Arribatec.

Annual report 2021

\ Contents.

\ Arribatec at a glance.

Since the establishment in 2015, Arribatec has experienced an incredible growth and a transformation in the IT consultancy business worldwide.

Arribatec is a global provider of integrated digital business solutions supporting customers in gaining competitive advantage through innovative use of IT. The Company's core competence is focused around ERP, Cloud Solutions, Technology Infrastructure, Enterprise Architecture and consulting services. As of December 2021 Arribatec has nearly 400 dedicated and skilled employees spread over 25 offices worldwide. We serve more than 900 private and public businesses in over 25 countries.

Through the combination of self-developed software, partnerships and consultants, Arribatec provides services to help businesses reach their potential.

Key consolidated figures and ratios

		Full year 2021	Full year 2020
Revenue	TNOK	413 938	154 024
Gross profit	TNOK	321 079	136 415
EBITDA	TNOK	(6 800)	(45 259)
Adjusted EBITDA	TNOK	(1 601)	14 877
Operating profit/(loss), EBIT	TNOK	(49 770)	(52 499)
Net profit/(loss)	TNOK	(48 858)	(55 620)
Revenue growth y/y for the quarter/full year	%	168.7 %	35.5 %
Gross profit margin	%	77.6 %	88.6 %
EBITDA margin	%	(1.6%)	(29.4%)
Adjusted EBITDA margin	%	(0.4%)	9.7%
Earnings per share	NOK	(99.86)	(0.18)
Cash at end of period	TNOK	43 758	188 270
Equity	TNOK	316 506	316 214
Equity ratio	%	57.3 %	76.9 %
Price per share at end of reporting period	NOK	1.180	2.040
FTEs	Number	374	171
No. of outstanding shares, beg. of period	Number	418 583 331	16 077 403
New shares issued	Number	166 319 733	402 505 928
No. of outstanding shares, end of period	Number	584 903 064	418 583 331
Average number of shares	Number	489 277 730	305 239 615

\ Timeline.

2015

- Founded
- Expansion to Denmark

2016

- Expansion to Sweden
- Partnership Qlik
- Partnership Unit4 in DACHs region

2017

- New HQ in Oslo
- Expansion to Spain
- Partnership Hypergene

2018

- Expansion to Poland, Belgium, Italy and USA
- Acquisition S4G Consulting Spanish consulting company

2019

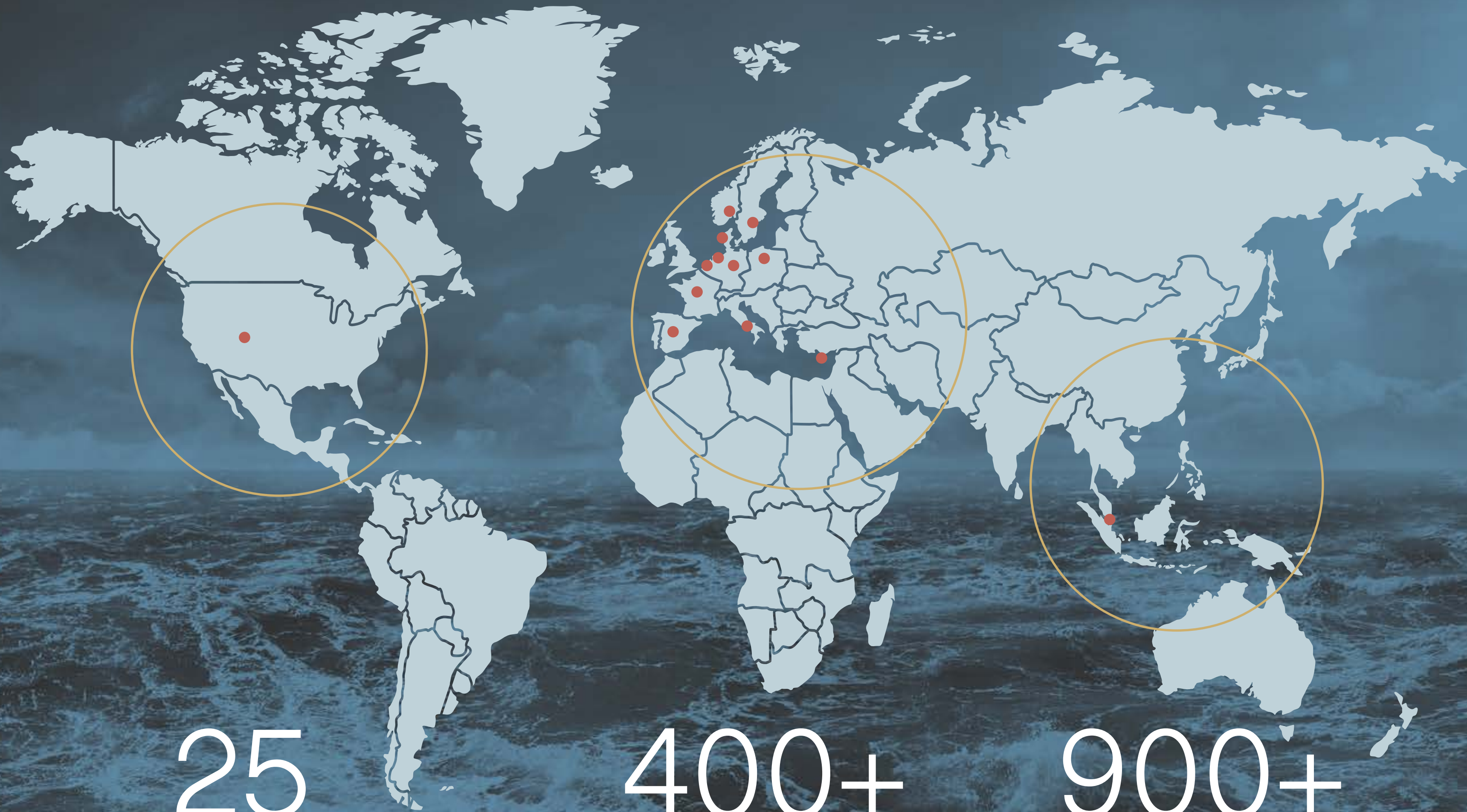
- Partnership Xledger
- Nominated to Deloitte Norway Technology Fast 50
- Acquisition Levo 2 Norwegian software company
- Acquisition Instidata Norwegian software company

2020

- Partnership New Global Partner agreement with Unit4
- Partnership Rambase
- Reverse takeover of Hiddn Solutions ASA
- Acquisition Facil
- Acquisition Innit
- Acquisition Microsky

2021

- Acquisition IB Marine
- Acquisition Qualisoft
- Acquisition Maksit
- Acquisition Integra
- Establishing a foundation for further growth by building common systems for operational excellence



25
Offices
at year end

400+
Employees
at year end

900+
Customers
at year end

\ Highlights of the year .

Q4

\ The quarter of becoming one .

Common systems
During 2021 we focused on building a common ERP system to ensure operational growth. By the end of 2021, 70% of our employees was onboarded, making it possible for us to get a better overview of our workforce and operations.
We finished of the year with launching a common management system. The Arribatec Management System (AMS) will include an overview of our group strategy, processes that describe the way we work together, compliance overviews, and clearly defined management responsibilities. Our management system is a living system that will grow and improve over time concurrently with the growth of Arribatec.

Acquiring Integra
The acquisition of Integra was completed in the middle of October, bringing 25 years of valuable expertise and experience directly to the heart of Arribatec, and making us the world's largest provider of Unit 4 ERP services and solutions. With access to Integra's highly competent consultants and complementary solutions we unleashed great potential.

Q1

\ The quarter of expansion .

Acquiring three market leading companies
In the first quarter of 2021 we finalized the acquisition of three market leading companies; Qualisoft, IB Marine and Maksit. Maksit strengthened our position in the ERP market with valuable competence and unique support experience. Qualisoft, a leader in Enterprise Architecture and Business Process Management solutions, broadened our product portfolio and service offering. The acquisition of IB Marine, a leading provider of cloudbased Enterprise Asset Management solutions within the maritime sector gave us unique access to the maritime industry, bringing 38 years of experience and a world-leading position in the design and implementation of advanced software for ship management into Arribatec.

Our extended solutions and customer base derived from these acquisitions, combined with organic growth and activities, have proven to fuel our growth significantly.

Q3

\ The quarter of identity .

Unveiling our new brand and identity
In September 2021 we unveiled our new brand and identity, a crucial step towards becoming one. Not only will this help with strengthening our new strategy and path, but it will bring all of us closer together as we continue our journey.

A new strategy, mission, vision and values
As part of the journey of becoming One, the global management team developed common Values, Mission and Vision which was rolled out to the whole organization.

Common CRM system
To join forces, strengthen our offerings and increase the potential of crossales, we implemented a common CRM system across all Business Areas. The CRM system was launched Q3 2021.

Q2

\ The quarter of talent .

Digitalization of the onboarding process
In the second quarter of 2021 we took a step towards digitizing the onboarding process of new employees. As we are continously and rapidly growing, a common way to onboard helps us ensure that all new employees experiences a thourough and exciting introduction to our company.

Implementation of common & global HR platforms
In Q2 we started the implementation of two new HR systems; a recruitment platform helping us to hire top talent both globally and across all business areas, and an employee experience platform, which helps us measure and optimize employee experience. Both of these systems were rolled out successfully and gives us valuable overviews.

\ Letter from the CEO .

2021 will be remembered as the year when Arribatec became One. Since the last quarter of 2020 Arribatec has grown significantly; we have increased our workforce by more than 300 employees, doubled our number of offices, broadened our service- and product portfolio, and grown our customer base. All done while consecutive waves of the pandemic has affected businesses globally. Throughout the year we have focused on delivering on our priorities and have established a solid foundation to deliver on our new strategy moving forward.

Becoming one

In 2021 we maintained the growth and M&A trajectory from 2020, and acquired Maksit, Qualisoft and IB Marine. Thus, with the acquisitions of Microsky, Innit and Fácil in late 2020, we had acquired six companies in the timespan of six months. Our last acquisition, Integra, was completed in the fourth quarter of 2021, and jointly made us the largest provider of Unit4 services worldwide. Needless to say, the work during 2021 has centered around integrating the new acquisitions, building out operational capabilities, a common company culture, and establishing a common strategy.

As a crucial step on our journey to become one, we involved our marketing and branding resources to renew and revive a common brand and identity, which we could all call our own. The new look was unveiled in September 2021, together with our new mission; to deliver One Solution, empowering our customers by turning technology into an enabler for growth.

During the same period we gathered all Business Area management teams to contribute with input to our new shared strategy, vision, mission and values, and to discuss how our company culture needs to evolve to enable success. After an unanimous agreement, and full commitment from everyone involved, the final proposal got approved by the Board of Directors and implemented throughout the organization, met with enthusiasm and commitment from our colleagues.

Empowering those around us

The acquisitions made since the introduction of Arribatec Group on Euronext, the Oslo stock exchange, led us to reorganize our activities into five separate business areas (BAs); Business Services, Enterprise Architecture - Business Process Management, Cloud services as well Marine and Hospitality.

Throughout the year we focused both time and resources on developing common processes, systems, tools and procedures across the five BAs, to enable future growth, efficiency and profitability. As a part of these integration efforts we, in the fourth quarter, launched a shared management system delivered by our business area EA-BPM. Additionally, we also integrated 70% of our employees into a common ERP system, and gathered our customer base in a joint CRM system.

Arribatec, including all the acquired companies, continue to work within their fields of expertise, and will continue to do so as five business areas with clear mandates and responsibilities to achieve Arribatec Group's strategic goals.

None of these activities would have been possible without the commitment and hard work of our employees. It is imperative for us to continuously work on building an inclusive and engaging culture and working environment where we can maintain and grow our amazing pool of talent.

Simplifying complexity

We embrace the abundance of new competence and opportunities we have obtained through our recent growth and acquisitions and are amazed of how many skilled and committed colleagues we can embrace ourselves with on a daily basis. With a wide variety of backgrounds and expertise we work together on our mission is to provide simplicity for our customers.

We are on an exciting journey, and I strongly believe this year's accomplishments and the hard work we put into 2021 has laid the foundation for a truly successful future, and we step into 2022 with even greater ambitions.

I would like to extend a big thank you to our valued customers, our committed partners, our shareholders, and of course our highly skilled employees. Your trust and confidence in Arribatec Group helped us build a remarkable company with a great potential for creating value for all stakeholders.

Geir Johansen
CEO

\ Our values, vision and mission .

As a step of becoming ONE we established common values, vision and mission. Thanks to a large group involved we managed to get an unanimous agreement, and full commitment from everyone involved. The final proposal got approved by the Board of Director and implemented throughout the organization.

\ Values .

We agreed on the following values:

Responsibility**: We take responsibility**
Our willingness to take responsibility sets us apart. As a group we are authentic, reliable and loyal. We keep our word and own the decisions and actions we take. This is because we understand that we are accountable for our shared impact and results.

Integrity**: We act with integrity**
Integrity is part of our group DNA. We treat our customers, colleagues and partners with respect, professionality and good intentions, as we believe that this fosters trust and long-lasting relationships. We stay true to our group and our shared values even when nobody is watching, as we believe it is the right thing to do.

Service-minded**: We are service-minded**
We understand that we are only as successful as our external and internal customers. Hence, we listen, work hard to understand the customers' needs and strive to deliver above their expectations.

Empower**: We empower those around us**
We have the motivation and confidence to empower those around us. We do so by showing interest, actively sharing our knowledge and giving our customers, colleagues and partners the opportunity to develop and grow. By doing so we lift each other up.

The values are recognized as the RISE culture in Arribatec.

\ Vision .

Our vision should unite and inspire us, and guide us in the direction of where we want to be and how we want to be recognized. Furthermore, we wanted a vision that was easy to remember, understand and incorporate in all business areas and for all products. Based on this we landed on the following vision: **Simplify complexity.**

\ Mission .

To describe how we achieve our vision we defined our mission as follows:

> *Our mission is to provide simplicity. We deliver One Solution, empowering organizations by turning technology into an enabler for growth. One Solution is delivered as a fully supported and managed service on a sustainable platform – connecting people, processes and systems. We take ownership of the complete service and system landscape, delivering a solution that is tailored and cloud ready.*

Our new set of values, vision and mission has been thoroughly communicated and implemented across the Group and are being met with enthusiasm and commitment.

\ Business Area insight.

Business Services (BizS)

Arribatec Business services provides simplicity by implementing, customize, maintain and support the entire business landscape with ERP as the core engine. We integrate it with other market-leading systems that provide better operational support and insight than a single ERP system does.

Within Business Services we have been seeing a steady, sustainable growth over the last year, both in the Nordics and the rest of world.

In terms of geographical expansion, we have now established our subsidiaries in France, where we have won several deals in close collaboration with our main ERP software partner Unit4, and significantly increased our presence in the UK as well as globally within Higher Education, one of our key verticals, with the acquisition of Integra.

We have also increased our delivery capacity and further optimized the use of our existing resources across the different regions, by centralizing resource planning/allocation and investing in short and targeted internal training programs, which have both further increased chargeable utilization as well as the overall quality of the delivery.

The main trends we have seen are a further increased demand for multi-tenant Cloud solutions as well as a single point of contact, i.e., one vendor taking responsibility for the complete end-to-end solution. Both these trends play well into the hands of our overall strategy of complementing our core ERP offering with value added services/products and effectively delivering these as a single/unified solution (One Solution) to our customers.

Enterprise Architecture & Business Process Management (EA-BPM)

Arribatec ea&bpm delivers solutions and long-term services within the spaces of business process management, enterprise architecture and corporate governance to major Norwegian and Nordic customers both in the private and public sector.

Arribatec ea&bpm has seen substantial organic growth through the entire year, with multiple highly skilled staff joining thru the year. We have at the same time managed to maintain high booking on all our resources and to continuously build and maintain a healthy pipeline of new projects.

During the last year we have moved into production QualiWare-based business process management systems for two major energy companies, with both returning excellent reviews.

In the public sector we have implemented and are further developing several successful corporate governance and business management solutions.

Growth opportunities are seen in Norway as well as abroad, and we will increase our efforts to sell and deliver on services across the Arribatec group.

We expect significant growth both in the energy sector, health care and public sector in the coming years.

Cloud (Cloud)

Arribatec Cloud provides consulting, outsourcing and cloud services to private and public enterprises. In addition she offers marked leading cloud services from Microsoft and Google, Arribatec Cloud also operates its own public cloud offering based on Norwegian datacenters to accommodate special use cases for our customers.

The organization consists of 50 highly motivated employees. Arribatec Cloud are located in Hamar, Oslo, Gjøvik, Lillehammer and Bergen.

Arribatec Cloud delivers cloud services in a holistic content, with consulting, licensing, security, implementation, operation and support. We are well known for our good user support with documented 95% satisfied customers at case level.

Information Security and vulnerability management has become the second largest consulting category, following cloud consulting. By using bleeding edge and market leading tools, Arribatec Cloud now offers the industry's most comprehensive vulnerability coverage with the ability to predict which security issues to remediate first.

Going forward, we envisage that the increase of cloud and consulting services will continue and we have developed standard products and services to meet the needs. These services have been well received by our customers, helping them make informed decisions about their ongoing and dynamic cloud journey.

GDPR services is also an area that is still in demand and we have increased investment in this area and new resources have been added.

Within DevOps, there is also great demand, where we focus on security, compliance, deployment and reporting, all while helping our customers meet their goal for rapid development, secure and stable IT-operations with a predictable cost perspective.

Hospitality (Hspt)

We lead the way to the future of Hospitality!

Arribatec Hospitality delivers a various of different solutions within self-check-in, check-out, housekeeping management and conference systems within the hospitality industry.

It's been a highly productive year with new integrations that open new markets both nationally and internationally. These integrations, and the high momentum in the team, made it possible to deliver internationally already at the end of 2021.

Throughout the year, we made a very important partnership with Best Western Rewards. This will strengthen our position towards Best Western hotels across the globe.

BA Hospitality has strengthened the team with new employees throughout 2021 and will continue the growth in 2022.

Marine (Marine)

Arribatec Marine is the Business Area of Arribatec Group focused on the Maritime sector. Arribatec Marine competencies are the development, implementation and consultancy of the owned asset management system solutions: Infoship. Arribatec Marine history goes back to early age of Information Technology in the Maritime sector.

Customers of Arribatec Marine are cruise companies, ferry and passenger companies, and global merchant ship companies in EU and Americas.

Infoship supports ship owners and ship managers in reaching a higher control of their vessels performances through functions designed to cope with their specific business needs, in relation to technical, maintenance, quality and energy management of the fleets.

\ Our people .

Our people are without doubt Arribatec's most important asset. Our employees are dedicated, curious, highly qualified and concerned with good delivery in all contexts.

2021 has been a turbulent year in the midst of the pandemic and integrating four new businesses into Arribatec, but our employees have held their heads high in times of change and uncertainty, and kept on delivering on their targets. Due to our skilled employees, we have managed to link all acquired companies without daily operations being significantly affected.

Our employees consist of roughly 400 highly qualified developers and business consultants with diverse backgrounds; some come straight from school, others have years of experience within their field. We embrace diversity in terms of age, gender, nationality and experience within our workforce, as we believe diverse teams has the best means to uncover opportunities and ensure customer success.

This makes us brave in times of change and our employees thrive despite turbulent times.

\ Code of Conduct.

Basic Human Rights –fairness and safe work environment

Arribatec ensures that employees perform as well as the company's business conduct are being performed in a way that secures the human rights as described in UN's universal "Declaration of Human Rights". One of the main topics in the declaration describes the right to express one's own convictions, opinions and concerns in good faith and without retaliation.

Employee's rights and duties

Arribatec ensures that all employees have work and employment relations that comply with the current laws and regulations. Employees shall receive an Employment Agreement ahead of his/her start of the employment. In most countries in which Arribatec is operating, the Employment Agreement shall reflect a description of his/her' s role and responsibilities, work location, working hours, vacation and compensation elements. Employees shall adhere to his/her Employment Agreement. Employment Agreements include reference to the employing Company's policies as well as the respective country's laws and regulations covering working conditions. Employees have the right to be a member of a union as applicable to the country of employment.

Health, Environment and Safety

Arribatec ensures that the company represents a safe workplace, a good working environment as well as do the up most to secure the health and security of the employees. The employees shall contribute to the co-worker's rights at the workplace, as well as a fair treatment by the peers. Any unacceptable event or incident will be analyzed by the company, with the aim to resolve the situation within a reasonable period.

Protection of Personal Data

Arribatec respects and secures the employee's privacy and personal information at all time. The company will abide by the Personal Data Protection described in the GDPR regulations. Arribatec ensures that a Data Protection Agreement with customers, partners or other relevant parties is entered when applicable. Reference is made to the GDPR guidelines for the company. GDPR regulations applies to countries within EU, and other countries adhering to EU regulations.

Conflict of interest

Employees within Arribatec shall not seek personal interests affecting customer's -or partner's decisions and/or actions and resulting in financial gain or obtaining other services for the employee representing a conflict of interest. Further description of behavior to avoid conflict of interest is described per country, if applicable.

Gifts and representation

Employees in Arribatec will not offer nor receive any gifts, services, or representation. Gift of symbolic value can be given and/or received from business associates when appropriate.

Competition

Employees in Arribatec will conduct activities in the commercial area in an ethical and a professional way. This behavior also applies in situations where the company experience competition. Employees shall aim to avoid contact with entities understood to operate in an unethical way. Adherence to laws and regulations regarding competition is part of the Code of Conduct within Arribatec.

Handling of information

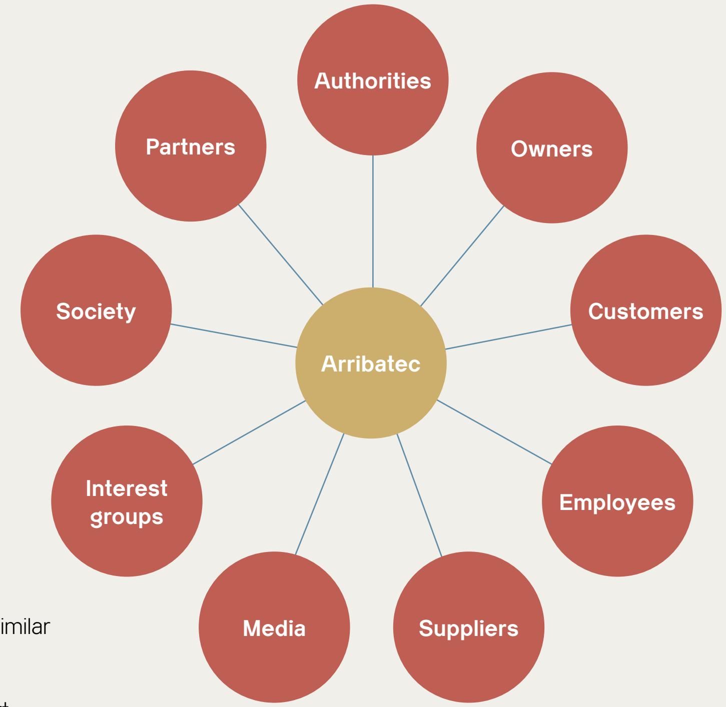
Employees in Arribatec have the duty to secure confidentiality of all types of information about Arribatec 's commercial strategies, business plans- and activities. The same confidentiality applies to handling of customers'- and partner's confidential information when knowledge of such information is provided to an employee of Arribatec.

Notification of unacceptable situations and/or behavior

Arribatec ensures that employees do not experience harassment and/or discrimination. Each and every employee shall show respect and integrity in all interactions in the workplace. Employees within Arribatec have the right to provide information about unacceptable situations/behavior to a representative of choice within the company.

\ Environmental, Social and Governance.

Arribatec recognizes that the environmental, social and governance (ESG) development is an important part of how we create value for our stakeholders. For 2021 the ESG-development has primarily been driven by each Business Area with direction and additional initiatives from the Group. Our employees have stated its engagement for ESG in our internal surveys which emphasizes the importance of embedding ESG in how we operate.



Our overall ESG ambition is to integrate ESG in all our business decisions, and to take our responsibility to meet UN's Sustainability Goals. In the following three chapters we will elaborate on what we did in 2021 to meet our stakeholder expectations in the matters of Environment, Social and Governance (ESG).

Environment

Our biggest impact on the environment is in the process with our customers. Arribatec's business consists of sale and delivery of software, technology, services and solutions to a wide range of industries. We are in a position where we can impact our customers to make better decisions and to operate more environmental friendly. This applies in particular in industries like Oil and Gas, Shipping, Health and Public where most of our revenue comes from. Being a part of the IT-industry means that we have a high use of energy. At the core of our vision "simplify complexity" lays the importance of delivering effective and sustainable software and services.

We have listed the main internal areas of where we are in the position to affect our environmental impact:

Data storing
- We have internal guidelines and routines for reducing the amount of stored data
- Our datacenters have green electricity certificates

Hardware and equipment
- We reuse equipment where possible
- We use Greentech for equipment disposals (for equipment that cannot be reused internally)
- We choose suppliers that are ISO14001 certified or similar

Travel
- We encourage our employees to use public transport or to walk/bike to the office and to our customers
- We encourage to use video-meetings as a replacement for physical meetings whenever possible

Office buildings
- We choose office locations close to public transport
- We choose office buildings that are environmental friendly e.g. our headquarter Økern Portal, Oslo

Solutions
- We build sustainable products that enables our customers to improve their ESG compliance

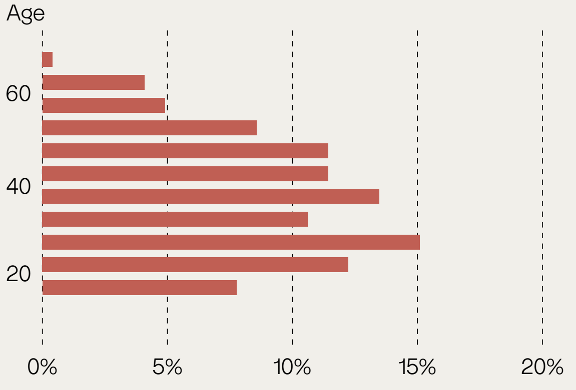
Social

We believe that a diverse work environment with a mix in age and gender creates the best possible environment to succeed. Being a part of the IT-industry we see few female developers and few women in leading positions. We have the opportunity to change this and to contribute to increased equality and diversity in our global organization. The charts below presents our data when it comes to gender and age balance.

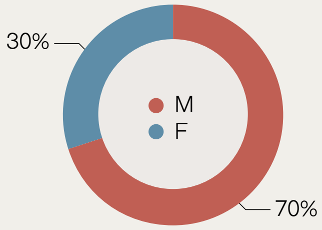
22.5% of the leading position in Group and in each BA are held by women.

We run weekly surveys to ensure we deliver on what our employees find most important; job satisfaction, personal development and meaningfulness. Most of the employees competence development comes from on the job training. In addition to on the job training we invest in internal and external courses and certifications, regular lunch-and-learn meetings, in-house library of professional literature and time earmarked for training for each employee. Our chargeability target for each employee also reflects the allowance of using time to build and share competence. Our competence is shared internally, but also with our clients and the society through conferences, external courses, lectures at universities etc. The internal weekly survey includes a range of topics presented in the charts below:

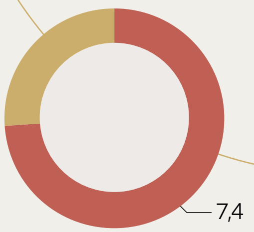
Age distribution



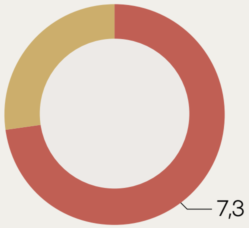
Gender balance
Percent



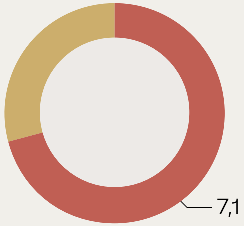
Personal Development
Score out of 10



Job satisfaction
Score out of 10



Meaningfulness
Score out of 10



Arribatec can indirectly influence the development of a sustainable society through Corporate Social Responsibility.

In Arribatec we aim to hire people who have dropped out of working life and need a helping hand to return. In these cases we work closely with the Norwegian Labour and Welfare Administration. All our offices are compliant to the regulations about accessibility for all which means we can hire disabled persons when we have opportunity.

In 2021 we did the following activities for the society:

- Donated to Bidra AS – activity park for kids
- Donated to Stavanger Dykkerklubb – cleaning up the ocean
- Donated to Barnekreftforeningen – Child Cancer Association
- Raised funds for a local hospice, Cancer Research, and Children's cancer with a sponsored walk, swim, and scooter ride
- Donated to Meningitis research foundation
- Sponsored our customer, Guide Dogs for the Blind's annual awards evening
- Raised funds for our customers Woodland Trust, British Red Cross and local charity Sands FC at an Integra Unit4 ERP user group event
- Sponsored a young sports hopeful to attend an Ice Hockey tournament with the England under 16's team
- Sponsored local talents through På lag med fremtiden

Governance

We sell and deliver governance. Governance is in our DNA. Many of our systems and our key expertise are related to governance. Naturally we use the expertise and the system we sell internally. We have a management system that guides us in the right direction and ensures that we know who does what, when and how. Commitment and compliance to our management system is a requirement. All employees provide feedback through the system when they see room for improvement. The Arribatec management system also works as our information security management system, and is key to ensure governance across the Group when it comes to information security and GDPR as well as all other external regulations we are obligated to be in compliance with.

ESG in 2022

The ESG work in Arribatec in 2021 has been about identifying what we do today, and building the necessary structure that will found the basis for how we will work with ESG in the years ahead. Our ESG process for 2022 includes the following:

1. Build ESG competence across the Group and identify opportunities

- To decide our ESG goals and ambition we need to fully understand the ESG topics and identify the opportunities that are most likely to affect our business performance as well as our stakeholders

2. Assess current state

- We need to assess the current state/baseline to understand the maturity and where to start

3. Set our Group ESG Goals and ambition

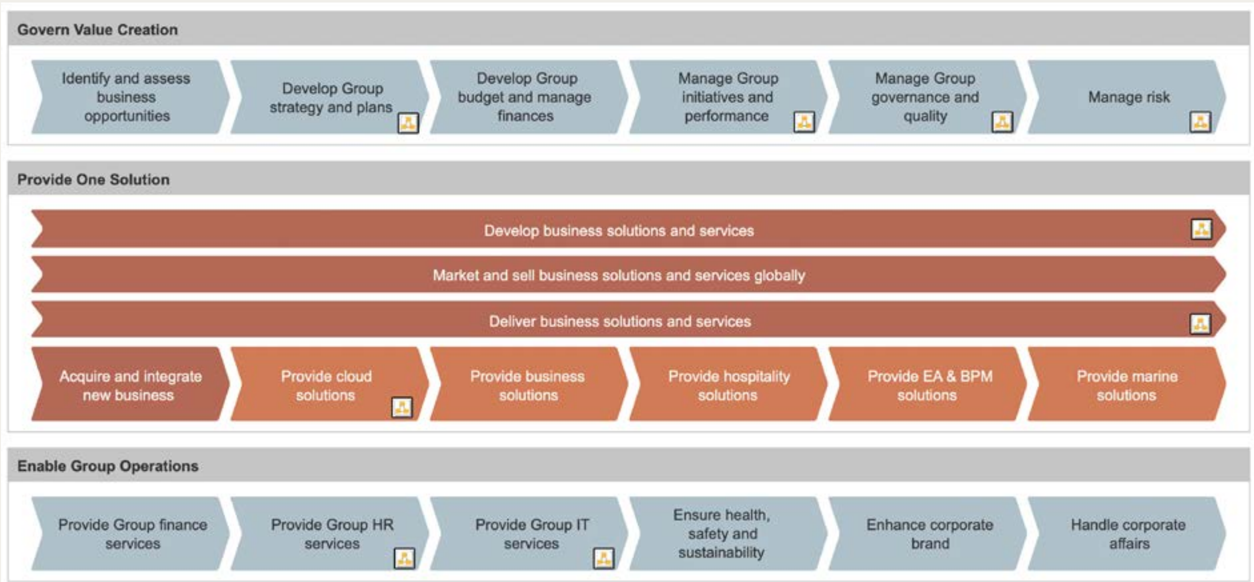
- The ESG goals and ambition shall define and guide us in who we want to be and where we want to go in terms of ESG
- Involve the employees in setting the goals and targets, and which of the UN's Sustainability Goals we should focus on

4. Set action plans and measure performance

- Establish a ESG program and set necessary actions. Define what success looks like and measure performance throughout the program. Align ESG program with business strategy

5. Report ESG and evaluate

- Report on ESG performance to stakeholders and evaluate program



\ Board of Directors.

Martin Nes
Chairman

Martin Nes has been CEO in TIH AS since 2010. He holds a law degree from the University of Oslo, and also holds a Master of Laws degree from University of Southampton, England. Prior to joining Ferncliff, he spent several years with the Norwegian law firm Wikborg Rein, working in both the Oslo and London offices, and with the shipping law firm Evensen & Co. Mr Nes has extensive corporate experience and is/has been chairman and/or a member of the boards of several listed companies, including SD Standard Drilling Plc, Aqualis ASA, Nickel Mountain Group AB, Saga Pure ASA, NEL ASA and Weifa ASA. He is a Norwegian citizen, and resides in Norway.

Martin Nes has served the Board in Arribatec Group ASA since February 2020. He is also the chairman of the Audit Comitee of Arribatec.

Øystein Stray Spetalen
Board member

Øystein Stray Spetalen is Chairman and owner of investment firm Ferncliff II TIH AS. He is an independent investor. He has worked in the Kistefos Group as an investment manager, as corporate advisor in different investment banks and as a portfolio manager in Gjensidige Forsikring. Mr. Spetalen is a chartered petroleum's engineer from NTNU. Mr. Spetalen is a Norwegian citizen and resides in Norway.

Øystein Stray Spetalen has served the Board in Arribatec Group ASA since February 2020.

Yvonne Litsheim Sandvold
Board member

Yvonne Litsheim Sandvold is the founder and CEO of YLS Næringseiendom and the marketing manager of Frognerbygg AS. She has extensive experience from the Norwegian real estate industry. Ms. Sandvold currently serves on the Board of several public and private companies. Ms. Sandvold holds a cand. Psychol. degree from the University of Oslo. Ms Sandvold is a Norwegian citizen, and resides in Norway.

Yvonne Litsheim Sandvold has served the Board in Arribatec Group ASA since February 2020.

Henrik Lie-Nielsen
Board member

Henrik Lie-Nielsen is an experienced entrepreneur, private investor, leader, advisor and serves on the board of several companies in Norway and Sweden. He has founded several tech and tech enabled companies in Norway, and has spent most of his career in the intersection between business development and technology in financial services. Mr. Lie-Nielsen has studied at Stanford University Graduate School of Business Executive Education and Harvard Business School Executive Education.

Henrik Lie-Nielsen has served the Board in Arribatec Group ASA since October 2020. He is a member of the Audit Committee of Arribatec.

Kristin Hellebust
Board member

Kristin Hellebust is the CCO in Xplora Technologies AS and has previously served several years as CEO of Nordisk Film Shortout AS and as CEO of Storm Studios AS and as lawyer at Advokatfirmaet Selmer DA. Ms. Hellebust currently serves on the board of several listed companies. She holds a Master of Laws degree from University of Oslo, an Executive Master of Management program in Financial Strategy from BI Norwegian School of Management, and an Executive MBA from the Norwegian School of Economics.

Kristin Hellebust has served the Board in Arribatec Group ASA since October 2020. She is a member of the Audit Committee of Arribatec.

\ Report of the Board of Directors.

Strategy

As a step of becoming One, Arribatec unveiled a new strategy, values, vision and mission in September 2021. The new strategy centers around, growth, talent, customers and innovation with articulated goals within each of these four pillars;

Growth - secure profitable and sustainable growth in order to create value for our shareholders.

Talent - We will hold on to and grow our pool of talent. In 2022 we will focus on empowering our employees to continuously develop themselves.

Customer engagement – We will focus on maintaining and developing customer relationships to ensure success, customer engagement, satisfaction and long-term relationships.

Innovation and development – continue to bring new and innovative products and solutions to the market place, and increase our focus on sustainability, efficiency and performance.

SolaaS

Through a combination of internally developed software, strong partnerships, and talented people, Arribatec offers a complete solution to its customers comprising relevant services to turn software into solutions. Solution as a Service is a new approach to cloud computing that delivers all aspects of an IT solution implemented, integrated, and offered as a service.
Our business model adds value to software through extensive services and complementary solutions. By delivering this as a service, we aim to deliver a future proof platform of business applications in a unique and scalable way. The way Arribatec deploys and delivers the solutions, creates the platform for our recurring revenue and potential margin expansion over time.

Operation

We embrace diversity in terms of age, gender, nationality and experience within our workforce, as we believe diverse teams has the best means to uncover opportunities and ensure customer success. We continuously work towards closing the gender-gap in a rather male-dominated industry, and we can see a clear improvement in our own workforce since 2020, where Arribatec successfully has increased the percentage of female employees with 9.5% (from 20.5% to 30%).

During 2021 Arribatec continued the ongoing work to streamline the internal work processes and enhance production systems to increase efficiency and reduce unit cost over time. Additionally, the global sales organization worked on adjusting the sales process to ensure Arribatec takes full advantage of all cross-selling opportunities that now are apparent between all acquired companies and the existing Arribatec organization.

Working Environment and HSE

Managers are encouraged to discuss ethics, ethical dilemmas, information security, financial crime and HSE in departmental meetings. We monitor whether this is implemented and implement further measures when necessary. Arribatec's sick leave rate among employees has been at a stable low level for many years. Sick leave among employees was 3.2% in Norway and 0.9% in other countries in 2021, or 7 400 hours.

We use a continuous survey tool to check the temperature of the work environment. This shows that employees thrive quite well in home offices but that they feel better when they get to work hybrid. Some days at home office and some days in the office. Arribatec will offer a hybrid work situation for all employees in the future. This was something we experienced during the pandemic and which has given us useful information for the time ahead.

Covid

Fortunately Covid-19 has had little impact on Arribatec's operations and performance, but our global workforce has been greatly affected in their day-to-day lives. Even though we are getting used to the new normal, one of our main concerns since the pandemic hit us in March 2020 has been to ensure employee safety and well-being.

Being a global software company meant we already had the digital solutions required to continue our operations, but working remotely has highlighted the shared need of adequate workspace and common arenas, as well as the need for social interaction with our colleagues. To meet these needs Arribatec hosted online social events throughout 2021, and facilitated home offices by assisting with equipment. The common digital workplace we implemented in 2020 is being used frequently to better integrate and welcome our new colleagues from our various acquisitions, to share company news and to keep our employees connected.

We use a continuous survey tool to measure and optimize employee experience. The feedback we have collected throughout 2021 shows that our employees thrive working from home, but that they feel better when they have the option to work from an office and physically meet their colleagues. Based on this information we have decided to offer a hybrid work situation for all employees going forward.

Even though several of our employees were infected with Covid-19 during 2021, no one has reported to be hospitalized due to the pandemic, and most were able to return to work from their home office after a few days. We have experienced some higher sickness absence due to sick children due to Covid-19. To ensure we do our part to decrease the physical and psychological impact of the pandemic for our employees we have had a clear strategy throughout 2020 and 2021 to take necessary actions to avoid redundancies and downsizing, and to ensure ensure employee safety and well-being.

Financial Review

Profit and Loss

Full-year revenue amounted to NOK 414 million for 2021, compared to NOK 154 million in 2020. In 2021, recurring revenue amounted to NOK 146 million, while consulting revenue ended at 248 million and other revenue at NOK 20 million. Divided by region, Norway stands for NOK 274 million, Europe NOK 111 million and NOK 29 million from Americas. The relative size within the regions is stable from 2020 to 2021.

The five acquisitions in 2021 contributed with NOK 145 million in revenue in 2021.

Gross profit was NOK 321 million for the full-year 2021 (NOK 136.4 million) The increase mainly relates to the full annual effect in 2021 from the Cloud acquisitions made in Q4 2020 as well as from the acquisitions in 2021 and relates to goods purchased for resale.

Personnel costs were up NOK 173.5 million from NOK 99.1 million in 2020 to NOK 272.7 million in 2021, mainly related to the full year effect of the three acquisitions in 2020 and the four acquisitions in 2021. Number of full-time employees increased from 171 as per 31.12.2020 to 374 as per 31.12.2021. The average number of FTEs was 273 in 2021 compared to 131 in 2020.

Other operating costs were NOK 55.2 million (NOK 25.7 million). Restructuring decisions were made in 2021 of NOK 3.4 million relating changes in management functions that has been accrued for in 2021.

EBITDA was negative NOK 6.8 million compared to 11.6 million in 2020. (NOK 45.3 million).

Depreciation and amortizations amounted to NOK 43 million (NOK 7.2 million) and included an impairment of NOK 3.4 million relating to own software developed.

The net financial result amounted to negative NOK 3.9 million (negative NOK 1.7 million). The net loss for 2021 was NOK 48.9 million compared to a net loss of NOK 55.6 million in 2020.

Financial position

In 2021 Arribatec issued 166.3 million new shares, of which 21.5 million relates to the share consideration from the settlement of the acquisition in 2020 and 20 million shares relating to acquisitions in 2021, whiles 124.8 million shares related to the merger and reverse take-over with Arribatec AS from 2020.

As at 31 December 2021 total assets were NOK 552 million, compared to 411 million as at 31 December 2020. Intangible assets accounted for NOK 316.4 million (NOK 125.3 million). The intangible assets mainly consist of goodwill, customer relations and technical software through business combinations. During 2021, the Company has completed certain transactions including the acquisition of Maksit AS and Qualisoft AS Norway, Gruppo IB Srl. Italy and Integra Associated Ltd. UK, ref Note 18. The total combined price was NOK 178.9 million including an earn-out element (Integra) of NOK 16.8 million to be settled in 2023, as partly share- and cash consideration.

Other non-current assets were NOK 58.2 million (NOK 27.4 million) including right to use assets according to IFRS 16 of NOK 30.3 million (NOK 20.8 million), deferred tax assets of NOK 9.5 million (NOK 2.4 million) and tangible assets of NOK 7.4 million (NOK 3.3 million). Current assets amounted to NOK 177.8 million (NOK 258.5 million), including Account receivables of NOK 88.7 million (NOK 33 million), contract assets of NOK 19.5 million (NOK 9.9 million) and cash and cash equivalents of NOK 43.8 million (188.3 million).

Total interest-bearing debt stood at NOK 37.4 million at the end of 2021 (NOK 8.4 million). The increase mainly arose from acquisitions. Deferred tax liabilities at the end of 2021 were NOK 17.1 million, whereof NOK 15.6 million stems from acquisitions during 2021.

At the end of the year 2021 total current liabilities were NOK 148.5 million (NOK 78.1 million). The increase from last year mainly relates to contract liabilities (deferred revenue) of NOK 21.5 million (NOK 1.3 million) and other current liabilities of NOK 82.3 million (35 million), whereof NOK 16.8 million relates to provision of an earnout element in the acquisition agreement of Integra associated Ltd. Furthermore, a remaining part of the initial purchase price of NOK 5.1 million will be settled toward the Integra sellers in 2022, consisting of cash- and share considerations.

Total equity as per 31 December 2021 was NOK 316.5 million (NOK 316.2 million), corresponding to an equity ratio of 57.3% (76.9%).

Cash Flow

Arribatec's cash flow from operating activities in 2021 was negative with NOK 26.2 million, which compares to a negative NOK 1 million in 2020. The main effects come from net change in accounts receivables and payables that had a negative impact of NOK 20.1 million and hence represent the main difference between Arribatec's operating result and cash flow from operating activities. As a growth company with several acquisitions during 2021 this had a negative impact on the capital binding of the company with NOK 20.1 million. A change in other operating activities like financial items and depreciations and amortizations had a positive impact of NOK 48.6 million. Net cash flow from investing activities was negative with NOK 115.6 million (NOK 37.5 million). Of this, cash consideration in relation to investments in subsidiaries stems for 118.3 million, while cash inflow from acquired subsidiaries were NOK 29.9 million. Furthermore NOK 27.4 million relates to capitalized purchased software and internal development costs relating to development of own software solutions. Net cash flow from financing was negative by NOK 3 million (positive 220.7 million). This mainly relates to proceed from borrowings and repayment of debts. In addition to the installments paid on the leased assets of NOK 13.3 million. Arribatec had NOK 43.8 million in cash and cash equivalents at the end of the year compared to NOK 188.3 million last year.

Risk profile

Arribatec's regular business activities entail exposure to various types of risk. The company manages such risks proactively, and the board of directors regularly analyses its operations and potential risk factors and takes steps to reduce risk exposure.

Arribatec's results of operations could be negatively affected if the Group cannot adapt, expand or develop its services in response to changes in technology or customer demand. The market for the services offered by the Group is characterized by rapid technological changes, frequent new product introductions, technology enhancements, increasingly sophisticated customer requirements and evolving industry standards. The Group's future success depends on its ability to continue to provide high quality consulting services and to develop, market and implement services and solutions that are attractive, timely and cost-efficient for its existing and new customers. If the Group fails to keep up with technological changes or to convince customers of the value of its services, intellectual assets and solutions in light of new technologies or new offerings by competitors, the Group's business, results of operations, financial condition, cash flow and/or prospects could be materially and adversely affected.

Arribatec's activities involve various types of financial risks like credit risk, liquidity risk, currency risk and interest risks. The primary focus of the Group's capital structure is to ensure sufficient free cash to meet its obligations on an ongoing basis and at the same time enable the Group to make strategic actions to grow. The credit relates to the risk that counterparty is unable to settle their obligations under a financial contract or customer contract, leading to a financial loss. As part of the Group's earning model, certain of its customers pays for software and services under a Solution as a Service (SolaaS) arrangement, meaning that the customer is paying a monthly recurring sum for, inter alia, the software and services already provided or to be provided by the Group. As such, these customers' monthly recurring payment obligations also includes payment for licenses and software already integrated and implemented, in addition to services related to continuous maintenance and consulting. This in contrast to e.g. Software as a service (SaaS) arrangements, where the customer in general pays a lump sum for the initial software integration and implementation, and subsequently only pays for services related to maintenance and consulting services.

Although the Group has opted with this model to ensure some predictable long-term income, the Group is dependent on its customers having the ability and/or willingness to pay for the software and services already provided or to be provided. Should a certain amount of the customers under the SolaaS arrangement for some reason be prevented from paying the whole or the remaining portion of these fixed monthly payments (e.g. as a result of bankruptcy) during the duration of the contract, the Group's earnings, results of operations and prospects may suffer as a result as it has ultimately taken the cost related to software and services already provided. The risk on existing contracts is considered low as the customers on SolaaS contracts are mainly governmental.

Arribatec conducts its business in currencies other than its functional reporting currency, making its results of operations, financial position and future prospect vulnerable for currency fluctuations. Because part of the business is conducted in currencies other than its functional reporting currency (NOK), the Group will be exposed to volatility associated with foreign currency exchange rates. Exchange rate fluctuations may affect the Group's financial results through translation of the profit and loss accounts and balance sheets of foreign subsidiaries into NOK. Currency risks may also arise when Group companies enter into transactions that are denominated in other currencies other than their functional currency.

A large part of the Group's balance sheet assets consists of excess values and goodwill. The valuation of those includes forward-looking information, hereunder estimates, targets, forecasts, plans and similar projected information. Such forward-looking information is based on various assumptions made by the Company and/or third parties. Assumptions are subject to inherent risks as they are assumptions regarding the Company in the future and may prove to be inaccurate or unachievable. Such assumptions cannot be verified. Additionally, forward-looking information is based on current information, estimates and plans that may be changed within a short period without notice.

Arribatec holds an Elite Directors & Officers Liability insurance covering the Directors of the Boards in the listed company and its subsidiaries and the CEO. The insurances cover the liability from claims which may arise from the decisions and actions taken within the scope of their regular duties. The coverage includes financial protection against the consequences of wrongful acts, their personal liability, financial loss in respect of any securities claim made against the company and certain costs and fines related herein. The policies also cover reimbursement of the company where coverage has been made on their behalf. Coverage does not include fraudulent, criminal or intentional non-compliant acts or cases where directors obtained illegal remuneration, or acted for personal profit. The limitation of the liability is NOK 100 million.

Research and development

The company is on a continuous basis developing own software and solutions which can be deployed across customer segments in all industries.

The development is essential to ensure that Arribatec can continue to grow its software portfolio, expand its service offering with cloud infrastructure services and gained a larger customer base. This is done to drive sales growth via cross-selling and upselling, where the intention is to improve EBITDA margins by increasing the share of own IP in future solutions, thus improving EBITDA margin by selling more of our own software and services through subscription models such as SaaS and SolaaS. At the end of 2021 Arribatec had capitalized a total of NOK 19.7 million (NOK 8.8 million) of time and material used to develop internal systems and software. The company has no ongoing research activities.

Environment, Social and Governance.

In recent years, the debate about sustainability has largely focused on cutting greenhouse gas emissions to reduce global warming. Going forward, the global sustainability agenda will increasingly also revolve around topics such as biodiversity and ecosystems to solve climate challenges. In addition, the resilience of safeguarding good working conditions and social and economic justice in the transition to a low-emission society has received increased attention. To achieve long-term positive effects, it is important to view environmental and social conditions, and corporate governance in context. As a young company we have just started on this road. But we clearly see how our products can play important role in the ESG process at our customers. Our overall ESG ambition is to integrate ESG in all our business decisions, and to take our responsibility to meet UN's Sustainability Goals.

The ESG work in Arribatec in 2021 has been about identifying what we do today, and building the necessary structure that will found the basis for how we will work with ESG in the years ahead.

Corporate governance

Arribatec's corporate governance structure is based on Norwegian corporate law and Norwegian securities legislation and stock exchange regulations. The company believes that good corporate governance builds confidence among shareholders, customers and other stakeholders, and thereby supports maximal value creation over time. Being a listed company on the Euronext Oslo Exchange, and considering that Arribatec wishes to place emphasis on sound corporate governance, the Company has a policy document on the basis of the Norwegian Code of Practice for Corporate Governance dated 17 October 2018. Read more about our work in the chapter Corporate Governance on page 75 of this annual report.

Going concern

Based on the review of the Arribatec Group ASA's financial statements, the Board of Directors confirms that the annual financial statements for 2021 have been prepared on the basis of a going concern assumptions and that this assumption has been made in accordance with Section 3-3a of the Norwegian Accounting Act.

Proposed allocation of the company's result of the year

The Parent company, Arribatec Group ASA, had a net negative result after tax of NOK 16.2 million in 2021, compared to a negative NOK 10.5 million in 2020. The result available for disposal of the Annual General Meeting as follows:

NOK Thousand	
Covered by other paid in capital	16.200

Outlook

Arribatec has an ambitious growth agenda and sees an increasing demand for the product and services that Arribatec brings to the marketplace. With the largest part of integration work behind us, the Group is now gearing up for increased sales and expanded delivery capacity.

Oslo, 28 April 2022

Martin Nes Chairman of the board	Øystein Stray Spetalen Board member	Yvonne Litsheim Sandvold Board member
Kristin Hellebust Board member	Henrik Lie-Nielsen Board member	Geir Johansen CEO

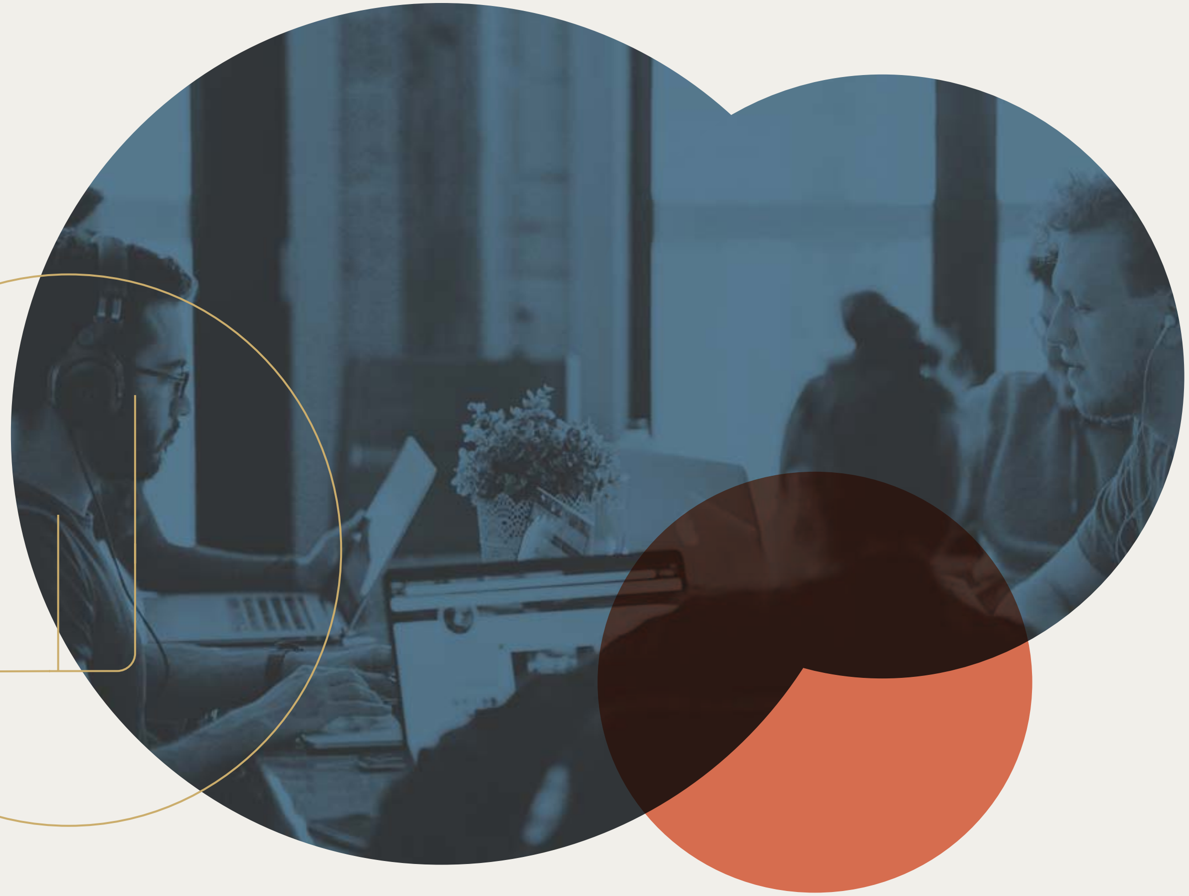
\ Responsibility Statement .

We confirm that, to the best of our knowledge, the Financial Statements 2021, which have been prepared in accordance with IFRS as adopted by EU, give a true and fair view of the Company's assets, liabilities, financial position and results of operations, and that the management report includes a fair review of the information required under the Norwegian Accounting act.

Oslo, 28 April 2022

Martin Nes Chairman of the board	Øystein Stray Spetalen Board member	Yvonne Litsheim Sandvold Board member
Kristin Hellebust Board member	Henrik Lie-Nielsen Board member	Geir Johansen CEO

\ Shareholder information.



The company's total capitalisation at 31 December 2021 was NOK 690 million, based on a closing share price of that day of NOK 1.18.

Dividend policy

Arribatec is growing fast, both organically and through M&A activities. Both these avenues for growth require liquidity and availability of sufficient funding as well as a healthy equity ratio. While the company is in an expansion phase, the Board is not planning for regular dividends to be paid to the shareholders. There has not been given, nor proposed to give, a mandate to the Board of Directors to approve a distribution of dividends.

Shares and share capital

31 December 2021, Arribatec Group ASA had 584 903 064 ordinary shares outstanding with a par value of NOK 0.28 per share (see Note 25 to the financial statement). The company has one share class, with each share conferring equal dividend rights and votes. On 31 December 2021 the company had 5 404 shareholders.

Listing

The Company's shares are quoted and traded in NOK at the Oslo Stock Exchange (Ticker: ARR). The shares are registered in the Norwegian Central Securities Depository (VPS), with Nordea Issuer Service Registrar. The shares carry the security number ISIN NO0003108102.

Principal shareholders

The 20 largest shareholders of Arribatec are predominantly Norwegian investors. A table of these shareholders is included in this chapter.

Investor relations

Arribatec will maintain an open dialogue with the capital market. Regular information is therefore published through the annual report, interim reports and presentations and stock exchange announcements. The company distributes all information relevant to the share price to Oslo Børs. Such information is distributed without delay and simultaneously to the capital market and the media and published on the company website

The CEO and CFO are responsible for the company's investor relations activities and for all communication with the capital markets. All information is communicated within the framework established by security and accounting legislation and rules and regulations of Oslo Børs. All information regarding Arribatec is available on the company's website at www.arribatec.com.

Annual General Meeting

The annual general meeting of Arribatec is normally held in May each year. Written notice and additional relevant material are sent to all shareholders individually or to their custodian bank at least three weeks before the AGM is to take place. The notice is also made available on the company's website. Shareholders are encouraged to participate and to vote at the AGM. To vote, the shareholder must either be physically present or be represented by a proxy.

20 largest shareholders as registered in VPS on 31 March 2022

Name	Holding	Stake
Ferncliff Listed Dai AS	116 554 032	19.9%
Arriba Invest AS	79 452 700	13.6%
Dallas Asset Management AS	24 598 694	4.2%
Joar Aarenes	23 911 850	4.1%
Nordnet Bank AB	22 959 641	3.9%
Torstein Ingvald Tvenge	21 000 000	3.6%
Srk Consulting AS	18 710 527	3.2%
Erik Skaar Opdal	16 952 000	2.9%
Trude Halvorsen	10 797 884	1.8%
Tigerstaden AS	10 000 000	1.7%
Datum AS	8 542 908	1.5%
Hanekamb Invest AS	7 553 463	1.3%
Norsk Regnesentral	6 770 735	1.2%
Danske Bank A/S	5 743 227	1.0%
LCS AS	5 518 001	0.9%
Lars Hugo Braadland Olsen	5 419 500	0.9%
Jan Arne Christensen	4 961 750	0.8%
Nordnet Livsforsikring AS	4 139 852	0.7%
Cantavit Holding AS	3 875 000	0.7%
AWR AS	3 875 000	0.7%
Total 20 largest shareholders	**401 336 764**	**68.6%**
Other shareholders	**183 566 300**	**31.4%**
Total	**584 903 064**	**100%**

Geographic residence Shareholders as registered in VPS on 31 March 2022

	Holding	Stake
Norway	541 023 860	92.5%
Sweden	26 940 926	4.6%
Denmark	6 161 551	1.1%
Belgium	2 959 061	0.5%
Canada	2 629 485	0.4%
Other	5 188 181	0.9%
Total	**584 903 064**	**100%**

Ownership structure by size of holding as registered in VPS on 31 March 2022

Number of shareholders	Number of shares	Holding	Stake
9	> 10 000 000	334 937 328	57.3%
46	1 000 001-10 000 000	133 885 812	22.9%
267	100 001-1 000 000	76 372 359	13.1%
189	50 001-100 000	14 149 567	2.4%
776	10 001-50 000	19 277 891	3.3%
4 051	1-10 000	6 280 107	1.1%
5 338	**Total**	**584 903 064**	**100%**

\ Subsequent Events .

- EU sanctions on Russia affects one of Arribatec's clients in Italy, however we expect a modest impact on current operation.
- Effective 1 January 2022 Geir Johansen has been appointed as CEO.
- A private placement of 100 000 000 shares, each at a price of NOK 0.50 per share was completed in April 2022.

\ Arribatec Solution ASA Group And Parent Company.

\ Consolidated Statement of Profit and Loss .

For the year ended 31 December

NOK Thousand	Note	2021	2020
Revenue	5	413 938	154 024
Materials, software and services	10	(92 859)	(17 609)
Gross profit		**321 079**	**136 415**
Salary and personnel costs	8,9	(272 679)	(99 143)
Cost from reverse takeover	10	0	(56 822)
Other operating expenses	10	(55 201)	(25 710)
Total operating expenses		**(327 879)**	**(181 674)**
EBITDA		**(6 800)**	**(45 259)**
Depreciation, amortization and impairment	11, 15, 17	(42 970)	(7 240)
EBIT		**(49 770)**	**(52 499)**
Financial income	12	2 597	1 247
Financial expense	12	(6 487)	(2 945)
Profit/(loss) before tax		**(53 660)**	**(54 197)**
Tax expense	13	4 802	(1 424)
Profit/(loss) after tax		**(48 858)**	**(55 620)**
Attributable to:			
Equity holders of the parent company		(48 858)	(55 620)
Earnings per share: basic	14	(0.10)	(0.18)
Earnings per share: diluted	14	(0.10)	(0.18)

\ Consolidated Statement of Other Comprehensive Income .

For the year ended 31 December

NOK Thousand	**2021**	**2020**
Profit/(loss) after tax	**(48 858)**	**(55 620)**
Items that may be classified subsequently to profit or loss		
Foreign currency translation differences - foreign operations	390	60
Other comprehensive income/(loss) for the period	**390**	**60**
Total comprehensive income/(loss) for the period	**(48 468)**	**(55 561)**
Attributable to:		
Equity holders of the parent company	(48 468)	(55 561)

\ Consolidated Statement of Financial Position .

For the year ended 31 December

NOK Thousand	Note	2021	2020
ASSETS			
Non-current assets			
Property, Plant and equipment	17	7 445	3 258
Right-of-use assets	11	30 266	20 768
Goodwill	15, 16	205 279	93 827
Customer relations	15, 16	46 031	13 145
Other Intangible assets	15, 16	65 047	18 310
Other non-current assets	21	10 678	945
Deferred tax assets	13	9 511	2 436
Total non-current assets		**374 259**	**152 689**
Current assets			
Accounts receivable	6, 19	88 674	32 956
Other receivables	19, 23	2 290	19 651
Contract assets	7	19 549	12 387
Inventory	22	3 179	2 439
Other current assets	23	20 320	2 746
Cash and cash equivalents	24	43 758	188 270
Total current assets		**177 771**	**258 448**
TOTAL ASSETS		**552 029**	**411 137**

NOK Thousand	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Paid in capital			
Share capital	25	163 773	117 203
Other paid in capital		196 700	194 510
Exchange differences		398	8
Other equity		(44 365)	4 493
Total equity		**316 506**	**316 214**
Non-current liabilities			
Interest bearing loans	19, 26	27 902	1 344
Non-current lease liabilities	11, 19	19 148	15 500
Other non-current financial liabilities	19	96	0
Deferred tax liabilities	13	17 084	0
Provisions	28	22 789	0
Total non-current liabilities		**87 018**	**16 843**
Current liabilities			
Current financial liabilities	19, 26	9 523	7 046
Current lease liabilities	11, 19	12 346	7 125
Accounts payable	19	21 227	23 966
Contract liabilities	7, 19	21 483	1 283
Current tax payable	13, 19	1 046	3 596
Other current liabilities	19, 29	82 880	35 064
Total current liabilities		**148 505**	**78 080**
Total liabilities		**235 523**	**94 923**
TOTAL EQUITY AND LIABILITIES		**552 029**	**411 137**

Oslo, 28 April 2022

Martin Nes
Chairman of the board

Øystein Stray Spetalen
Board member

Yvonne Litsheim Sandvold
Board member

Kristin Hellebust
Board member

Henrik Lie-Nielsen
Board member

Geir Johansen
CEO

\ Consolidated Statement of Changes in Equity .

For the year ended 31 December

		Equity related to the shareholders of the parent company					
		Restricted					
NOK Thousand	Note	Share capital	Treasury shares	Other paid in capital	Exchange differences	Other equity	Total Equity
Balance on 1 January 2020		2 589	(312)	16 286	(52)	3 291	21 802
Result of the period						(55 620)	-55 620
Comprehensive income for the period					60		60
Total comprehensive result for the period		**0**	**0**	**0**	**60**	**(55 620)**	**(55 561)**
Treasury shares acquired			(276)				(276)
Other equity transactions				(834)			(834)
Issue of share capital in Arribatec AS		847		83 824			84 670
Reverse take over reclassification of Arribatec AS		(3 436)	588	2 848			0
Reverse take over Arribatec Solutions ASA		91 204		(64 614)		56 822	83 412
Capital Increase employees offer, Nov		2 800		6 600			9 400
Capital increase repair issue, Nov		9 199		21 684			30 884
Capital increase, Private placement Dec		14 000		96 000			110 000
Cost of share issue				(12 891)			(12 891)
Share consideration relating business combinations – shares to be issued in 2021				45 607			45 607
Closing balance on 31 December 2020		**117 203**	**0**	**194 510**	**8**	**4 493**	**316 214**
Balance on 1 January 2021		117 203	0	194 510	8	4 493	316 214
Result of the period						(48 858)	(48 858)
Comprehensive income for the period					390		390
Total comprehensive result for the period		**0**	**0**	**0**	**390**	**(48 858)**	**(48 468)**
Other equity transactions				(2 870)			(2 870)
Share consideration relating to business combination 2020 (Facil, Microsky and Innit)	25			(45 607)			(45 607)
Capital increase related to business combinations	25	11 628		74 929			86 557
Conditional share consideration relating to acquisition of Integra – shares to be issued during 2022 and 2023	25			11 281			11 281
Capital increase related to merger with subsidiary Arribatec AS		34 941		(34 941)			0
Share issue cost				(600)			(600)
Closing balance 31 December 2021		**163 773**	**0**	**196 700**	**398**	**(44 365)**	**316 506**

\ Consolidated Statement of Cash Flows .

For the year ended 31 December

NOK Thousand	Note	2021	2020
Operating activities			
Profit/(Loss) before tax		(53 660)	(55 620)
Taxes paid		(982)	(1 196)
Adjustments for:			
- Calculated cost from reverse takeover		0	56 822
- Finance income and expense	12	3 890	1 698
- (Increase)/decrease in accounts receivable		(6 874)	1 328
- (Decrease)/increase in accounts payable		(13 257)	6 089
- Depreciation and amortization	15, 17	39 611	7 240
- Impairment losses on intangible assets	17	3 359	0
Change in other current assets / liabilities		1 715	(17 369)
Net cash flows operating activities		**(26 197)**	**(1 009)**
Investing activities			
Cash received through business combination	18	29 857	34 741
Cash consideration Investment in subsidiaries	18	(118 299)	(59 942)
Capitalized tangible and intangible assets	15, 17	(27 416)	(12 548)
Interest received		212	236
Net cash flows investing activities		**(115 647)**	**(37 514)**

NOK Thousand	Note	2021	2020
Financing activities			
Proceeds from borrowings	26	18 445	5 472
Change in overdrafts	26	(2 067)	(3 821)
Repayment of debt	26	(3 006)	(1 179)
Interest paid		(2 507)	(755)
Instalments lease liabilities		(13 293)	0
Other changes in equity		0	(1 110)
Proceeds from shares issued		0	234 954
Share issue costs		(600)	(12 891)
Net cash flows financing activities		**(3 028)**	**220 671**
Net change in cash and cash equivalents		(144 872)	182 149
Cash and cash equivalents at beginning of period		188 270	6 121
Currency translation		361	0
Cash and cash equivalents at end of period		**43 758**	**188 270**

\ Notes.

Note 1 Corporate Information

The Parent Company Arribatec Group ASA (publ) ("Arribatec"), with Norwegian corporate identity number 979 867 654 is a joint stock company, incorporated in Norway. The registered address is Lørenfaret 1B, NO-0585 Oslo. The company's shares are traded in Norway on the Oslo Stock Exchange.

The principal activities of the company and its subsidiaries (the Group) are to be a software and consulting company. With a customer centric engagement model, combined with a deep system, integration and domain competence, Arribatec builds long term strategic partnership with a broad customer base. Arribatec serves more than 900 entities spread over 20 countries and various industries, both in the private and public sector. The activities are further described in Note 5.

The Annual Report and Parent Company Report for Arribatec Group ASA (publ) were adopted by the Board of Directors on 28 April 2022 and will be submitted for approval to the Annual General Meeting 30.05.2022.

Note 2 Summary of significant Accounting Principles

2.1 / Basis for preparation

The financial accounts for Arribatec Group ASA as "the Parent company" together with its controlled subsidiaries, together called "the Group" have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS), relevant interpretations, and the Norwegian Accounting Act. The consolidated financial statements have been prepared on a historical cost basis, except where IFRS explicitly requires use of other values. As the Parent company has NOK as its functional currency, the financial accounts are presented in NOK. All presented figures in this report have been rounded and consequently, the sum of individual figures can deviate from the presented total.

In 2020, Arribatec Solutions ASA (former named Hiddn ASA) entered into a share exchange agreement with Arribatec AS and the majority of Arribatec's shareholders to acquire all of the shares in Arribatec. The transaction was analyzed and determined to be a Reverse take-over. This meant that, despite Arribatec Solutions ASA was the legal acquirer and Arribatec AS the legally acquired company, Arribatec Solutions was accounted for as the acquiree and Arribatec AS the acquirer foraccounting purposes.

2.2 / Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of 31 December 2021.

Control is established when the Parent Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Business combinations are accounted for by using the acquisition method. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The consolidation stops when the control ceases. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

There is a presumption that if the Group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the entity. Including ownership interests, voting rights, ownership structure and relative power, as well as options controlled by the Group and shareholder's agreement or other contractual agreements.

The assessments are done for each individual investment. The Group re-assesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company.

2.3 / Loss of control

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.4 / Functional currencies and Presentation currency

The financial statements are presented in NOK, which is the functional currency of the Parent company, as well as being the presentation currency for the Group. For the purposes of presenting this consolidated financial statement, the assets and liabilities of the Group's non-NOK operations are translated into NOK using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year. All group transactions and group unsettled matters, and profit and losses for transactions between group companies that are put into effect, are eliminated at the consolidation.

2.5 / Business combinations and goodwill

Business combinations are accounted for using the acquisition accounting method. Acquisition costs incurred are expensed and included in operating expenses. When the Group acquires a business, it assesses the identifiable assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and relevant conditions as at the acquisition date. The acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair values at the acquisition date, except for non-current assets that are classified as held for sale and recognized at fair value less cost to sell, and deferred tax assets and liabilities which are recognized at nominal value.

Goodwill arising on acquisition is recognized as an asset measured at the excess of the sum of the consideration transferred, the fair value of any previously held equity interests and the amount of any non-controlling interests in the acquiree over the net amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities exceeds the total consideration of the business combination, the excess is recognized in the income statement immediately.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in the income statement as financial income or expense.

If the contingent consideration is classified as equity, it will not be premeasured, and subsequent settlement will be accounted for within equity. If the business combination is achieved in stages, the fair value of the Group's previously held equity interest in the acquire is remeasured to fair value at the acquisition date through the income statement.

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 that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquired entity are assigned to those units.

The Group assesses each cash generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the actual value less costs to sell and value in use. If there is an indication that an asset is impaired, the recoverable amount of the asset is calculated in accordance with IAS 36 Impairment of assets. For goodwill, other intangible assets with indefinite useful lives and intangible assets not yet ready for use, the recoverable amount is assessed annually.

2.6 / Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer. The Group recognizes revenue when it transfers control of a good or service to a customer. Intercompany sales are eliminated.

Consulting services
Arribatec provides implementation and integration services under consulting contracts with customers. Most contracts have a variable pricing structure where Arribatec agrees to implement and integrate software for a fixed hourly rate agreed upon in the contract.

Arribatec`s performance obligation is satisfied over time because the consulting services does not create an asset that Arribatec could use for an alternative purpose and Arribatec has an enforceable right to payment for the hours worked. Revenue is recognized over time, normally according to the invoiced hours for the period. In cases where the contract prescribes advance or deferred invoicing, the recognized amount is adjusted and presented as a contract liability or contract asset, respectively.

From time-to-time Arribatec has fixed price consulting contracts. In the same manner as for the variable price contracts, the asset created does not have an alternative use for Arribatec and Arribatec has an enforceable right to payment in line with progress in the project. Arribatec recognizes revenue over time, in line with progress in the project. Progress is estimated as hours spent at the balance sheet date divided with estimated total hours in the project. This requires estimating the remaining hours to complete.

Sale of licenses
A license establishes the customer's rights related to a company's intellectual property (IP) and the obligations of the company to provide those rights.

Arribatec in some instances has contracts that includes sale of licenses only. Arribatec has analyzed its (partner) licensing contracts and concluded that they control the license before it is transferred to the customer since Arribatec has legal ownership, physical possession and the risk and reward of ownership. Arribatec is therefore the principal in the customer contract. IFRS 15 distinguishes between whether the license provides a" right to use" or a "right to access" IP. This impacts the timing of revenue recognition.

When Arribatec licenses distinct on-premise licenses, these fall under the category "right-to use" since the license grants the right to the IP "as is" when delivered. Revenue is recognized at the point in time when the customer is provided with the ability to use the software. Generally, at the beginning of the license period.

When Arribatec license cloud-based subscription licenses ("right to access"), the license is not considered distinct from the online/hosting service. Revenue is recognized over time, over the license/contract period, as the customer is receiving and consuming the benefits of the access to the cloud-based license on an ongoing basis. The distinct on-premise licenses pricing model is a onetime fixed fee. The fee is recognized as revenue at the point of time that the customer has received legal title and physical possession and the customer has accepted the license. The cloud- based subscription licenses are sold for a fixed annual or monthly fee. Revenue is recognized linearly over the subscription time.

Software as a service (SaaS)
Software is provided over time to an end- customer from a Data Center managed or contracted by Arribatec. The obligations in the SaaS contract are to offer a cloud- based access to the license (owned by Arribatec), maintenance of the utility of the software, including rights to updates and future releases, and in some contracts, provide support.

The customer will purchase and obtain control of the software as-a-service on a subscription or consumption basis. Revenue is therefore recognized periodically over the lifetime of the SaaS contract.

In some cases, Arribatec has a separate installation and implementation contract regarding the same customer projects. When these contracts are negotiated close in time from each other, Arribatec considers whether the two contracts have been negotiated as a package with a single commercial objective.
If this is the case the two contracts are combined. If not, they are accounted for separately.

The implementation and installation services are capable of being distinct and distinct within the context of these contracts. Arribatec has therefore concluded that there are generally two distinct performance obligations in the two combined contracts. When there are two combined contracts, the transaction price is allocated between the two performance obligations based on relative stand-alone prices.

Arribatec`s performance obligation under the installation and integration contract is satisfied over time because the consulting services does not create an asset that Arribatec could use for an alternative purpose and Arribatec has an enforceable right to payment for the hours worked. Revenue is accordingly recognized over time, based on the hours worked.

Solution as a service (SolaaS)
As for SaaS, the main obligations in the SolaaS contract are to offer a cloud- based, "right to access" type of license, maintenance of the utility of the software, including updates and future releases, and provide support. In the SolaaS contracts an additional part of the value chain, the implementation and integration services, is added to the contract.

As for the SaaS, contracts with a separate (combined) implementation and integration service contract, generally in the SolaaS contracts, there are two distinct POs. However, this is assessed on a contract to contract basis, where all facts and circumstances are being considered.

Two or more performance obligations are being considered for Solaas contracts. The first one is Consulting Service. Revenue is recognized over time when the consulting service has been delivered. See description above for consulting services.

The second one is SaaS (license, online service and maintenance and support): The customer receives and consumes the benefits from the SaaS delivery as Arribatec performs under the contract. Therefore, the performance obligation is satisfied over time and revenue is recognized over the period the service is available for use by the customer.

Managed services
Under the managed services contracts Arribatec helps customers operate their IT environments, either on premise or from the cloud. Managed services contracts are delivered on a fixed price and minimum commitment from customers, on a long-term contract. Additional work above the agreed level is considered normal consulting services.

Arribatec delivers an integrated set of services as defined in the managed service agreement. The customer receives and consumes the benefits from the Managed services as Arribatec performs under the contract. Therefore, the performance obligation is satisfied over time and revenue is recognized over time.

Revenue from other services
Arribatec to a limited extent provides maintenance services, support services and application management services under separate contracts, for a fixed fee. The performance obligations under these contracts are satisfied over time and revenue is recognized accordingly.

Government grants
Government grants are recognized when there is reasonable assurance that the grant will be received, and all associated conditions will be complied with. When the grant relates to an asset, it reduces the carrying amount of the asset. The grant is then recognized in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

2.7 / Employee benefits

Pension obligations
The Group's pension obligations vary between countries depending on the local legislation and different pension systems. The Group only has defined contribution retirement plans. See Note 8 and 27.

Defined contribution retirement plans are retirement plans where the company's payment obligations are limited to the fixed contributions and where the fees already have been undertaken. The retirement benefits for the individual employee are dependent on the contributions paid to the retirement plan or an insurance company by the employer, and the return of capital invested in the retirement fund. Consequently, it is the employee that holds the risk of return (that the return will be lower than expected) and the risk of the investment (the risk that the invested pension provision will not be sufficient to cover expected retirement compensation in the future). The obligations of the Company related to payments of defined contribution retirement plans are expensed in the income statement as they are earned by the employee for services conducted on behalf of the employer during the period.

2.8 / Research and Development cost

Development expenditures are capitalized only when the criterion for recognition is met, i.e. that it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, management has committed itself to complete the asset, the technical feasibility of completing the asset has been demonstrated and the cost can be measured reliably. Research costs are expensed in full.

The assets are amortized over their expected useful life once the assets are available for use. During the period of development, the asset is tested for impairment annually. Development costs that do not meet the criteria for capitalization are expensed as incurred.

2.9 / Taxes

Income taxes consists of current tax and deferred tax. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

A deferred tax asset is recognized to the extent that is probable that future taxable profit will be available against for which unused tax losses and unused tax credits can be utilized. A deferred tax asset arising from unused tax losses or tax credit is only recognized to the extent that the entity has sufficient taxable temporary differences or that there is convincing other evidence supporting the utilization of the tax losses and tax credits, including the impact of time restriction by local tax authorities. The carrying amount of deferred tax asset is reviewed at the end of each reporting period. Unrecognized deferred tax assets are reassessed at each balance sheet date. Deferred income tax assets and deferred income tax liabilities are offset, when a legally enforceable right exists to set off tax assets against income tax liabilities and the deferred income taxes relate to the same taxable entity or taxation authority.

2.10 / Tangible fixed assets

Tangible fixed assets are reported at cost in the balance sheet, with a deduction for accumulated depreciation and any impairment. Depreciation is made on a straight-line basis over the asset's estimated useful life, which is assessed on an individual basis, ranging from three to five years.

2.11 / Intangible assets

Goodwill

Goodwill represents the excess of cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on the acquisition of subsidiaries is included within intangible assets. Goodwill that arises on the acquisition of subsidiaries is allocated to cash generating units (CGUs). Goodwill is measured at cost (residual) less accumulated impairment losses. Goodwill is tested for impairment at least annually, or when there are indications of impairment. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the 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. When the Group disposes of an operation within a CGU or group of CGUs to which goodwill has been allocated, a portion of the goodwill is included in the carrying amount of the operation when determining the gain of loss on disposal. The portion of the goodwill allocated is measured based on the relative values of the operation disposed of and the portion of the CGU retained at the date of the partial disposal, unless it can be demonstrated that another method better reflects the goodwill associated with the operation disposed of. The same principle is used for allocation of goodwill when the Group reorganizes its businesses.

Customer relationships and technical assets

The assets acquired in a business combination are recognized at fair value at the acquisition date. Customer relationships and databases have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost over their useful lives of 3 to 5 years.

2.12 / Financial instruments

All financial assets and liabilities are initially recognized at fair value, and subsequently classified either as financial assets at amortized cost or financial assets through profit or loss

Accounts and other receivables

Accounts receivables are initially recognized at the transaction price and are subsequently carried at amortized cost less provision for expected credit losses.

Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently measured at amortized cost. Trade and other payables are measures at their nominal amount when the effect of discounting is not material.

Cash and Cash equivalent

Cash and cash equivalents include cash at banks and on hand and other short term highly liquid investments with original maturities of three months or less. In the consolidated balance sheet, any bank overdrafts are shown within borrowings in current liabilities.

Interest bearing loans and other financial liabilities

The Group's debt and other financial liabilities are initially recognized at fair value, including transaction costs directly attributable to the transaction, and are subsequently measured at amortized cost.

2.13 / Classifications

Fixed assets and non-current liabilities consist of items expected to be settled more than twelve months after the balance sheet date. Current assets and current liabilities consist of amounts that are expected to be settled within twelve months after the balance sheet date.

2.14 / Right-of-use assets and Lease liabilities

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time, in exchange for consideration.

For contracts that constitute, or contain a lease, the Group separates lease components if it benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The Group then accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

At the lease commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur. The lease liability is recognized at the commencement date of the lease. The Group measures the lease liability 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 term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate. The Group does not include variable lease payments in the lease liability. Instead, the Group recognizes these variable lease expenses in profit or loss.

The Group presents its lease liabilities as separate line items in the statement of financial position.

The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities.

The Group applies the depreciation requirements IAS 16 'Property, Plant and Equipment' in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset.

The Group applies IAS 36 'Impairment of Assets' to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

2.15 / Provisions

Provisions and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Restructuring provisions are recognized only when the recognition criteria for provisions are fulfilled. The Group has a constructive obligation when a detailed formal plan identifies the activities concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline. Furthermore, the employees affected have been notified of the plan's main features.

2.16 / Changes in Accounting Policies and disclosures for 2021 calendar year or thereafter

New standards, interpretations and amendments not yet effective

No new standards was implemented during 2021. There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Group.

Note 3 Financial risks

Arribatec defines risk as all factors which could have a negative impact on the ability of the Group to achieve its business objectives. All economic activities are associated with risk. In order to manage risk in a balanced way, it must first be identified and assessed. Arribatec conducts risk management at both a Group and company level, where risks are evaluated in a systematic manner. The following summary is by no means comprehensive but offers an overview of all material financial risk factors which are considered important for Arribatec's future development.

Risks associated with changes in economic conditions are managed through regular checks on developments in each country.

Currency risk

Currency risk refers to the risk that the value of liquid and financial instruments may shift as a result of changes in exchange rates. Part of the Groups business operation is in different currency countries, though the dominating business is in NOK. Arribatec's currency transaction exposure arises from foreign trade, cash management and internal funding in foreign currencies. Translating the balance sheets and income statements of Group companies into NOK creates a translation exposure.

Credit risk

Credit risks is the risk that counterparty will not meet its obligations under a financial contract or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily related to cash and cash equivalents, trade receivables and contract assets from contracts with the customers and other receivables.

As part of the Group's earnings model, certain of its customers pays for software and services under a solutions as-a-software (SolaaS) arrangement, meaning that the customer is paying a monthly recurring sum for, inter alia, the software and services already provided or to be provided by the Group. As such, these customers' monthly recurring payment obligations also includes payment for licenses and software already integrated and implemented, in addition to services related to continuous maintenance and consulting. This in contrast to e.g. software-as-a-service (SaaS) arrangements, where the customer in general pays a lump sum for the initial software integration and implementation, and subsequently only pays for services related to maintenance and consulting services. Although the Group has opted with this model to ensure some predictable long-term income, the Group is dependent on its customers having the ability and/or willingness to pay for the software and services already provided or to be provided.

Customer credit risk is managed subject to established policies, procedures and controls relating to customer credit risk management. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The Company manages the credit risk by working closely with the customers.

Interest rate risks

Interest risk is related to the risk the Group is exposed to from changes in the market's interest rate which can affect the net profit. The Group's main interest rate risk arises from long-term borrowings with variable rates, which amounted to 37.4 million on 31 December 2021 (2020: NOK 8.4m). The loan carries a variable interest rate based on the interbank rate in each currency with a margin. Any annualized increase/ decrease by 100 basis point would increase/decrease the Group's profit before tax by appr. NOK 0.4m (NOK 0.08m).

Liquidity risk

Liquidity risk is the potential loss arising from the Group's inability to meet its contractual obligations when due. The Group monitors its risk of a shortage of funds using cash flow forecasts. The Group had cash and cash equivalents of NOK 43.8m at 31 December 2021 (2020: NOK 188.2m).

The following table shows the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn based on the undiscounted cash flows of financial liabilities based on the most likely date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate curves at the end of the reporting period. The contractual maturity is based on the most likely date on which the Group may be required to pay. Ref Note 7.

The amounts presented are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

NOK thousand	**-6 months**	**6 months - 1 year**	**1-2 year**	**2-4 years**	**4+ years**	**Total**
Interest bearing loans	4 098	4 338	13 723	18 624	2 413	43 196
Accounts payable	21 227	0	0	0	0	21 227
Other current liabilities	47 796	35 085	0	0	0	82 880
Total	**73 121**	**39 422**	**13 723**	**18 624**	**2 413**	**147 303**

Financing risk
To supports the Group's growth ambitions, the Group continuously works on securing necessary committed financing and alternative funding sources. Securing non-current financing at competitive terms is a major part of the Group's long-term liquidity planning.

Capital management
The primary objective of the Group's capital management is to ensure the Group maintains a solid capital structure enabling it to develop and build its business to maximize shareholder value. The Group's objective is to maintain a balance of financial assets that reflects the cash requirement of its operations and investments for the next 12 months. No change was made in the objectives, policies, or process for managing capital during the year ended 31 December 2021.

Note 4 Critical accounting estimates and judgements in terms of accounting policies

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed on the following pages.

Goodwill
In accordance with the stated accounting policy, the Group annually tests whether goodwill has suffered any impairment or more frequently if impairment indicators are identified. The recoverable amount of cash-generating units has been determined based on value-in-use calculations. These calculations require the use of estimates. The value-in-use calculation is based on a discounted cash flow model. The cash flows are derived from the budgets and forecasts for the next three years, as approved by the Company's Board of Directors, and do not include significant investments that will enhance the performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model, as well as the expected future cash-inflows (sensitive to estimates of sales and cost levels) and the growth rate used for extrapolation purposes. Further details about goodwill and impairment reviews are included in Note 16 Impairment.

Note 5 Segment

The market for Arribatec's Software and services are global. The chief decision maker will therefore follow up revenue and profitability on a global basis, segmented into geographical regions. This is consistent with the internal reporting submitted to the chief operating decision maker, defined as the Management Group. The Management Group is responsible for allocating resources and assessing performance as well as making strategic decisions. Principles of revenue recognition are stated in accounting principles Note 2.6.

Segment
The management of the Group follow up the revenue by Business Area and geography. In 2020, there was no segment profit reporting. During 2021, segment reporting has been implemented and for comparable figures, estimates have been applied, ref table below.

Business Area ***Business services*** is focusing on ERP, BI & Analytics, Devops, integrations and research management. Arribatec Business services provide simplicity by implementing, customize, maintain and support the entire business landscape with ERP as the core engine. We integrate it with other market-leading systems that provide better operational support and insight than a single ERP system does.

Business Area ***EA & BPM*** provides Enterprise Architecture and Business Process Management. Arribatec EA&BPM delivers solutions and long-term services within the spaces of business process management, enterprise architecture and corporate governance to major Norwegian and Nordic customers both in the private and public sector.

Business Area ***Cloud*** provides Cloud solutions; hybrid, Azure, Splunk, GDPR. Arribatec Cloud provides consulting, outsourcing and cloud services to private and public enterprises. In addition to offering market leading cloud services from Microsoft and Google, Arribatec Cloud also operates its own public cloud offering based on Norwegian datacenters to accommodate special use cases for our customers.

Business area ***Hospitality*** delivers a various of different solutions within self-check-in, check-out, housekeeping management, conference systems and more.

Business Area ***Marine*** is the Business Unit of Arribatec Group focusing on the Maritime sector. Arribatec Marine competencies are the development, implementation and consultancy of the owned asset management system solutions: Infoship. Arribatec Marine history goes back to early age of Information Technology in the Maritime sector.

Revenue divided by segment

NOK thousand	**2021**	**2020**
Business services	223 390	186 318
EA & BPM	72 967	0
Cloud	87 673	32 994
Hospitality	1 097	610
Marine	49 540	0
Eliminations	(20 729)	(65 898)
Total revenue	**413 938**	**154 024**

Disaggregation of revenue

In the following table, revenue is disaggregated by primary service line, geography and recurrence. In presenting the geographic information, revenue has been based on the geographic location of legal entity.

2021

NOK thousand	**Consulting services**	**Recurring Revenue**	**One-time revenue**	**Total**
Norway	131 872	126 924	14 877	273 672
Europe	92 742	14 345	4 211	111 297
Americas	23 355	4 313	1 301	28 968
Total revenue	**247 969**	**145 581**	**20 388**	**413 938**

2020

NOK thousand	**Consulting services**	**Recurring Revenue**	**One-time revenue**	**Total**
Norway	64 236	26 198	6 928	97 362
Europe	37 588	1 786	354	39 727
Americas	16 768	0	168	16 935
Total revenue	**118 591**	**27 984**	**7 449**	**154 024**

There are no customers that represent more than 10% of revenue.

Note 6 Accounts receivable

NOK thousand	**Current**	**0-30 days**	**31-60 days**	**61-90 days**	**90+days**	**Total**
Ageing, Accounts receivable						
2021	49 285	23 200	5 819	7 004	3 366	88 674
whereof estimated credit losses					(570)	(570)
2020	25 505	6 016	676	415	343	32 956
whereof estimated credit losses					(456)	(456)

Provision for Expected Credit Losses (ECL) are included with NOK 570 thousand (456 thousand). The provision is based on a valuation per subsidiary at year end based on general assumptions as well as agreements with customers and payments made in next year. Accounts receivables are non-interest bearing. See Note 2 for a description of allowance for expected credit losses. Note 3 provides a description of the Group's credit risk management.

Note 7 Contract assets and liabilities

Contract assets

Contract assets are recognized for performance obligations satisfied over time, mainly from installation services and projects where progress is measured over time. When the consideration becomes unconditional the contract assets are reclassified to accounts receivables, which attributes the main changes to the contract assets in the periods shown.

	2021	**2020**
As of 1 January	9 948	4 912
Performance obligations met	20 676	6 824
Reversed over contract period	(16 006)	0
From business combinations	2 335	652
Translation difference	157	0
Total contract assets 31 December	**19 549**	**12 387**

It is expected that 36% of the above contract assets will be reversed in 2022, 32% in 2023 followed by 24% in 2024, 6% in 2025 and the remaining 2% in 2026.

There are no expected credit losses on Contracts assets as the contracts are mainly with governmental parties and therefore secured. Contracts are subject to valuation of credit losses in same way as Accounts receivable.

Contract liabilities
Contract liabilities relate to consideration received in advance of performance under revenue contracts with customers. Revenue is recognized as (or when) the Group fulfills its performance obligation(s) under the contracts.

Contract liabilities are presented in the table below:

	2021	2020
As of 1 January	1 283	5 048
Deferred revenue	38 779	0
Recognized as revenue in P&L	(30 256)	(5 016)
From business combinations	11 679	1 251
Translation difference	(2)	0
Total contract liabilities 31 December	**21 483**	**1 283**

Contract liabilities are mainly invoiced to customers in advance and relating to 2022.

Note 8 Personnel

NOK thousand	2021	2020
Salaries	(205 315)	(74 406)
Social security tax	(40 413)	(12 489)
Bonuses	(8 110)	(1 196)
Pension costs defined contribution (Note 27)	(14 268)	(5 568)
Other personnel cost	(4 573)	(5 484)
Total salaries and personnel expense	**(272 679)**	**(99 143)**

Average number of FTEs	2021	2020
Number of FTEs, start of year	171	90
Number of FTEs, end of year	374	171
Average number of FTEs	**273**	**131**
Male	262	136
Female	112	35

Number of FTEs, end of year, per country	2021	2020
Belgium	1	3
Cyprus	3	0
Denmark	5	1
France	1	2
Germany	17	12
Italy	1	0
Norway	65	1
Poland	200	107
Singapore	13	14
Spain	22	22
Sweden	1	0
United Kingdom	30	0
USA	15	9
Total number of FTEs	**374**	**171**

Note 9 Key management

Management remuneration 2021

NOK Thousand	Board remuneration	Salary	Bonus	Benefits in kind	Pension cost	Total remuneration
Management						
Per Ronny Stav - CEO	0	3 235	0	13	89	3 338
Jhonny Sharma - COO	0	2 439	0	11	89	2 539
Geir Johansen - CFO	0	2 243	0	9	89	2 341
Grete Thomassen - HR director (from May 2021)	0	846	0	12	84	942
Ole Jacob Kjølvik - Strategy Director (from December 2021)	0	125	0	1	0	126
Espen Karsrud - Group EVP Business Development (from November 2021)	0	300	0	3	0	303
Else Thoresen - HR director (until March 2021)	0	438	0	3	22	463
Management total	**0**	**9 627**	**0**	**51**	**374**	**10 052**
Members of the Board						
Martin Nes (Chairman)	267	0	0	0	0	267
Øystein S. Spetalen (Member)	200	0	0	0	0	200
Kristin Hellebust (Member)	150	0	0	0	0	150
Henrik Lie-Nielsen (Member)	150	0	0	0	0	150
Yvonne Litsheim Sandvold (Member)	200	0	0	0	0	200
Members of the Board total	**967**	**0**	**0**	**0**	**0**	**967**
Total salaries and personnel expense	**967**	**9 627**	**0**	**51**	**374**	**11 019**

The CEO, Per Ronny Stav has a 3 months notice period and is entitled to a severance pay for 12 months in case of termination by the company.

Management remuneration 2020

The Group Management consists of the Group Directors. Group Directors are the CEO, the CFO and the COO that are all employed by a Group company, in addition to the General Managers in the largest subsidiaries.

NOK Thousand	Board remuneration	Salary	Bonus	Benefits in kind	Pension cost	Total remuneration
Management						
Per Ronny Stav - CEO	0	3 200	1 583	8	27	4 818
Jhonny Sharma - COO	0	1 800	0	5	31	1 835
Management total	**0**	**5 000**	**1 583**	**12**	**57**	**6 653**
Members of the Board						
Martin Nes (Chairman)	0	0	0	0	0	0
Øystein S. Spetalen (Member)	0	0	0	0	0	0
Kristin Hellebust (Member)	0	0	0	0	0	0
Henrik Lie-Nielsen (Member)	0	0	0	0	0	0
Yvonne Litsheim Sandvold (Member)	0	0	0	0	0	0
Members of the Board total	**0**	**0**	**0**	**0**	**0**	**0**
Total salaries and personnel expense	**0**	**5 000**	**1 583**	**12**	**57**	**6 653**

The CEO, Per Ronny Stav has a 3 months notice period and is entitled to a severance pay for 12 months in case of termination by the company. The remuneration of the Board of Directors has been paid in 2021.

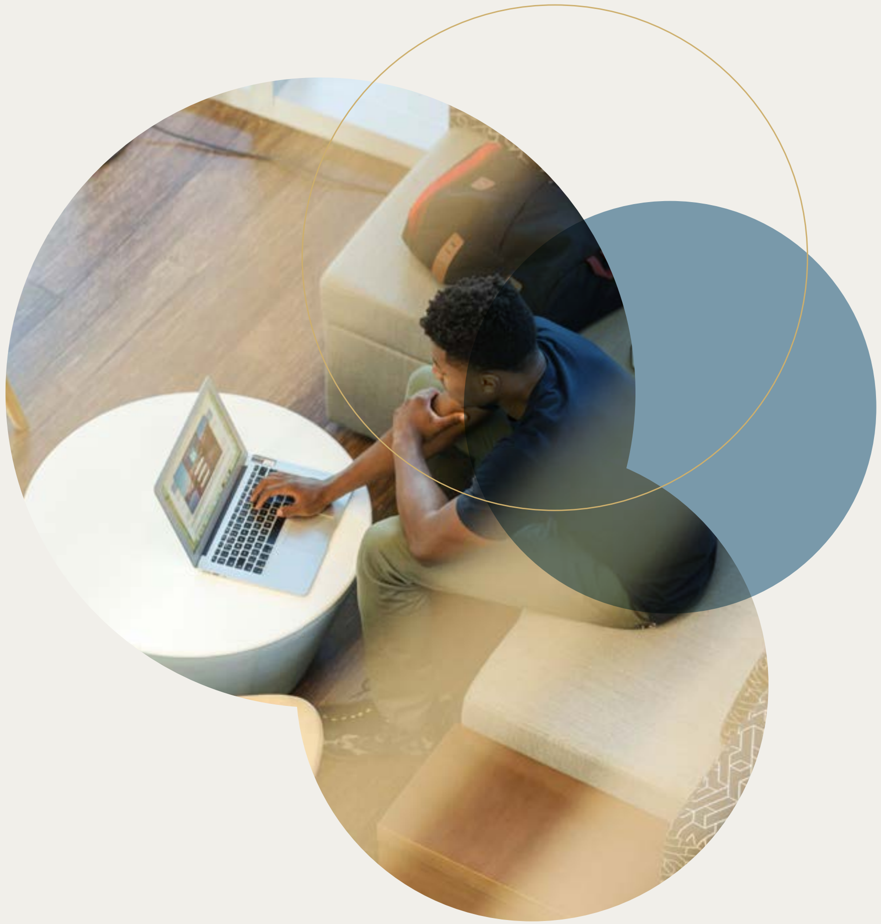
Note 10 Expenses

NOK thousand	2021	2020
Cost - materials, software and services		
Hired consultants	(29 889)	(7 152)
Hardware for resale	(8 382)	(2 540)
Software for resale	(45 539)	(7 916)
Other	(9 049)	0
Total materials, software and services	**(92 859)**	**(17 609)**

NOK thousand	2021	2020
Other operating expenses		
Marketing cost	(5 534)	(867)
Rental and leasing cost	(5 971)	(2 433)
Travel cost	(5 223)	(1 306)
Fees for external services	(21 537)	(12 385)
IT and communication cost	(13 237)	(6 593)
Other operating cost	(3 697)	(2 126)
Total operating expenses	**(55 201)**	**(25 710)**

In 2020, a cost relating to Arribatec AS reverse takeover of Arribatec Solutions ASA, ref described in Note 2.1, was expensed with an amount of NOK 56.8 million.

NOK thousand	2021	2020
Specification of auditor's fee		
Statutory audit	1 107	646
Other assurance services	749	300
Other non-assurance services	0	893
Total	**1 857**	**1 839**



Note 11 Right-of-use assets and lease liabilities

Right-of-use assets

YTD *NOK thousand*	**Buildings**	**Vehicles**	**Hardware**	**Other**	**Total**
Right-of-use assets per 1 Jan 2021	15 867	143	0	4 757	20 768
Addition of right-of-use assets	9 446	678	4 560	7 817	22 501
Depreciation in the period	(6 833)	(233)	(1 421)	(4 170)	(12 656)
Reclassification	0	(143)	0	143	0
Translation difference	(331)	(16)	0	0	(347)
Carrying amount of right-of-use assets, end of period	**18 149**	**430**	**3 139**	**8 548**	**30 266**
Remaining lease term	1-5 years	1-4 years	1-3 years	1-3 years	
Depreciation method	Linear	Linear	Linear	Linear	

Lease liabilities

NOK thousand	**31 Dec 2021**
Undiscounted lease liabilities and maturity of cash outflow	
< 1 year	13 873
1-2 years	11 235
2-3 years	5 701
3-4 years	1 622
4-5 years	400
Total undiscounted lease liabilities, end of period	**32 831**
Discount element	(1 337)
Total discounted lease liabilities, end of period	**31 494**

The interest rate used for discounting the lease liability is based on the same as according to the terms of interest rate from the Group's external financing. Any movement of the interest rate +/- 1% will impact the lifetime discount element, ref table above, with approximately NOK 0.2m.

Note 12 Financial items

NOK thousand	**2021**	**2020**
Finance income		
Interest income	259	236
Realized foreign exchange gains	2 193	892
Other financial income	146	119
Total financial income	**2 597**	**1 247**
Finance expenses		
Interest on debts and borrowings	(1 872)	(754)
Interest expense on lease liabilities	(1 079)	(953)
Realized foreign exchange losses	(1 821)	(1 117)
Net unrealized foreign exchange losses	(979)	0
Other financial expenses	(736)	(120)
Total financial expenses	**(6 487)**	**(2 945)**
Net financial items	**(3 890)**	**(1 698)**

Note 13 Tax

NOK thousand	**2021**	**2020**
Income tax expense		
Current tax		
Current Income Tax - Norway	1 741	3 596
Current Income Tax - Other countries	398	0
Current income tax from business combinations	0	(2 159)
Deferred tax		
Change in deferred taxes - Norway	(6 963)	(13)
Change in deferred taxes - Other countries	23	0
Tax expense	**(4 802)**	**1 424**
A reconciliation of the effective tax rate		
Profit/(loss) before tax	(53 660)	(54 197)
Adjustment of current income tax of previous years	61	0
Changes in unrecognized deferred tax asset	41 875	0
Temporary differences	2 417	0
Non deductible Reverse takeover cost (not subject to taxation)	0	56 822
Non deductible expenses	4 279	4 656
Non-taxable income	(2 906)	0
Other tax effects	0	(4 997)
Tax base	**(7 933)**	**2 285**
Income taxes calculated at country rate	2 120	503
Tax previous year	19	0
Changes in unrecognized deferred taxes	(6 940)	921
Tax expense	**(4 802)**	**1 424**

NOK thousand	**2021**	**2020**
Deferred taxes		
Property, plant and equipment	2 689	687
Receivable	(35)	68
Tax losses carried forward	5 824	2 436
Other provisions	(2 676)	2 193
Intangible assets	0	(1 053)
Deferred tax on intangible assets from business combinations	(13 375)	(1 895)
Deferred taxes, net	**(7 573)**	**2 436**
Reconciliation to balance sheet		
Deferred tax assets	9 511	2 436
Deferred tax liabilities	(17 084)	0
Net Deferred tax assets (liabilities)	**(7 573)**	**2 436**
Tax rate		
Effective tax rate	8.9 %	(2.6 %)
Tax rate Norway	22.0 %	22.0 %
Deferred taxes, capitalized	(7 573)	2 436
Deferred taxes, not capitalized	19 755	18 050

Note 14 Earnings per share

Basic earnings per share (EPS) are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in Issue during the year according to the following number of outstanding shares.

Issued shares and share capital	Number of shares	Share Capital (NOK thousand)
1 January 2021	**418 583 331**	**117 203**
Capital issue in relation to acq. of Facil, Jan	12 423 200	3 478
Capital issue in relation to acq. of Microsky, Feb	3 499 998	980
Capital issue in relation to acq. of Innit, Mar	5 606 400	1 570
Capital issue in relation to acq. of Qualisoft, May	15 000 000	4 200
Capital issue in relation to acq. of Maksit, Aug	5 000 000	1 400
Capital issue in relation to merger with Arribatec AS, Sep	124 790 135	34 941
31 December 2021	**584 903 064**	**163 773**

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the Company by weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be Issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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

Earnings per share *NOK*	2021	2020
Net profit/(loss) to equity holders	(48 858 404)	(55 620 279)
Total	**(48 858 404)**	**(55 620 279)**
Number of shares (in thousands)		
Weighted average number of ordinary shares	489 277 730	305 239 615
Effects of dilution, weighted average	91 776 213	129 663 617
Weighted average number of shares, adjusted for effects of dilution	**581 053 943**	**434 903 232**
Basic earnings per share	(0.10)	(0.18)
Diluted earnings per share [1]	(0.10)	(0.18)

1) *If Net loss, EPS per Basic and Diliuted share will be equal.*

In 2020, the number of redemption shares represented the fact that 35.48% of Arribatec AS' employees still held A and B shares of appr. 35% of the shares in Arribatec AS as per 31.12.2020. The Sales Purchase agreement between the sellers of Arribatec AS included a call option which gave the remaining AS shareholders the right and obligation to sell and exchange their shares to ASA shares. Arribatec Group ASA had the right and obligation to buy these shares in 2021.

For 2022, the remaining obligation for share consideration for Qualisoft AS and Maksit has been issued, only the weighted dilution persists. For the acquired entity Integra, the share consideration is still outstanding.

Effects of dilution	2021	2020
Redemption shares to minority shareholdes of Arribatec AS	85 130 804	129 663 617
Share consideration outstanding Qualisoft	2 876 712	0
Share consideration outstanding Maksit	2 465 753	0
Share consideration outstanding Integra	1 302 943	0

Note 15 Intangible assets

2021

NOK Thousand	Goodwill	Customer relations	Other intangible assets; Custom software	Other intangible assets; Technical software	Other intangible assets; Licenses	Total
Cost at 1 January 2021	93 827	15 529	12 568	1 000	10 018	132 942
Adjustment of opening balance	0	700	(700)	0	0	0
Additions	0	0	826	153	4 876	5 855
Additions - internally developed	0	0	10 316	9 390	0	19 706
From business combinations [1]	111 282	40 972	1 116	42 167	0	195 537
Reclassifications	0	0	6 613	3 773	(10 386)	0
Less government grants	0	0	(725)	(713)	0	(1 438)
Translation difference	170	325	(39)	(1 416)	470	(489)
Cost at 31 December 2021	**205 279**	**57 526**	**29 975**	**54 353**	**4 979**	**352 112**
Accumulated amortizations at 1 January 2021	0	(3 084)	(1 807)	(667)	(2 102)	(7 660)
Amortization	0	(8 411)	(3 091)	(11 335)	(1 898)	(24 735)
Reclassifications	0	0	(1 836)	(1 521)	3 357	0
Impairment	0	0	(3 359)	0	0	(3 359)
Accumulated amortization at 31 December 2021	**0**	**(11 495)**	**(10 093)**	**(13 523)**	**(643)**	**(35 755)**
Carrying amount at 31 December 2021	**205 279**	**46 031**	**19 882**	**40 830**	**4 336**	**316 358**
Useful life	Infinite	5 yrs	5-10 yrs	5 yrs	3-10 yrs	

1) Ref Note 18, Business combinations.

The development expenditures that do not meet the criteria for capitalization are recognized as salary and personnel expenses and other operating expenses in profit and loss. The Group has received government grants related to development of software of NOK 1.4m (NOK 1.5m). The grants have been subtracted from the carrying amount of internally generated software. Development expense not capitalized, but expensed in operating expense amounts to NOK 1.1 million.

Referring to PPA (Purchase Price Allocation) from business combination Note 18. For Impairment testing on Goodwill see Note 16.

2020

NOK Thousand	**Goodwill**	**Customer relations**	**Other intangible assets; Custom software**	**Other intangible assets; Technical software**	**Other intangible assets; Other**	**Total**
Cost at 1 January 2020	2 577	7 000	3 799	1 000	4 264	18 639
Additions	0	0	1 460	0	2 241	3 702
Additions - internally developed	0	0	8 799	0	0	8 799
From business combinations	91 250	8 529	0	0	3 513	103 292
Less government grants	0	0	(1 490)	0	0	(1 490)
Cost at 31 December 2020	**93 827**	**15 529**	**12 568**	**1 000**	**10 018**	**132 942**
Accumulated amortizations at 1 January 2020	0	(700)	(191)	(167)	(1 022)	(2 080)
Amortization	0	(2 384)	(1 615)	(500)	(1 081)	(5 580)
Accumulated amortization at 31 December 2020	**0**	**(3 084)**	**(1 807)**	**(667)**	**(2 102)**	**(7 660)**
Carrying amount at 31 December 2020	**93 827**	**12 445**	**10 762**	**333**	**7 915**	**125 282**
Useful life	Infinite	5 yrs	5-10 yrs	5 yrs	5-10 yrs	

Note 16 Goodwill and impairment

Goodwill and intangible assets stated in the consolidated financial position are mainly derived from excess value following the acquisitions of Instidata AS in 2019, Facil AS, Microsky AS and Innit AS (including its subsidiaries Innit Drift AS and Innit Utvikling AS) in 2020, and Maksit AS, Qualisoft AS, IB Group and Integra Ass. Ltd in 2021. Recognized goodwill amounts to NOK 205.3 million as of 31 December 2021. Other intangibles assets related to excess values in the Group accounts are customer relations and software, with a carrying amount of NOK 62.3 million as per 31 December 2021.

Only goodwill has an indefinite lifetime, all other intangible assets are amortized, ref Note 15.

Goodwill is tested for impairment for each cash generating unit (CGU) prior to preparation of the annual accounts. The test is performed annually, and when there are indications of impairment. There were no impairments of goodwill made during 2021.

The recoverable amount for each CGU has been determined estimating their Value in Use (VIU) and comparing that to the carrying amount of the specific CGU. The calculation of VIU has been based on management's best estimate, reflecting the Group's strategy plan. The discount rates are derived as the weighted average cost of capital (WACC) for a similar business in the same business environment.

Goodwill has been allocated for impairment testing purposes to the CGU's below.

NOK Thousand	**Cloud**	**BizS**	**Marine**	**Hospitality**	**EA&BPM**	**Total**
Norway	67 089	25 119	0	24 416	66 361	182 985
UK	0	17 435	0	0	0	17 435
Italy	0	0	4 859	0	0	4 859
Total	**67 089**	**42 554**	**4 859**	**24 416**	**66 361**	**205 279**

Cash flow projections and key assumptions

A five-year forecast of discounted cash flows plus a 1.5% terminal growth was used to determine net present value of the CGU. Discounted cash flows were calculated after tax and applying a WACC after tax. Estimated cash flow covering the period 2022-2026 consists of Arribatec's budget and strategy plan approved by the Board of Directors. Other assumptions are historical information, market analysis and discount rates. The cash flow projections have been extrapolated based on expected growth rates from the actual performances within the individual CGU's.

The terminal value is based on the estimated after tax net cash flow in 2026, using a standard perpetuity formula with a long-term growth rate of 1.5% (1.5%).

The calculation of VIU for the CGU's is most of all sensitive when it comes to the following assumptions:

Discount rate

The input data for the WACC is gathered from external sources.

	2021	**2020**
Risk free interest rate	3 %	3 %
Debt risk premium	3 %	3 %
Equity risk premium	4 %	4 %
Equity Beta	1.61	1.61
Cost of equity	9.40 %	9.40 %
Tax rate	22 %	22 %
After tax cost debt	4.70 %	4.70 %
Equity weight	90 %	90 %
WACC	9 %	9 %

	Cloud	**Bisz**	**Marine**	**Hospitality**	**EA&BPM**
Growth rate	5-10%	2-10%	7-10%	20-100%	5-35%
EBITDA margin	9-11%	15-37%	1-12%	-33-34%	15 %

Growth rate and EBITDA margin assumptions are based on historical experience and performance as well as market analysis used for budget and strategy plan per each CGU.

Note 17 Tangible assets

2021

NOK Thousand	Office equipment	Fixtures and fittings	Other	Total
Cost at 1 January 2021	9 367	748	0	10 114
Additions	2 760	626	58	3 443
From business combinations [1]	8 399	1 175	1 792	11 366
Reclassifications	(1 573)	1 286	287	0
Disposals	(331)	(352)	(905)	(1 588)
Translation difference	198	89	8	295
Cost at 31 December 2021	**18 819**	**3 572**	**1 239**	**23 631**
Accumulated depreciation at 1 January 2021	(6 707)	(150)	0	(6 857)
From business combinations [1]	(7 086)	(252)	(1 253)	(8 591)
Depreciation during the year	(1 510)	(523)	(186)	(2 219)
Reclassifications	953	(861)	(92)	0
Disposals	302	352	768	1 422
Translation difference	105	(30)	(15)	59
Accumulated depreciation at 31 December 2021	**(13 943)**	**(1 463)**	**(779)**	**(16 185)**
Carrying amount at 31 December 2021	**4 876**	**2 109**	**460**	**7 445**
Useful life	5-10 yrs	5 yrs	5 yrs	

1) Ref Note 18, Business combinations.

2020

NOK Thousand	Office equipment	Fixtures and fittings	Other	Total
Cost at 1 January 2020	4 661	0	0	4 661
Additions	789	748	0	1 537
From business combinations	3 916	0	0	3 916
Cost at 31 December 2020	**9 367**	**748**	**0**	**10 114**
Accumulated depreciation at 1 January 2020	(3 100)	0	0	(3 100)
From business combinations	(2 098)	0	0	(2 098)
Depreciation during the year	(892)	(150)	0	(1 042)
Disposals	(618)	0	0	(618)
Accumulated depreciation at 31 December 2020	**(6 707)**	**(150)**	**0**	**(6 857)**
Carrying amount at 31 December 2020	**2 659**	**598**	**0**	**3 258**
Useful life	5-10 yrs	5 yrs	5 yrs	

Note 18 Business Combinations

Arribatec has, during the last twelve months, acquired shares in the companies mentioned below and consequently controls the subsidiaries from the date of acquisition. In the purchase price allocations (PPA), the assets and liabilities of the companies have been measured at the estimated fair value at the acquisition date.

The preliminary purchase price allocation identified fair value adjustments on Intangible assets like customer relations and software and deferred tax liabilities/assets. The residual value of the purchase price allocation is allocated to goodwill.

Arribatec acquired five companies during 2021 within IT and operation technology. The acquisitions are carried out in line with Arribatec's strategy.

The labor force and 'going concern' elements are the main part of the acquired excess value and has been allocated to goodwill in accordance with IFRS 3. Goodwill in relation to the acquisition is related to different CGU's as according to Note 16. The preliminary PPAs (Purchase price allocation) are shown on the next page.

	2021					2020		
NOK Thousand	**Maksit**	**Qualisoft**	**IB Group**	**Infoship**	**Integra**	**Microsky**	**Facil**	**Innit**
Date of acquisition	18.02.2021	23.02.2021	20.01.2021	01.04.2021	11.10.2021	11.11.2020	05.11.2020	03.11.2020
Acquired part of Company	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Purchase price	35 987	85 605	20 830	258	36 268	11 160	24 846	69 543
Whereof Cash consideration	25 787	54 855	20 830	258	16 569	1 500	0	58 442
Whereof Share consideration	10 200	30 750	0	0	2 863	9 660	24 846	11 101
An earn-out component is included in the purchase price amounting to [1]	0	0	0	0	16 836	0	0	0
Fair value of assets and liabilities on date of acquisition								
Non-current assets								
Property, plant and equipment	101	457	1 114	142	940	271	4	1 543
Goodwill	22 541	66 361	5 025	9	17 091	9 931	24 416	57 157
Customer Relations	9 234	15 128	0	0	16 610	511	0	8 018
Software	0	0	43 282	143	0	0	0	0
Other intangible assets	0	0	22 034	0	0	0	0	3 513
Deferred tax assets	0	0	71	0	0	0	51	0
Other non-current assets	0	0	0	0	0	0	0	267
Total non-current assets	**31 876**	**81 946**	**71 527**	**294**	**34 640**	**10 713**	**24 471**	**70 498**
Current assets								
Accounts receivable	3 675	21 856	3 060	240	7 648	1 861	0	8 087
Other current assets	263	7 218	1 202	31	462	1 034	63	6 631
Contract assets (earned, not invoiced)	0	656	748	0	930	1	0	651
Cash & cash equivalents	7 331	10 937	2 446	1 253	7 890	2 463	360	4 816
Total current assets	**11 269**	**40 667**	**7 457**	**1 524**	**16 930**	**5 359**	**423**	**20 185**
Total Assets	**43 145**	**122 613**	**78 985**	**1 817**	**51 570**	**16 072**	**24 894**	**90 683**
Non-current liabilities								
Non-current interest bearing debt	0	0	16 227	0	0	0	0	534
Deferred tax liabilities	2 032	3 328	7 127	0	3 126	112	0	1 782
Other non-current liabilities & provisions	0	0	14 472	1 549	1 101	0	0	0
Total non-current liabilities	**2 032**	**3 328**	**37 825**	**1 549**	**4 228**	**112**	**0**	**2 316**
Current liabilities								
Accounts payable	613	1 871	6 287	0	1 747	1 533	0	3 888
Tax liabilities	520	0	0	0	(443)	50	0	474
Current Contract liabilities (deferred revenue)	0	10 942	737	0	0	2	0	0
Other current liabilities	3 621	20 867	13 306	10	9 771	3 215	48	14 180
Accrued expenses and prepaid income	372	0	0	0	0	0	0	283
Total current liabilities	**5 126**	**33 680**	**20 330**	**10**	**11 075**	**4 800**	**48**	**18 825**
Total Net assets	**35 987**	**85 605**	**20 830**	**258**	**36 268**	**11 160**	**24 846**	**69 542**
Net Sales full year	Merged	78 309	45 167	2 280	46 556	17 454	376	77 729
Profit / (loss) full year	Merged	7 964	(17 838)	(2 147)	(2 870)	497	(167)	2 067
Net Sales (Arribatec ownership period)	Merged	72 967	45 167	2 280	13 053	3 530	218	19 165
Profit / (loss) (Arribatec ownership period)	Merged	7 309	(17 838)	(2 147)	(133)	308	16	1 230

1) The sellers are granted an Earn-out based on Target revenue for 2021-2022 and a Target EBITDA. The earn-out will be settled by a 50% cash consideration and 50% share consideration.

Note 19 Financial instruments

Set out below is a comparison by class of carrying amounts and fair values of all financial instruments that are carried in the financial statements.

The financial assets principally consist of cash and cash equivalents obtained through the operating business. The financial liabilities principally consist of trade and other payables arising directly from its operations. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market price and rely as little as possible on entity-specific estimates. If all significant Inputs require to fair value an Instrument are observable.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

	Carrying amount			Fair value			
NOK Thousand	**Amortized cost**	**Fair value through profit and loss**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
31 Dec 2021							
Financial assets							
Investment in shares [1]	0	60	60	0	0	60	60
Accounts receivable and other receivables	90 964	0	90 964	0	0	90 964	90 964
Total financial assets	**90 964**	**60**	**91 024**	**0**	**0**	**91 024**	**91 024**
Financial liabilities							
Accounts payable and other payables [2]	166 643	0	166 643	0	0	166 643	166 643
Interest bearing loan	37 425	0	37 425	0	0	37 425	37 425
Total financial assets	**204 068**	**0**	**204 068**	**0**	**0**	**204 068**	**204 068**
31 Dec 2020							
Financial assets							
Investment in shares [1]	0	445	445	0	0	445	445
Accounts receivable and other receivables	55 045	0	55 045	0	0	55 045	55 045
Total financial assets	**55 045**	**445**	**55 491**	**0**	**0**	**55 491**	**55 491**
Financial liabilities							
Accounts payable and other payables [2]	83 103	0	83 103	0	0	83 103	83 103
Interest bearing loan	8 389	0	8 389	0	0	8 389	8 389
Total financial assets	**91 492**	**0**	**91 492**	**0**	**0**	**91 492**	**91 492**

1) Investment in shares is classified as Other non-current assets.
2) Consists of lease liabilites, other non-current financial liabilities, accounts payable, contract liabilities, current tax payable and other current liabilities.

Note 20 Investments in subsidiaries

NOK Thousand	Ownership	Year of acquisition/ foundation	Profit after tax 2021	Total Equity 31.12.2021	Profit after tax 2020	Total Equity 31.12.2020
Arribatec Group ASA	100 %	2015	(16 200)	331 154	(6 248)	97 055
Arribatec Norge AS [1]	100 %	2017	823	8 628	6 823	8 789
Arribatec Hospitality AS [2]	100 %	2019	(7 724)	8 156	(2 042)	25 202
Arribatec Cloud AS [3, 4]	100 %	2020	940	5 954	869	69 063
Innit Utvikling AS	100 %	2020	1 298	2 253	362	2 292
Microsky AS	100 %	2020	613	1 850	308	11 468
Arribatec EA & BPM AS [5]	100 %	2021	7 309	5 776	na	na
Arribatec Sverige AB	100 %	2016	(4 453)	669	(891)	(680)
Arribatec Denmark ApS	100 %	2015	447	1 301	59	915
Arribatec Innovation Sp. z o.o.	100 %	2018	636	439	(180)	(181)
Arribatec Belgium	100 %	2018	547	1 535	365	1 045
Arribatec Italy S.r.l.	100 %	2018	(406)	15 476	(300)	(156)
Arribatec Iberia SL	100 %	2017	2 289	4 374	769	2 646
Arribatec Americas Inc	100 %	2018	2 899	7 015	2 232	3 793
Arribatec Hospitality LLC	100 %	2018	(922)	(1 024)	(78)	0
IB S.r.l.	100 %	2021	(18 876)	(4 774)	na	na
IB Digital Ship S.r.l.	100 %	2021	23	241	na	na
IB Cyprus LTD	100 %	2021	160	4 057	na	na
IB USA Inc	100 %	2021	855	(1 060)	na	na
Arribatec Solutions UK LTD	100 %	2018	(1 757)	(1 893)	na	na
Integra Associates Ltd.	100 %	2021	(134)	6 619	na	na
Infoship GmbH	100 %	2021	(2 147)	(1 870)	na	na
Arribatec France	100 %	2021	(188)	(87)	na	na
Arribatec Solutions Trading Ltd	100 %	2021	(358)	(363)	na	na
Arribatec Solutions Pte. LTD	100 %	2021	(767)	(709)	na	na

1) The acquired entity Maksit AS was merged into Arribatec Norge AS.
2) Include the merged entity Facil AS.
3) Innit AS changed name to Arribatec Cloud AS in 2021.
4) Innit Drift AS was merged into Arribatec Cloud AS during 2021.
5) Represents only the share of profit related to the Arribatec time.

All entities listed are included in the consolidated financial statements of Arribatec Group ASA.

During 2021, Arribatec Hospitality AS and Facil AS were merged. Furthermore, Arribatec Cloud AS changed name from Innit AS and was merged with Innit Drift AS.

Arribatec Group ASA are holding direct ownership of most entities. Arribatec Americas INC and Arribatec Americas LLC are both subsidiaries of Arribatec Denmark Aps.
The IB Group is owned by Arribatec Italy S.r.l and Arribatec Cloud AS holds the share of Arribatec Utvikling AS.

Note 21 Other non-current investments

NOK thousand	**2021**	**2020**
Investment in shares	60	60
Bond notes in Italy	9 836	0
Desposits	664	385
Other	118	500
Total other non-current assets	**10 678**	**945**

Note 22 Inventory

NOK thousand	**2021**	**2020**
Hardware for resale	324	0
Licenses for resale[1]	2 855	2 439
Total Inventory	**3 179**	**2 439**

1) Reclassified from Other current assets in 2020.

Note 23 Other current assets

NOK thousand	**2021**	**2020**
Government receivables	4 189	1 853
Prepaid cost	9 689	15 404
Other current assets	8 732	5 139
Total other current assets	**22 610**	**22 396**

Note 24 Cash

Cash and cash equivalents	**2021**	**2020**
Cash, free	39 919	185 410
Cash, restricted	3 839	2 860
Total cash and cash equivalents	**43 758**	**188 270**

Note 25 Shares

Issued shares and share capital	Number of shares	Share Capital (NOK)
1 January 2020	**16 077 403**	**16 077 403**
Capital issue, Jan	7 164 688	7 164 688
Capital issue, Mar	41 666 666	41 666 666
Capital issue, Mar	25 000 000	25 000 000
Capital decrease, Nov		(64 734 305)
New shares, Oct	235 819 574	66 029 481
Share issue, repair offer, Nov	32 855 000	9 199 400
Share issue, employee offer, Nov	10 000 000	2 800 000
Share issue, private placement, Dec	50 000 000	14 000 000
1 January 2021	**418 583 331**	**117 203 333**
Capital issue in relation to acq. of Facil, Jan	12 423 200	3 478 496
Capital issue in relation to acq. of Microsky, Feb	3 499 998	979 999
Capital issue in relation to acq. of Innit, Mar	5 606 400	1 569 792
Capital issue in relation to acq. of Qualisoft, May	15 000 000	4 200 000
Capital issue in relation to acq. of Maksit, Aug	5 000 000	1 400 000
Capital issue in relation to merger with Arribatec AS, Sep	124 790 135	34 941 238
31 December 2021	**584 903 064**	**163 772 858**

Each share has the same rights and has a par value of NOK 0.28.

20 largest shareholders at 31 December 2021	Holding	Stake
Ferncliff Listed Dai AS	116 554 032	19.9%
Arriba Invest AS	80 965 209	13.8%
Dallas Asset Management AS	24 598 694	4.2%
Joar Aarenes	23 911 850	4.1%
Nordnet Bank AB	23 014 128	3.9%
Torstein Ingvald Tvenge	21 000 000	3.6%
SRK Consulting AS	18 710 527	3.2%
Erik Skaar Opdal	16 952 000	2.9%
Trude Halvorsen	10 797 884	1.8%
Tigerstaden AS	10 000 000	1.7%
Datum AS	8 542 908	1.5%
Hanekamb Invest AS	7 553 463	1.3%
Lani Invest AS	6 888 760	1.2%
Norsk Regnesentral	6 770 735	1.2%
Danske Bank A/S	5 688 213	1.0%
LCS AS	5 518 001	0.9%
Lars Hugo Braadland Olsen	5 097 500	0.9%
Jan Arne Christensen	4 961 750	0.8%
Cantavit Holding AS	3 875 000	0.7%
AWR AS	3 875 000	0.7%
Total 20 largest shareholders	**405 275 654**	**69.3%**
Other shareholders	179 627 410	30.7%
Total	**584 903 064**	**100.0%**

Shares held by related parties	Holding	Stake	
Ferncliff Listed Dai AS	116 554 032	19.9%	Related to Øystein S. Spetalen, Member of the Board in Arribatec Group ASA
Hanekamb Invest AS	7 553 463	1.3%	Related to Martin Nes, Chairman of the Board in Arribatec Group ASA
Finance Resources GJ AS	3 079 574	0.5%	Related to Geir Johansen, CEO of Arribatec Group ASA
Reaktor Returns AS	1 738 830	0.3%	Related to Henrik Lie-Nielsen, Member of the Board in Arribatec Group ASA
Kjølvik Invest AS	583 334	0.1%	Related to Ole-Jakob Kjølvik, COO of Arribatec Group ASA
Sicubi AS	240 712	0.0%	Related to Bente Brocks, CFO (interim) of Arribatec Group ASA

Note 26 Borrowings

Interest-bearing debt in detail

NOK thousand

Debt financial institutions	Type	Currency	Facility limit	Interest rate	Year of maturity	31 Dec 2021	31 Dec 2020
DNB	Revolving credit facility	NOK	7 000	6.15%	2023	5 710	5 018
DNB	Unsecured bank loan	NOK		4.65%	2023	185	336
DNB	Revolving credit facility	NOK	6 000	4.5%	2021	0	1 346
DNB	Unsecured bank loan	NOK		4.5%	2025	0	445
DLL	Leasing & finance company	NOK		4.5%	2024	493	682
The Norwegian Research Council	Governmental	NOK		3.35%	2022	188	562
Bank Intesa, Italy	Unsecured bank facilities	EUR		EURIBOR+1.95%-2.40%	2027	9 824	0
Bank Progetto, Italy	Unsecured bank loan	EUR		EURIBOR+5%	2025	7 236	0
Bank Carige, Italy	Unsecured bank loan	EUR		1.3%	2027	7 478	0
Bank Passadore, Italy	Unsecured bank loan	EUR		EURIBOR+1.5%	2028	2 991	0
Italian banks, ref above	Revolving credit facility	EUR		1.0-4.75%	2023	3 320	0
Total						**37 425**	**8 389**

	Credit facilities	Other borrowings	Total
Balance at 1 Jan 2021	**6 364**	**2 026**	**8 389**
Acquisition of subsidiaries	4 904	11 323	16 227
Proceeds from loans and borrowings	4 012	18 445	22 457
Repayment of loans and borrowings	(6 079)	(3 006)	(9 085)
Total changes in financial cashflow	**(2 067)**	**15 439**	**13 373**
Translation difference	(170)	(394)	(564)
Total Borrowings at end of period	**9 030**	**28 394**	**37 425**

Note 27 Pensions

Arribatec Group meets the different local mandatory occupational pension requirement.

Arribatec operates defined contribution retirement benefit plans for all qualifying employees of its subsidiaries in Norway, Sweden and Denmark. The only obligation of the group with respect to retirement benefit plan is to make the specified contributions.

The employees of other subsidiaries are member of a state managed retirement benefit plan operated by the government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits.

Note 28 Provisions

NOK thousand	**2021**	**2020**
Severance indemnity funds in Italy	9 586	0
Non-current part of Integra earn-out estimate	9 541	0
Other provisions	3 661	0
Total provisions	**22 789**	**0**

Note 29 Other current liabilities

NOK thousand	**2021**	**2020**
Employer tax and employee withholding tax	16 172	9 049
Accrued holiday payments and bonuses	31 337	10 011
Remaining part of acq. price, Integra	10 786	0
VAT liabilities	6 748	2 576
Severance payments	3 069	0
Other short term liabilities	14 768	13 429
Total other current liabilities	**82 880**	**35 064**

Note 30 Transactions with related parties

The following transactions were approved by the General meeting in Arribatec Group ASA 20 November in 2020. Ferncliff is a related party to Tycoon Industrier AS, related to Øystein S. Spetalen, Member of the Board in Arribatec Group ASA.

NOK thousand	**2021**	**2020**
Ferncliff AS - Fee for CEO and CFO for hire	562	1 290
Ferncliff AS - Fee related to capital increase	0	3 400
Total Related parties transactions	**562**	**4 690**

Note 31 Pledged assets

The Group have no pledged assets.

Note 32 Subsequent events

Subsequent to 31 December 2021, the following highlights has occurred:

- EU sanctions on Russia affects one of Arribatec's client in Italy, however we expect a modest impact on current operation.
- Effective 1 January 2022 Geir Johansen has been appointed as CEO, while Per Ronny Stav has taken up the position as CCO.
- A private placement of 100 000 000 shares, each at a price of NOK 0.50 per share was completed in April 2022.

\ Terms and abbreviations and APMs.

Terms and abbreviations

APAC	Asia/Pacific
BA	Business Area
BizS	BA Business Services
BoD	Board of Directors
CGU	Cash Generating Unit
Cloud	BA Cloud
DKK	Danish Krone
EA-BPM	BA Enterprise Architecture & Business Process Management
EBIT	Operating profit, Earning before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPS	Earnings Per Share
EUR	Euro
FTE	Full Time Equivalent
Hspt	BA Hospitality
IFRS	International Financial Reporting Standards
Marine	BA Marine
M&A	Mergers and Acquisitions
NOK	Norwegian Krone
Opex	Operating expenses
RR	Recurring revenue, derived from sale of services and solutions through subscription models this reporting period
RTO	Reverse take over
SEK	Swedish Krone
Saas	Software as a service
Solaas	Solution as a service
USD	US dollar
VIU	Value in Use
WACC	Weighted Average Cost of Capital
WAEP	Weighted Average Exercise Price

Arribatec uses EBITDA and adjusted EBITDA as an alternative performance measures (APM) to better reflect its operational business performance and to enhance comparability between financial periods. These alternative performance measures are reported in addition to, but not as a substitute for, the performance measures reported in accordance with IFRS.

NOK thousand	**2021**	**2020**
EBITDA	**(6 800)**	**(45 259)**
Cost from reverse take over	0	56 822
M&A cost	1 959	3 314
Restructuring cost	3 240	0
Adjusted EBITDA	**(1 601)**	**14 877**

APM / KPI definition

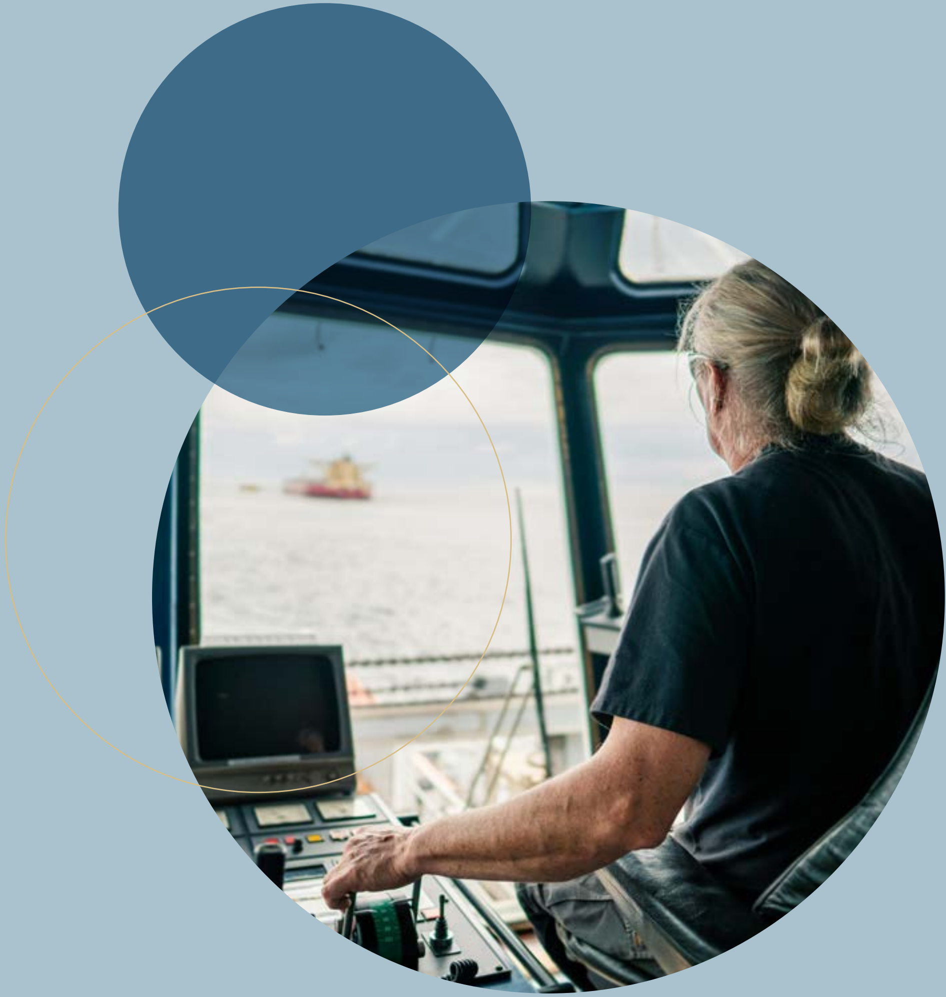
Gross profit	Operating revenue less materials, software and services
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
Adjusted EBITDA	EBITDA, adjusted for calculated reverse take-over cost, restructuring cost and direct M&A cost
EBITDA margin	EBITDA as a percentage of revenue
Equity ratio	Equity as a percentage of total assets

\ Arribatec Solution ASA Parent Company .

\ Statement of Profit and Loss .

For the year ended 31 December

NOK thousand	Note	2021	2020
Revenue		7 093	0
Other income		0	456
Materials, software and services		(14 031)	0
Gross profit		**(6 938)**	**456**
Salary and personnel costs	2	(1 490)	(165)
Other operating expenses	3	(15 522)	(8 561)
Total operating expenses		**(17 012)**	**(8 726)**
EBITDA		**(23 950)**	**(8 270)**
Depreciation, amortization and impairment		12 472	0
EBIT		**(36 423)**	**(8 270)**
Interest income		942	64
Other financial income	4	15 848	0
Interest expense		(178)	(2)
Other financial expenses	5	(2 428)	(2 310)
Net financial items		**14 186**	**(2 248)**
Profit/(loss) before tax		**(22 237)**	**(10 518)**
Tax expense	6	6 037	0
Profit/(loss) after tax attributable to equity holders of the parent company		**(16 200)**	**(10 518)**



\ Statement of Financial Position .

For the year ended 31 December

NOK thousand	Note	2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	7	1 773	0
Other intangible assets	8	15 006	0
Deferred tax assets	6	8 505	0
Investments in subsidiaries	9	303 817	343 554
Intercompany non-current receivable		27 322	0
Total non-current assets		**356 423**	**343 554**
Current assets			
Accounts payable, external		127	0
Accounts payable, internal		24 365	0
Other receivables		0	215
Other current assets		4 601	0
Intercompany current receivables		26 987	0
Cash and current deposits	10	6 391	168 249
Total current assets		**62 470**	**168 464**
TOTAL ASSETS		**418 893**	**512 018**

NOK thousand	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Paid in capital			
Share capital		163 773	117 203
Other paid in capital		582 605	493 716
Total paid in capital		**746 378**	**610 919**
Other equity			
Other reserves		0	16 175
Other equity		(415 224)	(241 122)
Total other equity		**(415 224)**	**(224 946)**
Total equity		**331 154**	**385 973**
Non-current liabilities			
Intercompany interest-bearing loans		18 425	0
Total non-current liabilities		**18 425**	**0**
Current liabilities			
Accounts payable, external		4 728	4 051
Accounts payable, internal		38 759	0
Public duties payable		(4 102)	0
Other current liabilities, external		27 603	121 995
Other current liabilities, internal		2 325	0
Total current liabilities		**69 314**	**126 045**
Total liabilities		**87 739**	**126 045**
TOTAL EQUITY AND LIABILITIES		**418 893**	**512 018**

Oslo, 28 April 2022

Martin Nes
Chairman of the board

Øystein Stray Spetalen
Board member

Yvonne Litsheim Sandvold
Board member

Kristin Hellebust
Board member

Henrik Lie-Nielsen
Board member

Geir Johansen
CEO

\ Statement of Cash flow .

For the year ended 31 December

NOK thousand	Note	2021	2020
Operating activities			
Profit/(Loss) before tax		(22 237)	(10 518)
Adjustments for:			
- (Increase)/decrease in accounts receivable		(3 768)	9 212
- (Decrease)/increase in accounts payable		(12 632)	2 420
- Depreciation and amortization		12 472	0
Change in other current assets / liabilities		(168 356)	(592)
Net cash flows operating activities		**(194 521)**	**521**
Investing activities			
Cash received through business combination	5	1 339	0
Cash consideration Investment in subsidiaries		153 065	(224 305)
Capitalized tangible and intangible assets		(7 917)	0
Net cash flows investing activities	7	**146 487**	**(224 305)**
Financing activities			
Proceeds from borrowings		21 850	0
Other changes in equity		(221 630)	(50 000)
Proceeds from shares issued		86 557	451 953
Share issue costs		(600)	(12 891)
Net cash flows financing activities		**(113 824)**	**389 062**
Net change in cash and cash equivalents		(161 858)	165 280
Cash and cash equivalents at beginning of period		168 249	2 969
Cash and cash equivalents at end of period		**6 391**	**168 249**

\ Notes.

Note 1 Accounting principles

1.1 Basis for preparation of the company accounts
The annual accounts are set up in accordance with the Accounting Act of 1998, Norwegian accounting principles (NGAAP) and generally accepted Norwegian accounting best practice (NGRS). The annual accounts consist of the income statement, balance sheet, cash flow statement and notes. The annual accounts constitute a whole.

The most important accounting principles that are used in the preparation of the annual accounts are as follows:

1.2 Currency
The functional currency of the company is the Norwegian krone, NOK. Monetary items in foreign currencies are valued at the year-end exchange rate. Other assets and liabilities in foreign currency are valued according to general valuation regulations.

Realized and unrealized currency gains or losses on transactions denominated in other currencies than NOK as well as currency gains or losses on assets and liabilities in a currency other than NOK are included in other Financial Income.

1.3 Revenue
Revenues mainly consist of sales of services to other companies in the Group. The company recognizes revenue when it transfers control of a good or service to a customer. Dividends and group contributions from subsidiaries are recognized in the same year in which they are earned in the underlying companies, and when such distributions are expected to be resolved, and are included in the underlying companies' annual accounts. Interest income is recognized as it is earned.

1.4 Expenses
Expenses are included with and expensed simultaneously with the income that the expenses are attributable to. Costs that cannot be directly attributed to income are expensed when incurred. Interest and fees are expensed as these are earned as income or incurred as costs.

1.5 Defined contribution pension schemes
The obligations of the Company related to payments of defined contribution retirement plans are expensed in the income statement as they are earned by the employee for services conducted on behalf of the employer during the period.

1.6 Classification of assets and liabilities
Fixed assets and non current liabilities consist of items expected to be settled more than twelve months after the balance sheet date. Current assets and current liabilities consist of amounts that are expected to be settled within twelve months after the balance sheet date.

Fixed assets are valued at historical cost but written down to actual value when the reduction in value is not expected to be temporary. Fixed assets with a limited economic lifetime are depreciated in accordance with a depreciation plan. Long-term loans are recorded at the nominal received value at the time of establishment. Current assets are valued at the lowest of the cost value and actual value. Long-term liabilities are recorded at the nominal received value at the time of establishment.

1.7 Tangible fixed assets
Tangible fixed assets are recognized at historical cost in the balance sheet, with a deduction for accumulated depreciation and any impairment. The write down is reversed when the basis for the write down no longer exists. Depreciation is made on a straight-line basis over the asset's estimated useful life, which is assessed on an individual basis, ranging from three to five years.

1.8 Other intangible assets
Intangible fixed assets are recognized at historical cost in the balance sheet, less accumulated depreciation and impairment losses.

Amortization is calculated using the straight-line method to allocate the cost over their useful lives of 3 to 5 years.

1.9 Shares in subsidiaries
In Arribatec Group ASA's company accounts, shares in subsidiaries are valued in accordance with the cost method. Group contributions are entered in the parent company's accounts as income in investment in subsidiaries under financial items, in the extent to which the distribution relates to the earnings accrued in the holding period. Other received group contributions are entered as a reduction of cost price of the shares. Provided group contributions net after tax are entered as increased investment in subsidiaries. Shares in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value of the investment. An impairment loss is reversed if the impairment is deemed to no longer exist.

1.10 Receivables
Receivables are initially recognized at transaction price, subsequently accounted for at amortized cost and are reviewed for impairment on an ongoing bases. Provisions for losses are made based on an individual analysis of the individual receivables.

1.11 Taxes
Tax expenses consist of tax payable and the change in deferred tax. Deferred tax / tax assets are calculated on all differences between accounting and tax values of assets and liabilities. Deferred tax is calculated at 22 % based on the temporary differences that exist between the accounting and tax values, and tax loss carried forward at the end of the financial year. Net deferred tax assets are recognized to the extent that it is likely that they could be utilized. Tax expenses and deferred tax are entered in the accounts directly against equity so far as the tax items relate to items recognized directly against equity.

1.12 Leasing agreements
Leases where the most significant risks and returns associated with ownership of the asset are not acquired by the company are classified as operating lease agreements. Lease payments are classified as an operating expense and are recognized linearly over the contract period.

1.13 Use of estimates
Management has used estimates and assumptions that affect the income statement and the valuation of assets and liabilities, as well as contingent assets and liabilities on the balance sheet date during the preparation of the annual accounts in accordance with generally accepted accounting principles.

1.14 Contingencies and events after the Balance Sheet date
Contingencies are recognized in the financial statements when probable of occurrence and reliably estimable.

1.13 Cash Flow Statement
The cash flow statement is prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments.

Note 2 Employee compensation

NOK Thousand	**2021**	**2020**
Salaries	0	165
Board members and election committee fees [1]	1 490	0
Total	**1 490**	**165**
Average FTE	0	0

1) Including Social security and training paid to board members.

Arribatec Group ASA had no full-time employees during 2021, the Group Management has been employed in other Arribatec companies.

Note 3 Other operating expenses

NOK Thousand	**2021**	**2020**
Consultants, etc	3 024	16
Legal costs	0	989
R&D related costs	170	0
Management-for-hire (CFO/CEO)	0	2 375
Computer and software costs	2 805	0
Leasing	5 027	0
Audit and accounting fees	2 516	577
Stock fees/Listing of shares	860	2 229
Settlement dispute	0	1 000
Other	1 119	1 374
Total	**15 522**	**8 561**

Note 4 Other financial income

NOK Thousand	**2021**	**2020**
Intercompany Group contribution received	7 649	0
Intercompany accrued dividend received	6 789	0
Realized foreign exchange gains	1 411	0
Total	**15 848**	**0**

Note 5 Other financial expense

NOK Thousand	**2021**	**2020**
Write off intercompany loan to Finn Clausen Sikkerhetssystemer AS	0	(2 310)
Other	(2 428)	0
Total	**(2 428)**	**(2 310)**

Note 6 Tax

NOK Thousand	**2021**	**2020**
Earnings before tax	(22 237)	(10 518)
Permanent differences	0	3 502
Change in temporary differences	6 037	(38 761)
Taxable income	**(16 200)**	**(45 777)**
Payable tax on this year's result	**0**	**0**
Deferred tax	**8 505**	**0**

Deferred tax
Deferred tax is recognized with NOK 8.5 million in 2021.

Note 7 Property, plant and equipment

NOK Thousand	**Office equipment**	**Fixtures and fittings**	**Other**	**Total**
Cost 1 January 2021	0	0	0	0
Additions	895	0	745	1 640
From merger with Arribatec AS	3 142	546	0	3 688
Cost 31 December 2021	**4 037**	**546**	**745**	**5 328**
Accumulated depreciation 1 January 2021	0	0	0	0
From merger with Arribatec AS	(3 015)	(378)	0	(3 393)
Depreciation during the year	(96)	(67)	0	(162)
Accumulated depreciation 31 December 2021	**(3 111)**	**(445)**	**0**	**(3 555)**
Carrying amount 31 December 2021	**926**	**102**	**745**	**1 773**
Useful life	5-10 yrs	5 yrs	5 yrs	

Note 8 Other intangible assets

NOK Thousand	Custom software	Licenses	Other	Total
Cost 1 January 2021	0	0	0	0
Additions	569	0	0	569
Additions - internally developed	6 433	0	0	6 433
From merger with Arribatec AS	24 455	1 544	101	26 100
Less government grants	(725)	0	0	(725)
Cost 31 December 2021	**30 732**	**1 544**	**101**	**32 377**
Accumulated amortizations at 1 January 2021	0	0	0	0
Amortization	(3 681)	(309)	(31)	(4 021)
From merger with Arribatec AS	(4 996)	(44)	0	(5 040)
Impairment	(8 311)	0	0	(8 311)
Accumulated amortization 31 December 2021	**(16 987)**	**(352)**	**(31)**	**(17 371)**
Carrying amount 31 December 2021	**13 745**	**1 191**	**70**	**15 006**
Useful life	5-10 yrs	3-10 yrs	3-10 yrs	

Note 9 Shares in subsidiaries and intercompany

NOK Thousand	Ownership	Book value of shares	Equity in subsidiaries
Arribatec Norge AS	100%	44 250	8 628
Arribatec Hopitality AS	100%	32 224	8 156
Arribatec Cloud AS	100%	68 931	5 954
Mikrosky AS	100%	11 160	1 850
Arribatec EA &BPM	100%	85 605	5 776
Arribatec Belgium	100%	586	1 535
Arribatec Denmark	100%	56	1 301
Integra Associates Ltd	100%	36 268	6 619
Arribatec France	100%	102	(87)
Arribatec Solutions Trading	100%	59	(363)
Arribatec Iberia SL	100%	28	4 374
Arribatec Sverige AB	100%	7 309	669
Arribatec Italia	100%	17 024	15 476
Arribatec Innovation Sp zoo	100%	218	439
Total		**303 817**	**60 324**

Note 10 Cash and short-term deposits

As of 31 December 2021 the Company had a cash balance of NOK 6.4 million, with no restricted cash.

Note 11 Share capital and shareholder information

The Company is listed on the Oslo Stock Exchange under the ticker ARR. Share capital in the company per 31 December 2021 consisted of 584 903 064 shares, each with a nominal value of NOK 0.28. Total share capital was NOK 163 772 858.

Note 12 Equity

For the year ended 31 December	Equity related to the shareholders of the parent company			
	Restricted			
NOK Thousand	**Share capital**	**Other paid in capital**	**Other Equity**	**Total Equity**
Capital Increase employees offer, Nov	2 800			2 800
Capital increase repair issue, Nov	9 199			9 199
Capital increase, Private placement Dec	14 000			14 000
Cost of share issue		(12 891)		(12 891)
Closing balance on 31 December 2020	**117 203**	**493 716**	**(224 946)**	**385 973**
Balance on 1 January 2021	117 203	493 716	(224 946)	385 973
Result of the period			(16 200)	(16 200)
Total comprehensive result for the period	**0**	**0**	**(16 200)**	**(16 200)**
Other equity transactions		13 802	(13 802)	0
Merger effect			(124 575)	(124 575)
Capital increase related to business combinations	11 628	74 929		86 557
Capital increase related to merger with subsidiary Arribatec AS	34 941	158	(35 100)	0
Share issue cost			(600)	(600)
Closing balance 31 December 2021	**163 773**	**582 605**	**(415 224)**	**331 154**

Note 13 Events after the balance sheet date

From 01.01.2022, the corporate staff is employed by Arribatec Group ASA.

\ Auditor's Statement.

BDO AS
Munkedamsveien 45
Postboks 1704 Vika
0121 Oslo

Independent Auditor's Report

To the General Meeting in Arribatec Group ASA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Arribatec Group ASA.

The financial statements comprise:	In our opinion:
• The financial statements of the parent company, which comprise the balance sheet as at 31 December 2021, income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and • The financial statements of the group, which comprise the balance sheet as at 31 December 2021, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.	• The financial statements comply with applicable statutory requirements, • The accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. • The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU. Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

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

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

We have been the auditor of Arribatec Group ASA for 1 year from the election by the general meeting of the shareholders on 12 May 2021 for the accounting year 2021.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How the key audit matter was addressed in the audit
Intangible assets Under IFRS, the Group is required to perform an annual impairment test of goodwill and intangible assets with an indefinite useful life. Impairment testing of intangible assets is a key aspect of our audit due to the complexity of the assessments and the significance of assumptions related to future market and/or economic conditions that underlie the assessment.	Our audit procedures have included a detailed review of management's impairment test for each business unit to which intangible assets are allocated. We have also assessed management's assumptions underlying the valuation and taken into account management's historical accuracy in determining the estimates. Internal specialists have assisted us in this process. We have also considered the assumptions described in note 16 and assessed the adequacy of the information provided in the notes against the requirements of IAS 36
Investments in subsidiaries The company has significant investments in subsidiaries that are measured at cost. Investments in subsidiaries are tested for impairment if indications of impairment are present. An impairment loss is recognized if the carrying amount exceeds the recoverable amount. The significant amounts involved, and the complexity of the valuation of the assets, lead us to classify the valuation of investments in subsidiaries as a key audit matter.	Our audit procedures included a detailed review, testing, and assessment of management's impairment tests, including the calculation of recoverable amounts. We have also assessed management's assumptions underlying the valuation and taken into consideration the historical accuracy in determining the estimates. Internal specialists have assisted us in this process. We have also considered the assumptions described in note 16.
Business combinations During 2021, the Group acquired 100 % interest in five companies, with a combined consideration of NOK 179 million on an enterprise value basis. Acquisitions of subsidiaries are accounted for using the purchase method. Hence, identifiable assets acquired and liabilities assumed are initially measured at fair value at the transaction date.	Our audit procedures included an evaluation of the key assumptions applied in the valuation model, such as revenue growth, EBITDA margin, churn rate and remaining useful life. We involved our internal valuation specialists to assist us with our assessment of the discount rates, expected inflation rates, and the appropriateness of the methodology and

Any consideration in excess of the net identifiable assets, is recorded as goodwill. In relation to the acquisitions, the Group has prepared a provisional purchase price allocation. The purchase price allocation requires the application of significant judgment by management, in particular with respect to identification and valuation of intangible assets such as customer relations and technology. Due to the materiality, complexity and estimation uncertainty, we consider accounting for business combinations to constitute a key audit matter in the audit of the group. The Group's accounting policy regarding acquisitions is disclosed in note 18 to the consolidated financial statements.	valuation model used. In addition, we performed the following audit procedures: • We compared the Sale and Purchase Agreement (SPA) and the Purchase Price Allocation (PPA) with respect to consideration amounts • We reviewed the opening balances and evaluated the related fair value adjustments. • We tested the mathematical accuracy of the calculations derived from the forecast mode Furthermore, we have evaluated the adequacy of the disclosures provided in the notes covering business combinations.

Other information

The Board of Directors and the Managing Director (management) is responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on the Board of Director's report

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name Arribatec_Group_ASA_2021_12_31_EN.zip have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

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

Management's Responsibilities

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

BDO

Auditor's Responsibilities

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

Oslo, 28 April 2022
BDO AS

Yngve Gjethammer

Yngve Gjethammer
State Authorized Public Accountant

\ Statement of Corporate Governance.

This chapter describes Arribatec Group ASA's ("Arribatec" or "the Company") compliance with the Norwegian code of practice for corporate governance. The Company's Board of Directors embraces the principles for good corporate governance and is vigilant about the Company's adherence to these principles. This report includes the information required to comply with §3-3b in the Norwegian Accounting Act.

CORPORATE GOVERNANCE

As a security provider, understanding and adhering to rules and regulations is of the utmost importance to Arribatec. Good corporate governance benefits the Company's reputation and thus value, and vice versa.

The Company adheres to the following set of principles with regards to corporate governance:

Transparency

The communication between the Company and its stakeholders shall be based on transparency about matters that are relevant to evaluate the operations of the Company.

Independence

The Board of Directors shall act independently of the Company's executive management, to secure that decisions are made on fair and neutral grounds.

Equality

All shareholders shall be treated equally.

CONTROL AND GOVERNANCE

Good internal control and governance principles shall contribute to predictability and risk mitigation for owners and other stakeholders.

1. Corporate Governance at Arribatec Group ASA

At all times, the Company seeks to comply with the most recent applicable legal framework for companies listed on the Norwegian stock exchange.

The Company endorses the "Norwegian code of practice for Corporate Governance" ("NUES") in its most recent revision (October 2018), which is available on www.nues.no. The Company conducts annual corporate governance reviews to ensure continued compliance. Considering the size and maturity of the Company, there may be deviations from the code. Arribatec will adhere to the principle "declare or explain" regarding any non-compliance with respect to the code. The Company's policies, instructions and internal processes are continuously developed.

2. Operations and corporate social responsibility
The Board of Directors prepares annual business plans that includes the goals, key strategies and risk profile for the Company, which shall be reviewed on an annual basis. The Company has implemented ethical and corporate social responsibility guidelines in accordance with its basic corporate values, which describes how the Company shall integrate its social considerations in its business. The guidelines are published on Arribatec's website, www.arribatec.com.

3. Equity and Dividend
Equity: The Company strives to maintain a healthy relation between the Company's equity and other forms of financing, given the Company's strategy and risk profile. The Board of Directors takes immediate and appropriate action should the equity or liquidity situation of the Company prove to be below an acceptable level.

Dividend policy:
Arribatec is growing fast, both organically and through M&A activities. Both these avenues for growth require liquidity and availability of sufficient funding as well as a healthy equity ratio. While the company is in an expansion phase, the Board is not planning for regular dividends to be paid to the shareholders. There has not been given, nor proposed to give, a mandate to the Board of Directors to approve a distribution of dividends.

Board authorizations:
Authorizations to the Board of Directors to approve share capital increases shall be confined to defined purposes and should not be given for longer periods of time than until the next Ordinary General Meeting. If an authorization encompasses several purposes, each purpose should be treated as a separate issue at the General Meeting. This also applies to authorizations permitting the repurchase of shares. The Extraordinary General Meeting held 29 June 2021 gave the Board of Directors authorization to increase the Company's Share Capital by up to NOK 63 715 810. The authorizations are valid until next ordinary general assembly, and no later than 30 June 2022.

4. Equal treatment of shareholders and transaction with related parties
Class of shares: The Company has one class of shares, without any form of voting restriction imposed. Each share represents one vote at the Company's General Meeting. The par value per share is NOK 0.28.

Pre-emption rights of existing shareholders:
The Company's existing shareholders have pre-emption rights to subscribe for shares in the event of share capital increase, unless special circumstances necessitate a deviation from this principle. Any decision to deviate from the pre-emption rights of existing shareholders shall be justified and in accordance with the authorization given to the Board of Directors from the General Meeting. The justification shall be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital.

Transactions with related parties:
The Company's board members, management and significant shareholders are considered related parties. Any transactions with related parties are carried out on an arm's length basis. If the value of such a transaction is significant, the Board of Directors is responsible for assigning an independent third party to perform a valuation. Alternatively, the transaction in question can be treated as an issue at the General Meeting, in accordance with the Norwegian Public Limited Liability Companies Act.

5. Shares and negotiability
The shares in the Company are freely transferable, and there are no constraints in the Articles of Association preventing or contradicting this.

6. General meetings
The General Meeting is the main governing body of the Company. The Board shall facilitate so that all shareholders are given the opportunity to participate in General Meetings, and that the General Meetings are an effective forum for the views of shareholders and the Board of Directors.

Notification: No later than 21 days prior to the Annual General Meeting ("AGM"), an invitation will be made available on the Company's website, www.arribatec.com. Supporting information on resolutions to be considered, as well as the recommendations of the Nomination Committee will be presented in due time before the AGM. The Board of Directors seeks to ensure that all shareholders are provided with sufficient information to form qualified views on the matters discussed at the General Meeting. The Company's Articles of Association provides that the Company does not have to send documents relating to matters to be considered by the General Meeting by mail to shareholders when these documents are made available on the Company's website. Any such documents shall, however, be sent free of charge upon request from individual shareholders. Further, the right to participate and vote at the Company´s General Meeting can only be exercised for shares when the purchase of shares is listed in the shareholder register no later than five workdays prior to the General Meeting. Other than aforementioned, there are no provisions in the Articles of Association regarding General Meetings in the Company that deviates from the provisions of the Norwegian Public Limited Companies Act. The AGM will be held no later than 30 June each year. The AGM will be held in Oslo, unless otherwise is clearly specified.

Participation by shareholders in absentia: Shareholders that are unable to attend the General Meeting in person, are encouraged to vote by proxy. In connection with any General Meeting, the Company provides information on proxy voting, designate a person who will be available to vote on behalf of the shareholders in question, and prepare a form for the appointment of a proxy.

Attendance, agenda and execution: Board members, the Nomination Committee and the auditor are encouraged to attend the General Meeting in person. The Company will make arrangements to ensure that an independent chairman for the General Meeting can be elected. The company will conduct General Meetings by way of web meetings if the situation requires it.

7. Nomination Committee

Requirements for the Company's Nomination Committee are outlined in the Articles of Association, §6. According to the Company's Articles of Association the Company shall have a Nomination Committee consisting of 2-5 members by the further decision of the General Meeting. Pursuant to the guidelines for the Nomination Committee, the Nomination Committee shall, inter alia, assess the need for change in the Board of Directors, propose candidates for election to the Board of Directors and propose remuneration to be paid to such members. The Nomination Committee is responsible for assessing the need for change in the Board of Directors, proposing, in consultation with relevant shareholders, candidates for election to the Board of Directors, and proposing the remuneration to be paid to such members.

All members of the nomination committee are independent of the Board of Directors, CEO and other executive management staff. The nomination committee ensures that due attention is paid to the interests of the shareholders and the company's requirements for comeptence, capacity and diversity. The nomination committee also takes account of relevant statutory requirements regarding the composition of the company's governing bodies.

8. The Board of Directors – composition and independence

According to the Articles of Association, the Board of Directors should consist of three to seven members, chosen by the General Meeting. The Chairman of the Board is elected by the General Meeting. The composition of the Board shall ensure that the Board can attend to the common interests of all shareholders and meet the Company's need for expertise, capacity and diversity. It is of great importance to the Company that the board members have the relevant competencies to independently evaluate the cases presented to them by the executive management, as well as to monitor the daily operations of the Company.

The term of office for members of the Board of Directors shall not be longer than two years at the time. Members of the Board of Directors may be re-elected. The Company's Board of Directors shall normally not include members of the executive management team. The Company strives to apply NUES' criteria to evaluate whether a director can be considered independent. The Board should have a composition that enables it to attend to the common interests of all shareholders and operate independently of special interests. Any deviation from the independency principle will be properly explained by the Company. Any director experiencing a change in his or her ability to act independently is obligated to notify the Chairman of the Board. At least two of the shareholder-elected board members shall be independent of the Company's main shareholders.

9. The Board of Directors – work and instructions

The formal responsibilities of the Board of Directors are mandated by Norwegian law. The fundamental responsibility of the directors is to oversee day-to-day management and evaluate strategy, to exercise their business judgment acting in what they reasonably believe to be the best interests of the Company and its shareholders. The Board of Directors is also to oversee such matters as are required by statutory law, the Company's Articles of Association, policies, instructions and procedures as well as resolutions or the resolutions of the General Meeting. It is the duty of the Board of Directors to monitor management's performance to ensure that the Company operates in an effective and ethical manner, focused on creating value for the Company's shareholders. The Board of Directors also evaluates the Company's overall strategy and evaluates performance against the management's operating plan. The Board of Directors is responsible for supervising strategic, financial and execution risks, as well as exposures associated with the Company's business strategy, products- and services innovation and sales road map, policy matters, significant litigation and regulatory exposures, and other current matters that may present material risk to the Company's financial performance, operations, infrastructure, plans, prospects or reputation, acquisitions and divestitures. Furthermore, the Board of Directors shall control the ongoing activities of the Company in a satisfactory manner. Instructions for the Board of Directors: The Board of Directors shall issue instructions for its own work as well as for the executive personnel with emphasis on clear internal allocation of responsibilities and duties. In order to ensure a more independent consideration of matters of a material character in which the Chairman of the Board is, or has been, personally involved, the Board's consideration of such matters shall be chaired by some other members of the Board.

Board committees

The Board has established an audit committee. The audit committee's main responsibilities are to supervise the Group's internal control and risk management system, to ensure that the auditor's independency, and to ensure that the annual accounts give a fair picture of the Group's financial results and financial condition in accordance with generally accepted accounting practice. The audit committee works as the Board's risk committee, reviews the procedures for risk management, and assess the risks and financial controls related to the Group's business activities.

Instructions for the CEO: Executive management and Board of Directors' responsibilities are clearly segregated. The CEO shall follow the guidelines and instructions issued by the Board of Directors. The CEO is responsible for day-to-day management of the Company pursuant to section 6-14 of the Norwegian Public Limited Companies Act. The CEO represents the Company externally in matters that form part of the day-to-day management. The day to day management does not cover matters of extraordinary nature or of major importance. However, the CEO is authorized to decide on matters of extraordinary nature or of major importance in cases, where the decisions of the Board of Directors cannot be awaited without serious detriment for the Company. The Board of Directors shall be notified of the decision as soon as possible.

Financial reporting: The Board of Directors is responsible for ensuring the integrity of financial information. The Board evaluates the integrity of the Company's accounting and financial reporting systems, including the audit of the Company's annual financial statements by the independent auditor, and that there are appropriate systems of internal control in place. The main purpose of risk management and internal control is to provide reasonable assurance that the group will achieve:

- Compliance with legislation and regulations, as well as internal guidelines
- Quality and efficiency within internal operations
- Reliable internal and external reporting quarterly and annual financial reports are reviewed and approved at board meetings and form the basis for external financial reporting. Upon the presentation of year-end financial statements, the CEO and the CFO declare that the accounts have been prepared in accordance with generally accepted accounting principles, and that to the best of their knowledge, all information is accurate, and no material information has been omitted. The Company uses an external accounting agency for all Group companies.

Disqualification: The CEO or a member of the board may not participate in the discussion on Board issues that are of special financial or personal interest to the individual in question.

Committees: During 2020 the Board had considered it premature to establish audit and remuneration committees as the company was in transitional phase. However, in beginning of 2022, due to significant growth of the company, the establishment of the audit committee was decided.

10. Risk management and internal control

The Board of Directors performs an annual audit of the main risks and internal control routines of the Company. The audit shall encompass the issues that have been brought to the Board of Directors' attention throughout the year. The routines for internal control shall encompass the Company's adherence to its values, and its guidelines on ethics and corporate social responsibility.

11. Remuneration of the Board of Directors

The Ordinary General Meeting approves the remuneration paid to the Board of Directors. The Nomination Committee is responsible for issuing a proposal on the remuneration terms to the AGM.

12. Remuneration of executive management

In accordance with the Norwegian Public Limited Liability Companies Act, the Board of Directors establishes guidelines for the remuneration of the executive management team. These guidelines are presented to the General Meeting through a statement on remuneration for executive management. The statement is presented for a vote, which is subject to the General Meeting's approval.

The Company's general principle for management remuneration is to offer competitive terms, in order to attract and retain the competence it needs.

13. Information and communication

Regular information to the Company's shareholders and the market is provided through the annual report, quarterly reports and open presentations. All reports and notices are issued and distributed according to the rules and regulations of the Oslo Stock Exchange. Insider information is treated in accordance with Norwegian law. Shareholder information, including the financial calendar, is available on www.arribatec.com. The Company's CEO and CFO is responsible for investor relations. The Company has established procedures for discussions with shareholders other than at Ordinary General Meetings. All information distributed to the Company's shareholders is published on the Company's website at the same time as it is sent to shareholders.

14. Take-overs

There are no defense mechanisms against take-over bids in the Company's Articles of Association or in any underlying governance document. In corporate take-overs or restructuring situations, the Board shall exercise due and proper care so that all shareholder values and interests are preserved. The Board of Directors will ensure that the shareholders are given enough information and time to form a view of the offer in a bid situation. The Board of Directors will handle take-over bids in accordance with Norwegian laws and regulations. Furthermore, the Board of Directors will seek to comply with the recommendations set out in the NUES, including arranging for a valuation from an independent expert and making a recommendation as to whether the shareholders should accept the bid. Other than the guidelines described above, the Board of Directors has not found it appropriate to establish any other written explicit principles for how it will act in the event of a take-over bid.

15. Auditor

The external auditor is elected by the General Meeting. The auditor is fully independent of the Company. BDO is the Company's auditor. Each year the auditor presents the Board of Directors with a plan for the implementation of the audit, and a written confirmation that the auditor satisfies established requirements pertaining to independence and objectivity. Upon request, the auditor participates in board meetings. The auditor provides the Board with its perspectives on the annual statement and informs of any disagreements between the auditor and the executive management. The Board of Directors also has contact with the auditor when required outside the situations mentioned above. At least once a year, the auditor attends a meeting with the Board of Directors in which no representatives from the Company's executive management will be present. During 2021, the auditor attended 1 board meeting. The auditor is present at the General Meeting, where the Board of Directors also informs about the compensation for the auditory work required by law and remuneration associated with other assignments. Information of the fees paid to the auditor in 2021, including breakdown between statutory auditing and other assistance/service is presented in notes to the consolidated financial statements. In connection with the auditor's presentation to the Board of Directors of the annual work plan, the Board of Directors considers if the auditor to a satisfactory degree also carries out a control function.

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