2 - Personnel expenses

Specification of personnel expenses

NOK 1000	2021	2020
Salaries	1 664	1 200
Social security tax	74	28
Pension cost	-	-
Other employee-related expenses	-	-
Personell expenses	**1 738**	**1 228**
Full time employees	-	-

Management remuneration for the year ended 31 December 2021

NOK 1000	General Manager	Board
Salary	-	1 800
Pension costs	-	-
Other benefits	-	-
Total	-	**1 800**

The company has no employees. The general manager is remunerated from the subsidiary House of Control AS. The notice period for the general manager is 6 months, with a termination payment agreement of 12 months. No loans or security have been granted to the general manager, the board or other related parties.

Auditor fees

NOK 1000	2021	2020
Statutory audit fee	990	93
Other assurance services	15	319
Other assistance	2 133	-
Total remuneration to the auditor	**3 139**	**412**

Note 3 - Financial items

Specification of financial items

NOK 1000	2021	2020
Interest income	161	767
Interest income from group companies	9 806	-
Currency exchange gain	460	-
Other financial income	-	-
Financial income	**10 427**	**767**
Interest on long term debt	17 408	11 331
Currency exchange loss	480	5
Other financial expenses	2	-
Financial expenses	17 889	11 336
Net financial gain / (loss)	**-7 462**	**-10 569**

Note 4 - Taxes

Calculation of deferred tax/deferred tax benefit

NOK 1000	2021	2020
Temporary differences		
Other differences	13 680	14 656
Net temporary differences	**13 680**	**14 656**
Tax losses carried forward	-73 399	-54 651
Basis for deferred tax (asset)	**-59 719**	**-39 995**
Deferred tax (asset)	-13 138	-8 799
Deferred tax	-	-
Deferred tax asset not recognized in the balance sheet	-	-
Deferred tax asset in the balance sheet	**-13 138**	**-8 799**
Deferred tax in the balance sheet	-	-

The deferred tax benefit is included in the balance sheet on the basis of future income.

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

NOK 1000	2021	2020
Result before taxes	-21 445	-13 352
Permanent differences	1 721	-21 262
Basis for income tax expense	**-19 724**	**-34 613**
Change in temporary differences	976	-4 300
Change in tax loss carried forward	18 748	38 913
Taxable income (basis for payable taxes in the balance sheet)	**-**	**-**
Components of the income tax expense		
Payable tax on this year's result	-	-
Total tax payable	**-**	**-**
Change in deferred tax (asset)	-4 339	-7 615
Change in deferred tax (asset) posted to equity	-	4 678
Tax expense	**-4 339**	**-2 937**
Reconciliation of the tax expense		
Result before tax expense	-21 445	-13 352
Calculated tax	-4 718	-2 937
Tax expense	-4 339	-2 937
Difference	**379**	**-**
The difference consists of:		
Tax of permanent differences	379	-4 678
Effect of tax rates outside Norway	-	4 678
Sum explained differences	**379**	**-**
Payable taxes in the balance sheet	**-**	**-**

Note 5 - Intercompany transactions and balances

Related party transactions, profit and loss

Transaction/transaction type	Belongs to P&L line	2021	2020
Sales of goods and services	Other operating income	-	370
Re-invoiced costs	Other operating expenses	728	-
Expensed management fee	Other operating expenses	2 949	-
Interests on loan to Group companies	Interest income	9 806	-
Interest expense	Interest expenses	-	370

Receivables to group companies

NOK 1000	2021	2020
Loan to group companies	239 223	-
Other short-term receivables	1 096	28 559
Total intercompany receivables	**240 318**	**28 559**

Payables to group companies

NOK 1000	2021	2020
Trade payables	2 949	-
Other short-term debt	-	-
Total intercompany debt	**2 949**	**-**

Note 6 - Cash and cash equivalents

Cash and cash equivalents comprise the following at 31 December:

NOK 1000	2021	2020
Bank deposits	92 908	320 573
Restricted cash	-	-
Total cash and cash equivalents	**92 908**	**320 573**

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Note 7 - Subsidiaries

Subsidiaries at 31 December 2021

NOK 1000	Place of business	Owner-ship and voting rights	Profit/loss latest financial statements	Equity 31.12.	Book value 31.12.
House of Control Midco AS	Norway	100 %	-73 470	69 227	142 807

See also note 27 in the Group Consolidated Financial Statements.

Note 8 - Owners equity

Equity of parent company

NOK 1000	Share capital	Share premium reserve	Other equity	Total equity
Owners equity 01.01.	**11 383**	**414 652**	**-15 508**	**410 527**
Capital increase	37	1 227	-	1 264
Profit/loss for the year	-	-	-17 106	-17 106
Dividend	-	-	-	-
Owners equity 31.12.	**11 420**	**415 879**	**-32 613**	**394 686**

Note 9 - Share information

The share capital in the company at 31 December 2021 consists of the following classes:

	Number of shares	Nominal amount	Carrying amount
Ordinary shares	57 099 650	0,20	11 419 930
Total	**57 099 650**	**0,20**	**11 419 930**

Total shares outstanding	2021	2020
Number of shares outstanding at 1 January	56 913 200	32 046 600
New shares issued	186 450	24 866 600
Number of shares outstanding at 31 December	**57 099 650**	**56 913 200**

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Shareholders at 31 December 2021

Shareholders	Shares	Ownership %
VIKING VENTURE 7 AS	10 372 500	18,2 %
Morgan Stanley & Co. LLC	8 316 420	14,6 %
Goldman Sachs & Co. LLC	4 268 619	7,5 %
BJØRK INVEST AS	2 920 950	5,1 %
DUNVIK AS	2 539 500	4,4 %
J.P. MORGAN BANK LUXEMBOURG S.A.	2 343 118	4,1 %
The Northern Trust Comp, London Br	2 267 934	4,0 %
VIKING VENTURE 8 AS	2 247 400	3,9 %
J.P. MORGAN BANK LUXEMBOURG S.A.	2 202 341	3,9 %
RBC INVESTOR SERVICES TRUST	2 099 434	3,7 %
DIN ERP HOLDING AS	1 804 766	3,2 %
DZ Privatbank S.A.	1 480 000	2,6 %
VIKING VENTURE 7B AS	1 401 700	2,5 %
Danske Bank A/S	1 050 000	1,8 %
The Northern Trust Comp, London Br	1 001 214	1,8 %
Citibank, N.A.	988 744	1,7 %
BNP Paribas	849 289	1,5 %
Citibank, N.A.	805 050	1,4 %
CLEARSTREAM BANKING S.A.	716 082	1,3 %
NIKFAN AS	549 600	1,0 %
Total	**50 224 661**	**88,0 %**
Other (ownership < 1%)	6 874 989	12,0 %
Total shares	**57 099 650**	**100,0 %**

Note 10 - Interest-bearing debt

Specification of interest bearing debt as of 31 December

NOK 1000	2021	2020
Loan Facility AshGrove Capital	82 000	82 000
Capital and Acquisition Facility AshGrove Capital	20 000	20 000
Total nominal value interest-bearing debt	**102 000**	**102 000**
Less capitalized fees	-7 156	-14 656
Total book value interest-bearing debt	**94 844**	**87 344**
Non-current portion of interest-bearing debt	94 844	87 344
Changes in liabilities arising from financing activities	7 500	15 700
Capitalized fees related to CAF reclassified to non-current receivables	6 524	-

Loan Facility and Capital and Acquisition facility (CAF)
The Group has a loan agreement with AshGrove Capital to secure financing for organic and inorganic growth activities. The agreement provides two facilities: a Loan Facility of NOK 82 million and a committed Capital and Acquisition Facility of NOK 218 million, of which NOK 198 million is unutilized at 31 December 2021. Both the Loan and the Capital and Acquisition Facilities have a five year maturity and fall due on 18 December 2024, with no installments during the outstanding period.

Both facilities carry interest of NIBOR with a floor of 1 percent plus a margin ranging from 6,5 to 7,5 percent p.a. depending on the current leverage ratio in the Group. The lender is entitled to capitalize part of the interest accrued during the outstanding period as a part of the outstanding loan as PIK interest. Separate interest rates applies to such caplitalized interests.

Fees paid in connection with the establishment of the loan facility are recognized as transaction costs and amortized as a part of the interest expense in accordance with the effective interest method.

Fees paid in connection with the CAF are recognized as transaction costs related to the part of the CAF that a drawn down is probable, assessed at the time of establishment. In this case, the amortization of the fee is deferred until the draw-down occurs. In the balance sheet as pr 31 December 2020 capitalized fees related to the loan facility were presented net the value of interest bearing debt. Since the CAF is considered by the Group to be a liquidity reserve, the fees are capitalized as a prepayment for liquidity services and amortized over the outstanding period of the facility. In the balance sheet as pr 31 December 2021 capitalized fees are reclassified as prepayment as part of non-current receivables.

House of Control Group AS has pledged all material assets, including but not limited to shares in subsidiaries, bank accounts and intercompany receivables as security for the facilities.

The facility loan is subject to covenants restrictions, including a recurring revenue ratio and a leverage ratio. The recurring revenue ratio is calculated as the ratio of total debt to recurring revenue for the relevant period. The leverage ratio is calculated as the ratio of debt to proforma EBITDA. The covenant related the recurring revenue ratio applies to periods up to 31 December 2022. After that, the covenant related to the leverage ratio will be applicable.

The Group reports economic conditions due to requirements of financial covenants to Ash-Grove Capital monthly, and are in compliance with all covenants as of 31 December 2021.

Collateral and security as of December 31

Book value of debt with collateral security

NOK 1000	2021	2020
Loan and Capital Acquisition Facility	94 844	87 344
Total book value of loans	**94 844**	**87 344**

Book value of debt with collateral security

NOK 1000	2021	2020
Cash and Cash equivalents	92 908	320 573
Intercompany receivables	240 318	28 559
Shares in subsidiaries	142 807	142 807
Intellectual property	476 033	491 939
Total book value of loans	**94 844**	**87 344**

Maturities of financial liabilities as of 31 December 2021

NOK 1000	Less than 1 year	1-5 year	Over 5 years	Total	Carrying amount
Contractual maturities of financial liabilities					
Loan Facility	-	75 195	-	75 195	75 195
Capital and Acquisition Facility	-	19 649	-	19 649	19 649
Trade payables	3 746	-	-	3 746	3 746
Other current and non-current liabilities	-	-	-	-	-
Total at 31 December 2021	**3 746**	**94 844**	**-**	**98 590**	**98 590**

Maturities of financial liabilities as of 31 December 2020

NOK 1000	Less than 1 year	1-5 year	Over 5 years	Total	Carrying amount
Contractual maturities of financial liabilities					
Loan Facility	-	68 063	-	68 063	68 063
Capital and Acquisition Facility	-	19 282	-	19 282	19 282
Trade payables	1 235	-	-	1 235	1 235
Other current and non-current liabilities	-	-	-	-	-
Total at 31 December 2020	**1 235**	**87 344**	**-**	**88 579**	**88 579**

Liquidity reserve

The liquidity reserve of the Group consists of cash and cash equivalents in addition to undrawn credit facilities as follows as of 31 December.

NOK 1000	2021	2020
Cash and cash equivalents	92 908	320 573
Undrawn facility	198 000	198 000
Total liquidity reserve	**290 908**	**518 573**

To the General Meeting of House of Control Group AS

Independent Auditor's Report

Opinion

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

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

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Independent Auditor's Report - House of Control Group AS

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Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

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

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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- 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.

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.

Oslo, 23 March 2022
PricewaterhouseCoopers AS

Eivind Nilsen
State Authorised Public Accountant

HOUSE OF CONTROL

HOC Group AS - The Board of Directors' report 2021.pdf

Signers:

Name/Phone	*Method*	*Date*
Hagen, Erik Fjellvær	BANKID	2022-03-23 16:53
Vik, Jostein	BANKID	2022-03-23 19:19
Thaulow, Heidi Gjersø	BANKID	2022-03-23 20:11
Stoltz, Radmila Nenad	BANKID_MOBILE	2022-03-23 17:32
Bauer, Øyvind Skeie	BANKID_MOBILE	2022-03-23 16:53
Sten, Lasse	BANKID_MOBILE	2022-03-23 17:16

THE BOARD OF DIRECTORS' REPORT 2021 FOR HOUSE OF CONTROL GROUP AS

Operations and locations
Our vision is to be the CFO's best friend®, providing financial control and facilitating optimization of business processes.

House of Control develops SaaS (Software as a Service) solutions. These are digital tools that the CFO can easily apply to improve the performance of the finance department and – ultimately – the whole company. The CFO toolkit contributes to at least four important tasks: Cut costs, save time, reduce risk, and improve compliance – all key ingredients of a better-working finance department. Private and public enterprises use the software to manage contracts and assets, comply with IFRS 16 requirements, communicate with suppliers, and organize procurement. House of Control's strong revenue growth is supported by a unique salesforce, and approximately 94 percent of sales are annual recurring revenues.

The Group has grown significantly over the past years, with the organic growth being supplemented by a series of acquisitions.

Source: Company data

House of Control Group – product pyramid
The Group's acquisitions have added further building blocks on top of the Complete Control legacy product.

The acquisition of Business Analyze AS in April 2021 added business intelligence systems and CFO dashboard technologies, offering CFOs actionable insights for strategic processes. The acquisition of Egreement AB in Sweden in September added contract management and workflow solutions, digital signature and authorization to the Group's business process segment.

In November 2021, the Group acquired Keyforce AS, which will enable the Group to integrate ERP, CRM, HRM and any other incumbent systems with House of Control Group's other solutions.

In early 2022, after the end of the reporting period, the Group divested the on-premise contracts acquired as part of the DinERP-acquisition in 2020, leaving the Group with only core cloud-based SaaS solutions in the portfolio.

The Group now consists of the parent company House of Control Group AS, including its

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wholly owned subsidiary House of Control Midco AS. House of Control Midco AS has several wholly owned subsidiaries in Norway, Sweden, and Denmark; House of Control AS, House of Control Denmark A/S, DinERP AS, Effectplan International AB, Business Analyze AS, Egreement AB and Keyforce AS. In addition, the subsidiary House of Control AS has a branch in Sweden, House of Control Filial Sverige. Keyforce AS is a sub-group that consists of the parent company Keyforce AS and subsidiaries Keyforce Norge AS, Keyforce Consulting AS, Keyforce Sverige AB and Keyforce Danmark ApS.

The Group's headquarters are located at Høvik, Norway, with sales offices in Stockholm, Sweden and Copenhagen, Denmark. In addition, the Group has development offices in Trondheim, Bergen and Lillehammer.

Financial results of 2021

The Group's revenues amounted to NOK 177.2 million in 2021 (124.8), which was an increase of 42% from 2020. Recurring revenue accounted for 93% of total revenue (94%). The revenue increase reflects growth in all main geographical segments; Norway, Sweden, and Denmark, also supported by the acquisitions of Business Analyze AS and Keyforce AS in Norway and Egreement AB in Sweden. Business Analyze AS, Egreement AB and Keyforce AS and subsidiaries have been included in the Group's consolidated accounts from April, September, and November, respectively, in line with the closing dates of the acquisitions. Organic revenue growth, excluding the effects of acquisitions, was 21%.

Operating costs amounted to NOK 205.6 million (143.7), with salaries as the main cost component at 75% of total operating expenses (74%). The increase in operating costs mainly reflects high growth investments in more developers and salespeople, both through acquisitions and organic growth. The number of employees increased by 53% from 109 at the end of 2020 to 167 at the end of 2021. The reported EBITDA hence showed a loss of NOK 28.4 million (-18.9).

Excluding special cost items, mainly related to IFRS conversion, M&A and bonuses, redundancy, timing differences, and strategic product projects, adjusted EBITDA showed a loss of NOK 3.6 million (+8.1).

Amortization amounted to NOK 42.5 million (22.1), depreciation to NOK 7.6 million (4.7), and impairment losses to NOK 52.8 million (0). This summed up to NOK 102.9 million for 2021, compared to NOK 26.8 million for 2020. Impairment losses are related to the divestment in January 2022 of 'on-premise' contracts acquired through DinERP AS. The impairment reflects a decrease in the recoverable amount of capitalized development costs and customer contracts, based on future expected cash flows from the retained business in DinERP AS.

The operating result (EBIT) showed a loss of NOK 131.3 million (-45.7) for the year 2021. Net financial items were NOK -22.0 million for the full year 2021 (-15.9). The increased financial cost mainly reflects higher net debt due to acquisitions and investments. Loss before tax for 2021 amounted to NOK 153.2 million (61.7).

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The parent company House of Control Group AS operates as a holding company, and all external sales and service offerings in the Group are conducted in the subsidiaries. The operating loss for the parent company amounted to NOK 14.0 million (2.8). Net financial items were NOK -7.5 (-10.6), while loss before tax for 2021 amounted to NOK 21.5 million (13.4).

Financial position and cash flow
Total non-current assets amounted to NOK 297.6 million at the end of 2021 (159.1). This mainly reflects intangible assets of NOK 231.9 million (137.5) including goodwill from acquired companies in 2021. Right-of-use assets amounted to NOK 22.7 million (10.2), and deferred tax assets to NOK 35.1 million (9.9). Property, plant, and equipment were NOK 0.8 million (0.9) and other long-term receivables NOK 7.1 million (0.6).

Current assets amounted to NOK 63.2 million at the end of 2021 (37.5), excluding cash and cash equivalents. Cost to obtain contracts accounted for NOK 32.2 million (25.3) and trade and other receivables for NOK 30.9 million (12.0), whereas inventories remained modest at NOK 0.2 million (0.2). Cash and cash equivalents amounted to NOK 143.0 million (346.7).

The Group had total equity of NOK 216.5 million (337.5) of a total balance of NOK 503.9 million (543.2), corresponding to an equity ratio of 43% at the end of the year (62%). The decline over the past year reflects the losses in the period, including the impairment of NOK 52.8 million related to the divestment in January 2022 of 'on-premise' contracts acquired through DinERP AS.

Total liabilities amounted to NOK 287.4 million at the end of 2021 (205.7), of which NOK 152.9 million in current liabilities (106.8) and NOK 134.5 million in non-current liabilities (99.0). The latter reflects long-term borrowings of NOK 95.8 million (89.5), non-current lease liabilities of NOK 15.9 million (5.8), and other non-current liabilities of NOK 22.8 million (3.6) which mainly reflects estimated future payments under earn-out clauses from acquisitions.

Current liabilities comprised deferred revenue of NOK 77.2 million (63.1) reflecting the Group's revenue model with pre-paid subscriptions, current lease liabilities of NOK 8.2 million (5.3), trade creditors of NOK 5.3 million (3.9), public duties payable of NOK 22.3 million (16.4), and other short-term liabilities of NOK 39.8 million (18.0).

Net cash flow from operating activities was a negative NOK 30.8 million (-10.6). Net cash flow from investing activities was a negative NOK 138.0 million (-21.1), of which NOK 98.2 million related to acquisitions and NOK 33.0 million related to R&D CAPEX. Cash flow from financing activities was a negative NOK 35.6 million, whereas it was a positive NOK 296.7 million in 2020 after cash contribution related to the IPO and subsequent listing on Euronext Growth in October 2020.

Cash and cash equivalents overall declined to NOK 143.0 million at the end of 2021, down from NOK 213.7 million at the end of the third quarter and NOK 346.7 million at the end of 2020.

For the parent company House of Control Group AS total non-current assets amounted to NOK 401.7 million at the end of 2021 (151.6). This mainly includes investments in subsidiaries of NOK 142.8 million similar to last year, and loan to group companies of NOK 239.2 million (0). Deferred tax assets amounted to NOK 13.1 million (8.8), while other non-current receivables amounted to NOK 6.5 million (0). Current assets amounted to NOK 94.8 million (349.2), whereas 92.9 million (320.6) consist of cash and cash equivalents.

The parent company had a total equity of NOK 394.7 million (410.5) at the end of 2021, corresponding to an equity ratio of 79% at the end of the year (82%). Total liabilities amounted to NOK 101.8 million (90.3), that mainly reflects the Group's interest-bearing debt of NOK 94.8 million to AshGrove Capital (87.3).

Net cash flow from operating activities for the parent company amounted to NOK -212.5 million (-43.4). The decrease in net cash flow from operating activities is mainly reflecting that House of Control Group AS has granted loans to its subsidiaries in 2021 which entails a negative effect on the parent company's cash flow isolated. Net cash flow from investing activities amounted to NOK 0 million (0), whereas net cash flow from financing activities amounted to NOK -15.2 million (+300.0). The decrease in net cash flow from financing activities is mainly reflecting the positive cash contribution in 2020 related to the IPO and subsequent listing on Euronext Growth in October 2020.

Business outlook

House of Control Group has established a leading position in the Nordic market, with a continuously broader offering of subscription-based Software-as-a-Service (SaaS) solutions.

At the end of 2021, the Group had an annual recurring revenue base (ARR) of NOK 211 million, which was an increase of 45% (before divestment of non-core on-premises contracts) from the end of 2020. Organic ARR growth was 25%, with the remainder gained through the acquisitions of Business Analyze, Egreement, and Keyforce.

The acquisitions over the past years have significantly broadened the scope of business and increased the customer base from around 1,100 to almost 2,700 unique customers over the past two years.

After the end of the year, House of Control Group sold its non-core on-premise contracts in the subsidiary DinERP AS to Cillco Technology AS. This will reduce ARR by approximately NOK 14 million but is also expected to lower the annual cost base by approximately NOK 30 million. Adjusted for the divestment the Group's annual recurring revenue base (ARR) amounts to NOK 197 million.

Following this transaction, the Group expects to generate positive EBITDA in 2022 and positive cash flow after investments in 2023.

Continued growth will mainly be based on two main growth avenues, the increased penetration of an underpenetrated Nordic market with no direct competitors, and up-selling and cross-selling of a product portfolio that has been broadened significantly over the past year. The Group's current operations are primarily focused on the Nordic market, with 98% of ARR in this region after the divestment of the non-core on-premise contracts. However, the Group sees opportunities in other markets in Europe. One example is the UK market, where all organizations in the public sector are required to report on IFRS 16 from 1 April 2022. This opens a potential new market opportunity for the Group's leading IFRS 16 reporting solution.

The Group reiterates its ambitions to grow to an ARR level of NOK 500 million by 2025, and believes it is fully funded to finance growth towards this target. With increased scale the Group expects that operational leverage over time will allow for a long-term EBITDA-margin level of 40%.

Financial risk

2021 was a stable year for House of Control Group's relevant markets in the Nordic region, and the Group sees limited risk associated with market development, market saturation or competition. Although the Group has grown significantly over the past 5-6 years, the addressable market is still estimated to be more than 60 times larger than the current ARR, and the Group has few or no direct competitors in the market.

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

Credit risk
The Group has not experienced any significant losses on receivables. The majority of subscriptions are invoiced yearly in advance, and the credit risk is perceived as low. The horizontal nature of the product offering provides a highly diversified customer base with regards to industries and sectors, and the five largest customers represent less than 10% of total revenues.

Interest rate risk
Long-term borrowings amounted to NOK 95.8 million per the end of 2021, reflecting loan agreements with AshGrove Capital and Innovasjon Norge. The interest-bearing debt is denominated in NOK, and the company has not fixed the interest rate which is tied to NIBOR. The Group's cash holding is held in bank accounts, also denominated in NOK.

Exchange rate risk
Exchange rate risk is limited with the current geographic footprint. Most of the Group's revenues and operational expenses are in NOK. The currency baskets for revenue and operating costs are well balanced as the Danish and Swedish entities receive revenue and incur cost in local currencies.

Liquidity risk
The Group's liquidity is considered good. Cash and cash equivalents amounted to NOK 143.0 million per the end of 2021, and the Group has undrawn acquisition financing facilities of NOK 198 million.

Sustainability and environmental impact
House of Control Group develops and sells software, and the Group's impact on the external environment is limited. Resource usage and emissions are primarily related to energy consumption in our software server operations, our offices, and travel activity. Although the impact on the external environment is limited, we have nevertheless launched several initiatives.

The Group is a strong supporter of the UN's Sustainable Development Goals which includes tackling global challenges such as gender equality, decent work and economic growth, and responsible consumption and production. House of Control Group notices this in the form of requirements from our customers for documentation that House of Control Group delivers its services in a sustainable manner. The Group has established a project group to create new internal routines for reorganizing operations and to improve its focus on sustainability. In order to become a sustainable organization, the Group has sharpened its focus areas to concentrate on improving internal routines for a more sustainable operation of office premises where electricity consumption, renewable energy, reducing business travels, water consumption and that our employees' working conditions are prioritized. House of Control Group also set requirements for suppliers to confirm their work for a sustainable operation. The Group works towards the goal of securing environmentally sustainable and healthy solutions. As such, the Group attempts through all its measures and activities to reduce the environmental impact to a minimum.

The Board of Director's review on sustainability is presented in a separate section in the annual report.

The working environment and the employees
House of Control Group AS does not have any employees, all employees in the group are hired in the subsidiaries. All employees in the subsidiaries have their workplace in modern office premises in Norway, Sweden, or Denmark, which meet all relevant requirements for a healthy and safe working environment. During the pandemic, the Group has arranged for extensive use of home offices.

525 leave of absence days due to illness were registered in the Group over the financial year. This represents 2.1% of total working hours for the year. 211 days (0.9%) were related to short-term absence, and 314 days (1.3%) to long-term absence.

No incidences were reported of any work-related accidents resulting in significant material damage or personal injury.

The working environment is perceived to be good, and efforts for improvements are made on a continuous basis. The group has a well-qualified staff and is recognized as an attractive employer. During 2021 the Group has established a working environment committee to ensure that the working environment legislation is implemented sufficiently.

Equal opportunities and discrimination
The Group shall be a workplace with equal opportunities and has included in its policies regulations to prevent discrimination regarding salary, promotion and recruiting.

The Group has a total of 167 employees, of which 49 (29%) are women.

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

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

The Group has prepared a statement of gender equality that summarizes actual condition of equality for the financial year 2021, and related activities that has been performed to promote equality and to prevent different forms of discrimination among employees. The statement can be read on the Group's website: https://www.houseofcontrol.com/corporate-governance

Insurance for board members and general manager
The Group maintains director and officer liability insurance and indemnifies directors and officers of the Group against liabilities which may arise out of the performance of normal duties as directors or officers. The limit of liability is NOK 30 million for each claim and in the aggregate for the period of insurance. Retentions is NOK 200 thousand for each claim.

Events after the balance sheet date
Divestment of 'on premises' contracts
On 27 January 2022, House of Control Group announced the closing of an agreement with Cillco Technology AS for transfer of assets owned by the subsidiary DinERP AS. Cillco Technology AS is a newly incorporated company founded by DinERP employees who will take over on-premise customer contracts outside of the House of Control Group's core business as well as 26 employees from the

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subsidiary DinERP AS. Annual recurring revenue (ARR) from the contracts is approximately NOK 14 million, and the Group expects annual cost savings of approximately NOK 30 million. The agreement with Cillco Technology will take effect from 1 March 2022.

Cillco Technology will retain the responsibility to service and further develop the above-mentioned SaaS solutions developed by DinERP that will continue to be marketed and sold by House of Control Group.

The divestment was a strategic step to focus on the Group's core products, and improved utilization of the Group's sales organization to strengthen further growth. The divestment will have significant positive effects on the Group's operations and finances. Following this transaction, the Group expects to reach EBITDA break-even in 2022 and a positive cash flow in 2023.

The transaction has implied impairment losses of NOK 52.8 million for the Group in 2021, reflecting a decrease in the recoverable amount of capitalized development costs and customer contracts in relation to DinERP AS. The impairment is based on future expected cash flow from the remaining business in DinERP AS in cooperation with Cillco Technology AS. The remaining value of the intangible assets related to DinERP AS is NOK 7.7 million.

Merger of subsidiaries
In February 2022, the recently acquired company Keyforce AS has merged with its two Norwegian wholly owned subsidiaries Keyforce Norge AS and Keyforce Consulting AS. Pursuant to the merger, all employees and customer contracts in the former subsidiaries are transferred to the merged company, Keyforce AS.

There have been no other material events subsequent to the reporting period that might have a significant effect on the financial statements for 2021.

Going concern
The Board of Directors and the General Manager confirm that the going concern assumption has been applied in preparing the annual accounts and that this assumption is realistic. The Group has been characterized by favorable sales developments and adequate equity for several years and are well placed to continue such positive developments.

Allocation of net income
The Board of Directors has proposed to allocate the net losses of NOK 120.8 in the Group and the net losses of NOK 17.1 in the parent company House of Control Group AS to other equity.

Declaration regarding the financial statements
The consolidated financial statements for the year ended 31 December 2020, were the first financial statements the Group has prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and specifically in accordance with IFRS 1 First-Time Adoption of International Financial Reporting Standards. The consolidated financial statements for the year ended 31 December 2021 comply with IFRS as adopted by the EU as described in the accounting policies. There have been no significant changes to the accounting policies of the Group in 2021.

The Board of Directors hereby confirm that the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU. The Board of Directors also confirm that the financial statements present fairly, in all material respects, the financial position of the Parent company as of 31 December 2021, and of 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.

To the best of our knowledge, the consolidated financial statements for the year 2021 gives a true and fair view of important events in the accounting period and their influence on the reporting period, as well as the principal risks and uncertainties facing the business in the next accounting period.

The Board of Directors of House of Control Group AS
Høvik, 23 March 2022

Jostein Vik Chairman of the board	**Lasse Sten** General manager	**Radmila Nenad Stoltz** Member of the board
Heidi Gjersø Thaulow Member of the board	**Øyvind Skeie Bauer** Member of the board	**Erik Fjellvær Hagen** Member of the board

Digitally signed with technology from House of Control

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Skatteetaten

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

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

Tillatelse til å utarbeide årsberetning og årsregnskap på engelsk språk

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

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

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

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

Bakgrunn
Fra søknaden gjengis:

> *House of Control Group AS eies hovedsakelig av investeringsfondet Viking Venture 7 AS og har det 100 % eide datterselskapet House of Control AS. I tillegg har House of Control datterselskap i Danmark og filial i Sverige.*
>
> *Som en del av en ekspansiv strategi om videreutvikling og etablering i flere europeisk land, samt potensielt kommende betydelig internasjonalt eierskap, ser vi det hensiktsmessig å avlegge selskapsregnskapene og konsernregnskapet på engelsk for House of Control Group AS og House of Control AS. Det er vår oppfatning at hensynet til alle brukere av regnskapet til House of Control Group AS og datterselskapet House of Control AS vil være ivaretatt ved at årsregnskapet og årsberetningen avlegges på engelsk fra og med 2018.*
>
> *Da hovedformålet med regnskapsloven er å bidra til informative regnskap for ulike grupper av regnskapsbrukere vil vi se det nødvendig at selskapene får levere årsregnskap og årsberetning på engelsk fra og med regnskapsåret 2018, da deres brukere av produktet for 2018 vil være utpreget internasjonalt og bruker et annet arbeidsspråk enn norsk.*

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

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

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

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

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

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at eierkretsen er begrenset. Videre er det lagt vekt på kommunikasjon med brukerne av regnskapene foregår på engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

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Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.