

## ADMISSION DOCUMENT



**House of Control Group AS**

(A Norwegian private limited liability company incorporated under the laws of Norway)

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### Admission to trading of outstanding shares on Merkur Market

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This admission document (the "**Admission Document**") has been prepared by House of Control Group AS (the "**Company**" or "**House of Control**", and together with its consolidated subsidiaries, the "**Group**") solely for use in connection with the admission to trading (the "**Admission**") of all issued shares of the Company on Merkur Market.

As of the date of this Admission Document, the Company's registered share capital is NOK 11,382,640, divided into 56,913,200 shares, each with a par value of NOK 0.20 (the "**Shares**"). The Shares have been approved for admission to trading on the Merkur Market and it is expected that the Shares will start trading on or about 20 October 2020 under the ticker code "HOC-ME". The Shares are, and will continue to be, registered in the Norwegian Central Securities Registry (the "**VPS**") in book-entry form. All of the issued Shares rank pari passu with one another and each Share carries one vote.

Merkur Market is a multilateral trading facility operated by Oslo Børs ASA. Merkur Market is subject to the rules in the Norwegian Securities Trading Act of 29 June 2007 no 75 (as amended) (the "**Norwegian Securities Trading Act**") and the Norwegian Securities Trading Regulations of 29 June 2007 no 876 (as amended) (the "**Norwegian Securities Trading Regulation**") that apply to such marketplaces. These rules apply to companies admitted to trading on Merkur Market, as do the marketplace's own rules, which are less comprehensive than the rules and regulations that apply to companies listed on Oslo Børs and Oslo Axess. Merkur Market is not a regulated market. Investors should take this into account when making investment decisions.

**THIS ADMISSION DOCUMENT SERVES AS AN ADMISSION DOCUMENT ONLY, AS REQUIRED BY THE MERKUR MARKET ADMISSION RULES. THIS ADMISSION DOCUMENT DOES NOT CONSTITUTE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT THERETO.**

Investing in the Company involves material risks and uncertainties. Prospective investors should read the entire document and in particular Section 1 "Risk Factors" and Section 3.3 "Cautionary note regarding forward-looking statements" when considering an investment in the Company and its Shares.

Merkur Advisors



The date of this Admission Document is 15 October 2020



## IMPORTANT INFORMATION

This Admission Document has been prepared solely by House of Control in connection with the Admission. The purpose of the Admission Document is to provide information about the Company and its underlying business. This Admission Document has been prepared solely in the English language. For definitions of terms used throughout this Admission Document, please refer to Section 13 "Definitions and glossary of terms".

The Company has engaged ABG Sundal Collier ASA and Pareto Securities AS as advisors in connection with the Admission (the "**Merkur Advisors**"). This Admission Document has been prepared to comply with the Admission to Trading Rules for Merkur Market (the "**Merkur Market Admission Rules**") and the Content Requirements for Admission Documents for Merkur Market (the "**Merkur Market Content Requirements**"). Oslo Børs has not approved this Admission Document or verified its content.

The Admission Document does not constitute a prospectus under the Norwegian Securities Trading Act and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and has not been reviewed or approved by any governmental authority.

All inquiries relating to this Admission Document should be directed to the Company or the Merkur Advisors. No other person has been authorized to give any information, or make any representation, on behalf of the Company and/or the Merkur Advisors in connection with the Admission, if given or made, such other information or representation must not be relied upon as having been authorized by the Company and/or the Merkur Advisors.

The information contained herein is as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company subsequent to the date of this Admission Document. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Admission Document and before the Admission will be published and announced promptly in accordance with the Merkur Market regulations. Neither the delivery of this Admission Document nor the completion of the Admission at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Admission Document is correct as of any time since its date.

The contents of this Admission Document shall not be construed as legal, business or tax advice. Each reader of this Admission Document should consult its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Admission Document, you should consult your stockbroker, bank manager, lawyer, accountant or other professional advisor.

The distribution of this Admission Document may in certain jurisdictions be restricted by law. Persons in possession of this Admission Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Admission Document in any country or jurisdiction where specific action for that purpose is required.

The Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.



This Admission Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (Nw: *Oslo tingrett*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Admission Document.

**Investing in the Company's Shares involves risks. Please refer to Section 1 "Risk factors" of this Admission Document.**

#### **ENFORCEMENT OF CIVIL LIABILITIES**

The Company is a private limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Group's senior management (the "**Management**") are not residents of the United States of America (the "**United States**"), and the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of Management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with Norway.

Similar restrictions may apply in other jurisdictions.



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## **1 RISK FACTORS**

*Investing in the Shares involves inherent risks. Investors should consider all of the information set forth in this Admission Document, and in particular, the risk factors and the selected financial information included in Section 7 "Selected financial information and other information" set out below. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision.*

*If any of the risks were to materialize, individually or together with other circumstances, it could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flow and/or prospects, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Shares. The risks and uncertainties described below are not the only risks faced by the Group. Additional risks and uncertainties that the Group currently believes are immaterial, or that are currently not known to the Group, may also have a material adverse effect on its business, financial condition, results of operations and cash flow. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.*

### **1.1 Risks relating to the Group and the industry in which it operates:**

#### *1.1.1 The Group depends highly on existing customers renewing their subscriptions*

The Group operates in markets with fluctuating user satisfaction and demand for products and/or services. The Group's business operations depend highly on renewed subscription by its existing customer base. The demand for the Group's services is affected by a number of factors, including awareness of technologies, availability of competing or substitute products and/or services, ease of adoption and use, features, experience and reliability of the Group's services.

The Group's renewal rates may decline or fluctuate as a result of a number of factors, including customers' satisfaction with subscription service, professional services, customer support, prices and contract length and the prices of competing solutions.

Any inability to retain and develop the Group's customer base may result in a material adverse effect on the Group's business, results of operations, financial position, cash flows and/ or prospects.

#### *1.1.2 The Group expects to grow in size, and might experience difficulties in achieving growth and managing growth*

As the Group's development and commercialization plans and strategies for its new solutions and products continue to develop, it expects it will need additional managerial, operational, sales, marketing, financial and other resources. However, there can be no assurance that the Group will actually be successful in achieving and realizing its development and commercialization plans, and the expected growth. If and when the Group's operations expand, it expects to enter into additional relationships with various suppliers and other third parties. The Group's business, results of operations and financial position and the development and commercialization of its new solutions and products will depend, in part, on its ability to manage future growth effectively.

As a result, the Group must manage its development efforts effectively and hire, train and integrate additional personnel as required. To the extent that the Group is unable to accomplish these tasks, it could be prevented from successfully managing its business, which could have a materially adverse effect on its business, prospects, financial position and results of operation.



*1.1.3 The Group has engaged in acquisitions that may not be successful, and may, in the future engage in transactions that will not have the desired effects*

The Group has recently completed an acquisition of DinERP AS, and may also engage in acquisitions in the future. The Group may not be able to complete future transactions on terms that it finds commercially acceptable, or at all. The inability to engage in or to complete such transactions may adversely affect the Group's competitiveness and growth prospects, and may also divert the attention of the Management and cause the Group to incur various expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated.

The Group's future growth and performance will partly depend on the ability to manage growth effectively, including but not limited to, the ability to complete successful integration of acquisitions. There is no guarantee that integration of acquired companies will not encounter difficulties whereby the contemplated effects will not be achieved. If House of Control acquires a company, it may have difficulties in integrating, inter alia, that company's personnel, operations, technology and financial set-up. In addition, key personnel of the acquired company may decide to resign instead of working for the Group. These difficulties could disrupt the ongoing business, distract the Group's management and employees and increase its expenses.

Furthermore, the acquisition of companies and their integration into the Group may not be as economically successful as expected or the management of such acquired companies may not be immediately embedded in the organizational structure of the Group.

Each of these factors may have a material adverse effect on the Group's business revenue, profit and financial condition.

*1.1.4 The Group is dependent on spending of public sector customers*

Governmental bodies and local municipalities in the markets in which the Group operates represent large customer groups for the Group. Public spending may be subject to significant fluctuations from year to year. Adverse economic and political spending may reduce the amount of public spending. A change in the funding of public customers may result in a reduction in demand for the Group's services. Failure by the Group to successfully retain current customers and/ or attract new customers within the public sector could have a material adverse effect on the Group's business, operating results and financial condition.

*1.1.5 The Group is dependent on attracting and retaining key personnel*

The Group's success depends, to a significant extent, on the continued services of the individual members of its management team, in particular its CEO who have substantial experience in the industry and in the local jurisdictions in which it operates, as well as its ability to attract and retain skilled professionals with appropriate experience and expertise. Further, the Group may be exposed to increased competition within its markets if key personnel should elect to terminate their employment with the Group as the employment agreements of the Group's key personnel only to a limited extent include non-compete provisions.

The Group's ability to continue to identify and develop opportunities depends on the management's knowledge of, and expertise in, the industry in and such local jurisdictions and on their external business relationships, and the Group's business is dependent on skilled technical and other personnel to develop, operate, sell and provide technical services and support for its business.

Failure to attract or retain management and key employees could result in an inability to properly manage the Group and to maintain the appropriate technological or business improvements. It can also lead to an inability to take advantage of new opportunities that might arise or an increase in direct competition towards the Group, which might



in turn lead to a subsequent decline in competitiveness that could have a material adverse effect on the Group's business, prospects, financial position and operating results.

*1.1.6 Failure to adequately expand the Group's sales personnel will impede growth*

The Group will need to continue to expand and optimize its sales infrastructure in order to grow its customer base and business. Identifying and recruiting qualified personnel and training them requires significant time, expense and attention. The Group's business may be adversely affected if its efforts to expand and train its sales personnel do not generate a corresponding increase in revenues. In particular, if the Group is unable to hire, develop and retain talented sales personnel or if new sales personnel are unable to achieve desired productivity levels in a reasonable period of time, the Group may not be able to realize the expected benefits of this investment or increase its revenues.

*1.1.7 Failure to offer high-quality technical support may adversely affect the Group's relationships with its customers*

The Group's customers depend on House of Control's support organization to resolve technical issues relating to the Group's solutions and services. The Group may not be able to provide sufficient support to its customers or to provide such support in a timely manner. Increased customer demand for these services, without corresponding increases in revenues, may increase costs and adversely affect the Group's operating results. Further, any failure to maintain high-quality technical support, may adversely affect the Group's reputation, its ability to sell its solutions and services to existing and prospective customers and may ultimately also affect the Group's business, operating results and financial position in a materially adverse manner.

*1.1.8 The Group relies on information technology systems to conduct its business, and disruption, failure or security breaches of these systems could adversely affect its business and results of operations*

The Group relies heavily on information technology ("IT") systems in order to achieve its business objectives. The Group relies upon industry accepted security measures and technology such as access control systems to securely maintain confidential and proprietary information maintained on its IT systems, and market standard virus control systems. However, as a tech company, the Group is constantly exposed to external threats associated with data security and is under constant pressure from different external players. There is a risk of virus attacks, attempts at hacking, social manipulation and phishing scams, as well as theft of intellectual property or sensitive information belonging to the Group or its business partners. Further, the Group's portfolio of hardware and software products, solutions and services and its enterprise IT systems may be vulnerable to damage or disruption caused by circumstances beyond its control, such as catastrophic events, power outages, natural disasters, computer system or network failures, cyber-attacks or other malicious software programmes.

The failure or disruption of the Group's IT systems to perform as anticipated for any reason could disrupt the Group's business and result in decreased performance, significant remediation costs, transaction errors, loss of data, processing inefficiencies, downtime, litigation, indemnity obligations being triggered, and the loss of suppliers or customers. A significant disruption or failure could have a material adverse effect on the Group's business operations, financial performance and financial condition.

*1.1.9 The Group is exposed to risk relating to system failures, defects or errors*

The Group's platform and services are based on inherently complex software technology, technology, which may have real or perceived defects, errors, failures, vulnerabilities, or bugs in the platform and the Group's products could result in negative publicity or lead to data security, access, retention or other performance issues. Any significant disruption, system failure, bugs, errors or defects could compromise the Group's ability to delivery contractual services and/or increased costs and result in the loss of customers, curtailed operations and the Group's reputation, any of which could



have a materially adverse effect on the Group's business, result of operations, financial conditions, cash flow, and/or prospects.

*1.1.10 The Group relies on the availability of licenses to third-party software and other intellectual property*

The Group's solutions and products include software or other intellectual property licensed from third parties, and the Group also uses software and other intellectual property licensed from third parties in the development of these solutions and products.

The inability to obtain or maintain certain licenses or other rights or the need to engage in litigation regarding these matters, could result in delays in the release of solutions and products and could otherwise disrupt the Group's business, until equivalent technology can be identified, licensed or developed, and integrated into the solutions and products.

*1.1.11 The Group depends on protecting its proprietary technology and intellectual property rights*

The success of the Group's business depends on its ability to protect and enforce trade secrets, trademarks, copyrights, and other intellectual property rights. The employment agreements of certain developers in DinERP AS does not include provisions on transfer of intellectual property rights to the Group, which may lead to claims for ownership to the Group's intellectual property rights. The Group is dependent on retaining ownership to intellectual property rights developed by its employees. In order to protect intellectual property rights as set out above, the Group may be required to spend significant resources to monitor and protect these rights.

Failure to protect the Group's proprietary technology and property rights could lead to a competitive disadvantage and result in a material adverse effect on the Group's business, prospects, financial position and results of operations.

*1.1.12 The Group is exposed to risk relating to use of open source licensed software*

The Group is exposed to general risk of relying on open source licensed software. While the Group may use Open Source Software subjected to "permissive" licenses, it may use Open Source Software subjected to "copyleft licenses". While it currently ensures that such code is separated from proprietary code, should it fail to do so it may expose itself to situations violating those licensing conditions, and potentially infringing copyrights, which could have an adverse effect on the Group's business, results of operations, financial condition, cash flows and/ or prospects.

*1.1.13 The Group may not be able to provide successful and timely enhancements or keep pace with a significant step change in technological development*

The Group operates in markets that are highly susceptible to enhancements of solutions and technological developments. As a result, the Group's future success and profitability will be dependent upon its ability to:

- Improve existing services and solutions;
- Provide new services and solutions;
- Address the increasingly sophisticated needs of its customers; and
- Anticipate major changes in technology and respond to technological developments on a timely basis.

If the Group is not successful in upgrading its existing systems and solutions, or the technical skill set of its employees, on a timely and cost-effective basis in response to technological developments or changes in industry standards, this could have a material adverse effect on the Group's ability to retain existing customers and the ability to attract new customers, and ultimately also on the Group's business, results of operations, cash flows, financial condition and/or prospects.



## **1.2 Legal and regulatory risk**

### *1.2.1 The Group is exposed to risk relating to data protection and data privacy regulations, licenses etc.*

The Group receives, stores and processes personal information and other user data through its business and operations in multiple jurisdictions. This makes the Group exposed to data protection and data privacy laws and regulations it must comply with, which all imposes stringent data protection requirements and provides high possible penalties for noncompliance, in particular relating to storing, sharing, use, processing, disclosure and protection of personal information and other user data on its platforms. The main regulations are the General Data Protection Regulation (EU) 2016/679 ("GDPR") and the local law implementations of GDPR in the EU member states that the Group operates in, including the Norwegian Data Protection Act of 15 June 2018 no. 38.

Any failure to comply with data protection and data privacy policies, privacy-related obligations to customers or third parties, privacy-related legal obligations, or any compromise of security that results in an unauthorized release, transfer or use of personally identifiable information or other customer data, may result in governmental enforcement, actions, litigation or public statements against the Group. Any such failure could cause the users of the Group's services to lose trust in the Group. If third parties violate applicable laws or its policies, such violations may also put users of the Group's services at risk and could in turn have an adverse effect on the Group's business. Any significant change to applicable laws, regulations or industry practices regarding the collection, use, retention, security or disclosure of users' personal data, or regarding the manner in which the express or implied consent of users for the collection, use, retention or disclosure of such personal data is obtained, could increase the Group's costs and require the Group to modify its services and features, possibly in a material manner, which the Group may be unable to complete and may limit its ability to store and process user data or develop new services and features.

### *1.2.2 Changes in tax laws of any jurisdiction in which the Group operates, or any failure to comply with applicable tax legislation may have a material adverse effect for the Group*

The Group is subject to prevailing tax legislation, treaties and regulations in every jurisdiction in which it is operating, and the interpretation and enforcement thereof. The Group's income tax expenses are based upon its interpretation of the tax laws in effect at the time that the expense is incurred. If applicable laws, treaties or regulations change, or if the Group's interpretation of the tax laws is at variance with the interpretation of the same tax laws by tax authorities, this could have a material adverse effect on the Group's business, results of operations or financial condition.

If any tax authority successfully challenges the Group's operational structure, intercompany pricing policies, the taxable presence of its subsidiaries in certain countries, or if taxing authorities do not agree with the Group's and/or any subsidiaries' assessment of the effects of applicable laws, treaties and regulations, or the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful, the Group's effective tax rate on its earnings could increase substantially and the Group's business, earnings and cash flows from operations and financial condition could be materially and adversely affected.

## **1.3 Risks related to financing**

### *1.3.1 The Group may require additional capital in the future, which may not be available on favorable terms, or at all*

No assurance can be given that the Group will not require additional funds in order to execute its growth strategy, or for other purposes. Further, the Group has a history of operating losses, which may also imply that the Group will require additional funding in the future. Adequate sources of funds may not be available, or available at acceptable terms and conditions, when needed. If the Group raises additional funds by issuing additional equity securities, the existing shareholders may be significantly diluted. If funding is insufficient at any time in the future, the Group may be unable



to fund acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects. Such development could also have a material adverse effect on the value of the Shares.

*1.3.2 The Group's existing or future debt arrangements could restrict and/or limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or the Company's ability to declare dividends to its shareholders*

As of 30 September 2020, the Group has had approximately NOK 106 million in long term debt. In addition, the Group may incur additional indebtedness in the future. This level of debt could have important consequences to the Group, including the following:

- The Group's ability to obtain additional financing for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may be unavailable on favorable terms;
- Any prepayment (whether in relation to a refinancing or not) of the Senior Facilities Agreement may impose significant fees from the Company to the lenders under the Senior Facilities Agreement;
- The Group's costs of borrowing could increase as it becomes more leveraged;
- The Group may need to use a substantial portion of its cash from operations to make principal and interest payments on its debt, reducing the funds that would otherwise be available for operations, future business opportunities and dividends to its shareholders;
- The Group's debt level could make it more vulnerable than its competitors with less debt to competitive pressures, a downturn in its business or the economy generally; and
- The Group's debt level may limit its flexibility in responding to changing business and economic conditions.

The Group's ability to service its future debt will depend upon, among other things, its future financial and operating performance, which will be affected by prevailing economic conditions as well as financial, business, regulatory and other factors, some of which are beyond its control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take action such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, restructuring or refinancing its debt or seeking additional equity capital. The Group may not be able to affect any of these remedies on satisfactory terms, or at all.

*1.3.3 Covenants in the Group's Senior Facilities Agreement and related security documents may restrict its operations, and if the Group does not effectively manage its business to comply with these covenants, its financial condition could be adversely impacted*

The Group entered into the Senior Facilities Agreement in December 2019, which provides for committed credit facilities of NOK 132 million, and a non-committed incremental credit facility of NOK 100 million. The Senior Facilities Agreement contains various covenants, including, among other things, restrictions on the Company relating to incurrence of additional indebtedness, further encumbrances, acquisitions and other investments, divestments of assets etc. These covenants may restrict the Group's current and future operations, particularly its ability to respond to certain changes in its business or take future actions. Pursuant to the terms of the Senior Facilities Agreement, the Group has pledged all material assets, including but not limited to, shares in Group companies, bank accounts, intercompany receivables, intellectual property, trade receivables and inventory. For further information on the Senior Facilities Agreement, please refer to Section 7.7.2 "Further information on loan from Ashgrove" for additional information.

The Senior Facilities Agreement contains a customary change of control provision, which imply that Ashgrove may require early repayment of the amounts outstanding if a shareholder (other than Viking Venture AS or affiliates of Viking Venture) holds or otherwise controls more than 50% of the outstanding Shares in the Company. If a change of control event occurs, the Company may be liable for payment of significant break costs.



Further, the Senior Facilities Agreement requires the Company to observe certain financial covenants, including, among other things, a maximum recurring revenue ratio, a maximum leverage ratio and a minimum liquidity requirement.

The Group's ability to comply with the covenants described above can be impacted by events beyond its control and it may be unable to do so. The Senior Facilities Agreement and related security documents provide that the Group's breach or failure to satisfy certain covenants constitutes an event of default. Upon the occurrence of an event of default, the lenders could elect to declare all amounts outstanding under the Senior Facilities Agreement to be immediately due and payable. In addition, the lenders would have the right to proceed against the assets the Group provided as collateral pursuant to the related security agreements. If the debt under its Senior Facilities Agreement was to be accelerated, the Group may not have sufficient cash on hand, or be able to refinance the debt or to sell sufficient collateral to repay it, which would have an immediate adverse effect on its business and operating results. This could potentially cause the Group to cease operations and result in a complete loss of an investment in the Shares.

#### *1.3.4 The business of the Group faces liquidity risk that may have a material adverse impact on the Group*

The Group's business faces liquidity risk, meaning that the Group could come into a situation where it does not have sufficient liquidity to cover its financial obligations, which may have a material adverse impact on the Group's business, results of operations, financial position and future prospects.

### **1.4 Risks relating to the Shares**

#### *1.4.1 An active trading market for the Company's shares on Merkur Market may not develop*

The Shares have not previously been tradable on any stock exchange, other regulated marketplace or multilateral trading facilities. No assurances can be given that an active trading market for the Shares will develop on Merkur Market, nor sustain if an active trading market is developed. The market value of the Shares could be substantially affected by the extent to which a secondary market develops for the Shares following completion of the Admission.

#### *1.4.2 Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares*

The Group may require additional capital in the future to finance its business activities and growth plans. Raising additional capital or the acquisition of other companies or shareholdings in companies by means of yet to be issued Shares of the Company as well as issue of Shares as a result of warranty breaches following such acquisitions and any other capital measures may lead to a considerable dilution of shareholdings in the Company.

#### *1.4.3 Risks related to future sales of Shares*

Future sales, or the possibility for future sales of substantial numbers of the Shares may affect the market price of the Shares in an adverse manner.

#### *1.4.4 Nominee registered Shares may be subject to restrictions on voting*

Beneficial owners of Shares that are registered in a nominee account or otherwise through a nominee arrangement (such as through brokers, dealers or other third parties) may be unable to exercise their voting rights for shares unless their ownership is re-registered in their names with the VPS prior to a general meeting. There can be no assurance that beneficial owners of the Shares will receive the notice of any general meeting in time to instruct their nominees to either



effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

#### *1.4.5 The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions*

None of the Shares have been registered under the US Securities Act of 1933 (as amended) (the "**US Securities Act**") or any US state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act and other applicable securities laws. In addition, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings. Further, investors in the United States may have difficulty enforcing any judgment obtained in the United States against the Company or its directors or executive officers in Norway.

#### *1.4.6 Volatility of the Share price*

The market price of the Shares may be highly volatile and investors in the Shares could suffer losses. The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, significant contracts, acquisitions or strategic relationships, publicity about the Group, its products and services or its competitors, lawsuits against the Group, unforeseen liabilities, changes to the regulatory environment in which it operates or general market conditions. In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Group, and these fluctuations may materially affect the price of the Shares.

#### *1.4.7 Shareholders outside of Norway are subject to exchange rate risk*

All of the Shares will be priced in Norwegian Kroner ("**NOK**"), the lawful currency of Norway and any future payments of dividends on the Shares or other distributions from the Company will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in the NOK against their local currency, as the foreign currency equivalent of any dividends paid on the Shares or price received in connection with any sale of the Shares could be materially impacted upon by adverse currency movements.

#### *1.4.8 Pre-emptive rights may not be available to all holders of Shares*

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate in the issuance of new shares for cash consideration. Shareholders in the United States as well as in certain other countries may be unable participate in an offer of new shares unless the Company decides to comply with local requirements in such jurisdictions, and in the case of the United States, unless a registration statement under the U.S. Securities Act is effective with respect to such rights and shares or an exemption from the registration requirements is available. In such cases, shareholders resident in such non-Norwegian jurisdictions may experience a dilution of their holding of the Shares, possibly without such dilution being offset by any compensation received in exchange for subscription rights. In addition, the general meeting may resolve to waive the pre-emptive right of all existing shareholders. Furthermore, the shareholders may resolve to grant the board of directors an authorization to increase the share capital of the Company and set aside any pre-emptive rights for the shareholders, without the prior approval of the shareholders. Such authorization may also result in dilution of the shareholders' holding of Shares.



#### *1.4.9 The Company will incur increased costs as a result of being listed on Merkur Market*

As a company with its shares listed on Merkur Market, the Company will be required to comply with Oslo Børs' reporting and disclosure requirements for companies listed on Merkur Market. The Company will incur additional legal, accounting and other expenses in order to ensure compliance with these and other applicable rules and regulations. The Company anticipates that its incremental general and administrative expenses as a company with its shares listed on Merkur Market will include, among other things, costs associated with annual and interim reports to shareholders, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation. In addition, the Board of Directors and management may be required to devote significant time and effort to ensure compliance with applicable rules and regulations for companies with its shares listed on Merkur Market, which may entail that less time and effort can be devoted to other aspects of the business. Any such increased costs, individually or in the aggregate, could have an adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

#### *1.4.10 Majority shareholder risk*

A concentration of ownership may have the effect of delaying, deterring or preventing a change of control of the Company that could be economically beneficial to other shareholders. Further, the interests of shareholders exerting a significant influence over the Company may not in all matters be aligned with the interests of the Company and the other shareholders of the Company.



## 2 RESPONSIBILITY FOR THE ADMISSION DOCUMENT

This Admission Document has been prepared by House of Control solely in connection with the Admission to trading on the Merkur Market.

The Board of Directors of the Company (the "**Board**") accepts responsibility for the information contained in this Admission Document. The members of the Board confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Admission Document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

15 October 2020

The Board of Directors of House of Control Group AS

Erik Fjellvær Hagen  
*Chairman*

Jostein Vik  
*Director*

Øyvind Robert Thorsen  
*Director*

Thorstein Berg  
*Director*

Marius Haabeth  
*Director*



### 3 GENERAL INFORMATION

#### 3.1 Other important investor information

The Company has furnished the information in this Admission Document. No representation or warranty, express or implied is made by the Merkur Advisors as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Admission Document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Merkur Advisors assume no responsibility for the accuracy or completeness or the verification of this Admission Document and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Admission Document or any such statement.

Neither the Company nor the Merkur Advisors, or any of their respective affiliates, representatives, advisors or selling agents, is making any representation to any purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of Shares.

#### 3.2 Presentation of financial and other information

##### 3.2.1 Financial information

The Group has prepared audited consolidated financial statements as of and for the years ended 31 December 2019 and 31 December 2018 (together, the "**Financial Statements**") in accordance with Norwegian Generally Accepted Accounting Principles ("**NGAAP**") and the Norwegian Accounting Act of 17 July 1998 no. 56 (the "**Norwegian Accounting Act**"). The Financial Statements have been audited by PricewaterhouseCoopers AS. Each reader should note that the Group has acquired the entire share capital of DinERP AS following the date of the Financial Statements, and that the Financial Statements consequently does not contain any information related to DinERP AS. PricewaterhouseCoopers AS has not audited, reviewed or produced any report on any other information in this Admission Document.

The Financial Statements are included in Appendix B and Appendix C to this Admission Document. The Financial Statements have been audited by PricewaterhouseCoopers AS, as set forth in their report included therein.

In addition to the Financial Statements, this Admission Document includes unaudited figures as of and for the eight month period ended 31 August 2020 which has been derived from unaudited management accounts for this period.

The Company presents the Financial Statements in NOK (presentation currency). Reference is made to Section 7 ("Selected financial information and other information") for further information.

##### 3.2.2 Industry and market data

In this Admission Document, the Company has used industry and market data obtained from independent industry publications, market research and other publicly available information. Although the industry and market data is inherently imprecise, the Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.



Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Admission Document that was extracted from industry publications or reports and reproduced herein.

Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data and statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Admission Document (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 1 ("Risk factors") and elsewhere in this Admission Document.

Unless otherwise indicated in the Admission Document, the basis for any statements regarding the Company's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

### **3.3 Cautionary note regarding forward-looking statements**

This Admission Document includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Admission Document. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. For a non-exhaustive overview of important factors that could cause those differences, please refer to Section 1 ("Risk factors").

These forward-looking statements speak only as of the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Admission Document.



#### **4 REASONS FOR THE ADMISSION**

The Company believes the Admission will:

- enhance the Group's profile with investors, business partners, suppliers and customers;
- allow for a trading platform and liquid market for the Shares;
- facilitate for a more diversified shareholder base and enable additional investors to take part in the Group's future growth and value creation;
- further improve the ability of the Group to attract and retain key management and employees; and
- further improve the ability of the Group to raise equity capital to finance future acquisitions.

No equity capital or proceeds will be raised by the Company upon the Admission, but the Company has completed a private placement immediately prior to the Admission, as further described in Section 5 ("Details of the Private Placement").



## **5 DETAILS OF THE PRIVATE PLACEMENT**

### **5.1 Details of the Private Placement**

On 14 October 2020, the Company resolved a private placement (the "**Private Placement**"), consisting of:

- (i) A share capital increase for a total amount of approximately NOK 350 million, by issuing 16,665,000 new Shares, with a nominal value of NOK 0.20 each, at a subscription price of NOK 21 per Share; and
- (ii) A secondary sale of 14,285,000 existing, validly issued Shares from a consortium of certain existing shareholders in the Company (the "**Selling Shareholders**"), each with a nominal value of NOK 0.20, and at a sales price of NOK 21 per Share, for a total amount of approximately NOK 300 million.

The book-building period for the Private Placement took place from 5 October 2020 to 6 October 2020, notifications of allocation were issued on 7 October 2020 and payment from the investors in the Private Placement is expected to take place on or about 20 October 2020. Delivery of the new shares in the Private Placement will be made through the facilities of the VPS on or about 20 October 2020] on a delivery-versus-payment basis (DVP). DVP settlement is facilitated by a pre-funding agreement between the Company and the Merkur Advisors.

The Private Placement attracted very strong interest from Norwegian, Nordic and international high-quality institutional investors. Five cornerstone investors subscribed for and were allocated shares for a total NOK 325 million in the Private Placement, whereof; (i) Luxor Capital Group was allocated and subscribed for new shares for an amount of NOK 150 million, (ii) Berenberg Bank was allocated and subscribed for new shares for an amount of NOK 50 million, (iii) Consensus Asset Management was allocated and subscribed for new shares for an amount of NOK 50 million, (iv) Handelsbanken Fonder was allocated and subscribed for new shares for an amount of NOK 50 million, and (v) DNB Asset Management was allocated and subscribed for new shares for an amount of NOK 25 million.

No stabilization activities will be undertaken following the Private Placement.

### **5.2 Shareholdings following the Private Placement**

Upon settlement of the Private Placement, which will occur on or about the date of the Admission, the Company will have major shareholders as set out in Section 9.2 ("Shareholder structure").

### **5.3 Use of proceeds and expenses**

The proceeds from the Private Placement will primarily be used to pursue inorganic growth initiatives as well as for general corporate purposes .

In addition, the proceeds will be used to cover relevant transaction costs incurred in connection with the Private Placement and the listing of the Shares on Merkur Market.

The costs and expenses of the Company in connection with the Private Placement are estimated to NOK 30 million.

### **5.4 Dilution**

The Private Placement implied a dilution of 29.3% for existing shareholders who did not participate in the share capital increase or the sale of existing shares pertaining to the Private Placement.



## **5.5 Lock-up**

### **5.5.1 The Company**

Pursuant to a lock-up undertaking entered into in connection with the Private Placement, the Company has undertaken that it will not, without the prior written consent of the Merkur Advisors, during the period up to and including the date falling 6 months from the first day of trading of the Shares on Merkur Market, (1) issue, sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to or otherwise dispose of or agree to dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to Shares, or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (3) publicly announce an intention to effect any transaction specified in (1) or (2) above. The foregoing shall not apply to (A) the issue of Shares as part of the Private Placement, (B) the granting of options or other rights to Shares, or the honoring of options or such other rights to Shares, by the Company pursuant to any management or employee share incentive schemes, (C) the issuance of new shares to the sellers of DinERP AS following a claim for compensation for breach of certain warranties under the share purchase agreement related to all shares of DinERP AS dated 2 July 2020, or (D) the issuance of consideration shares in connection with settlement of acquisition of other companies and/or businesses.

### **5.5.2 Board Members**

Pursuant to lock-up undertakings entered into in connection with the Private Placement, members of the Board of Directors holding shares have undertaken that they will not, without the prior written consent of the Merkur Advisors, during the period up to and including the date falling 12 months from the first day of trading of the Shares on Merkur Market, (1) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (3) publicly announce an intention to effect any transaction specified in clause (1) or (2). The foregoing shall not apply to (A) the sale or other transfer of Shares as part of the Private Placement, if any, or (B) any transfer of Shares to a company wholly owned or directly or indirectly controlled by the relevant Board member provided that such company (i) assumes the obligations set forth in this the lock-up undertaking and (ii) remain wholly owned or under the direct or indirect control by the relevant Board member for the remaining part of the lock-up period.

### **5.5.3 Management**

Pursuant to lock-up undertakings entered into in connection with the Private Placement, members of management holding shares have undertaken that they will not, without the prior written consent of the Merkur Advisors, during the period up to and including the date falling 12 months from the first day of trading of the Shares on Merkur Market, (1) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (3) publicly announce an intention to effect any transaction specified in clause (1) or (2). The foregoing shall not apply to (A) the sale or other



transfer of Shares as part of the Private Placement, if any, or (B) any transfer of Shares to a company wholly owned or directly or indirectly controlled by the relevant member of Management provided that such company (i) assumes the obligations set forth in this the lock-up undertaking and (ii) remain wholly owned or under the direct or indirect control by the relevant member of Management for the remaining part of the lock-up period.

#### 5.5.4 Selling Shareholders

Pursuant to lock-up undertakings entered into in connection with the Private Placement, the Selling Shareholders have undertaken that they will not, without the prior written consent of the Merkur Advisors, during the period up to and including the date falling 6 months from the first day of trading of the Shares on Merkur Market, (1) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (3) publicly announce an intention to effect any transaction specified in clause (1) or (2). The foregoing shall not apply to (A) the sale or other transfer of Shares as part of the Private Placement, if any, or (B) any transfer of Shares to a company wholly owned or directly or indirectly controlled by the Selling Shareholder provided that such company (i) assumes the obligations set forth in this the lock-up undertaking and (ii) remain wholly owned or under the direct or indirect control by the Selling Shareholder for the remaining part of the lock-up period.



## 6 PRESENTATION OF THE GROUP AND ITS BUSINESS

*This Section provides an overview of the business of the Company as of the date of this Admission Document. The following discussion contains forward-looking statements that reflect the Company's plans and estimates; see Section 3.3 "Cautionary note regarding forward-looking statements". You should read this Section in conjunction with other parts of this Admission Document, in particular Section 1 "Risk factors".*

### 6.1 Corporate information

The Company's legal and commercial name is House of Control Group AS. The Company is a Norwegian private limited liability company (Nw: *aksjeselskap*), incorporated under the laws of Norway and in accordance with the Norwegian Private Limited Liability Companies Act. The Company's business registration number in the Norwegian Register of Business Enterprises is 912 861 732 and the Company's LEI-code is 549300D1XNO8DYPK2491. The Company was incorporated on 11 November 2013.

The head office and registered address of the Company is O.H. Bangs vei 70, 1363 Høvik, Norway. The telephone number of its principal office is +47 815 66 355 and its website is [www.houseofcontrol.no](http://www.houseofcontrol.no).

### 6.2 History

Below is a brief overview of the Group's history:

Date	Important event
2006.....	Incorporation of House of Control AS, marking the founding of the Group.
2010.....	Reached NOK 10 million in Annual Recurring Revenue.
2012 – 2015 ...	Awarded the "Gasellepris" by Norwegian financial daily Dagens Næringsliv, an award granted to the fastest growing businesses in Norway.
2013.....	House of Control Group AS was incorporated on 11 November 2013.
2015.....	Initial investment by Viking Venture in House of Control
2016.....	Reached 30 employees within the Group.
2017.....	Reached NOK 50 million in Annual Recurring Revenue.
2018.....	Introduced a new product solution to assist companies with new reporting standards – IFRS 16.
2019.....	Introduced a new solution for Digital Signing
2019.....	Reached NOK 100 million in Annual Recurring Revenue.
2020.....	Acquired DinERP AS.

### 6.3 Vision and strategy

The Group's product vision is to be the:

"CFO's best friend, providing financial control and facilitating optimization of business processes."

The Group has a strong basis for continued growth from both existing initiatives and additional opportunities identified. The strategic focus in the short term (12-18 months) is to continue to (i) increase penetration in the Nordics, (ii) upsell existing product portfolio and (iii) pursue M&A opportunities.



In the long term, the Group has ambitions to leverage its technology platform and leading position in the Nordic market to increase its foothold in Europe, which can be both through organic growth and acquisitions.

## **6.4 The Group's business**

### **6.4.1 Introduction**

House of Control develops and sells software as a service ("**SaaS**") solutions. The main product is Complete Control, which is used for managing contracts and assets, including the contracts' financial implications for budgeting and reporting. Complete Control has several modules and add-ons, including compliance with IFRS 16 (Financial Leases) requirements, HR management, digital signature and price index adjustments. The user value is derived from cutting costs, saving time, reducing business risk and dependency on key personnel.

The Group was founded in 2006, when product development and proof of concept was the focus. The Group's operations initially were mainly within security labelling and software for control of ICT equipment. The Group's business focus was later transferred to asset, contract and liability management software (contract management).

From 2014, the Group was focused on building a professional, modern and agile SaaS organization ready to take on future growth. The main focus areas were to be lean and scalable, professionalize the sales process and on annual recurring revenue.

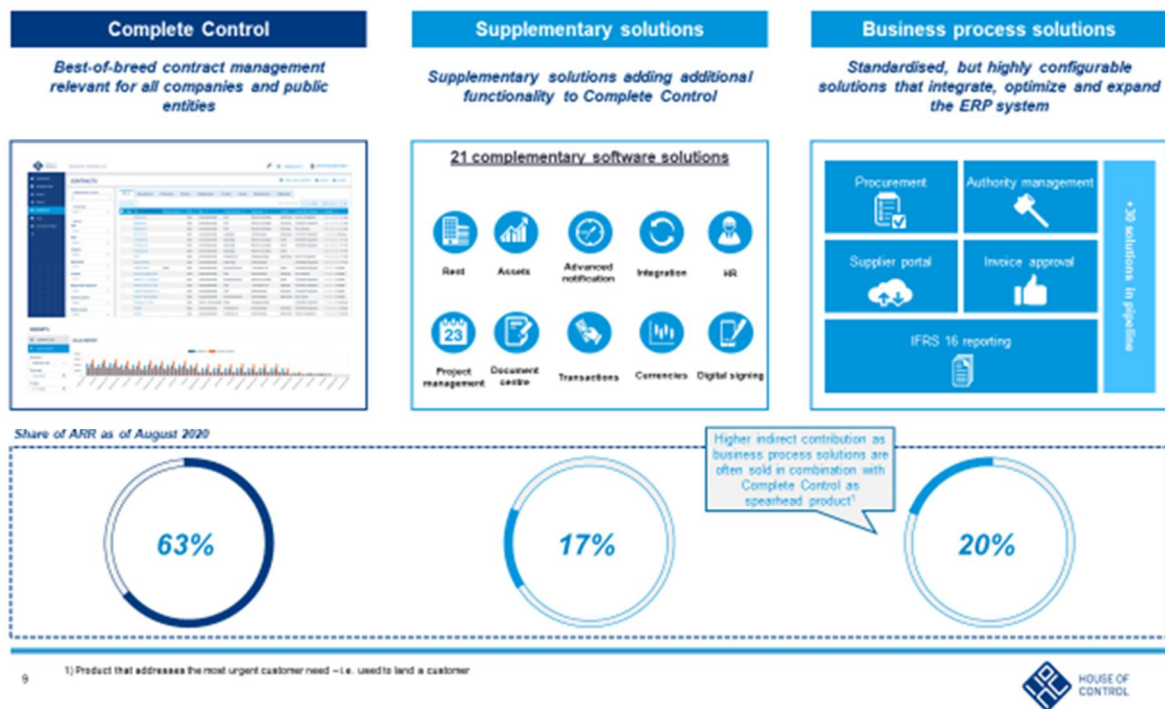
After 2017, the Group established a Nordic footprint with a scalable organization and a proven ability to pursue inorganic growth initiatives. In 2020, the Group completed its first acquisition which boosted their technology offering and product portfolio.

After acquiring DinERP AS in 2020, House of Control has expanded its product scope. DinERP AS develops and sells SaaS applications for the users of IFS, a global Enterprise Resource Planning system. The products are mainly focused on purchasing processes, supplier and B2B customer communications, and travel, time and expense management. With a wider scope, House of Control seeks to expand its offering to the market by including valuable software for commercial management. The Chief Financial Officer of an organization constitutes the typical decision maker and customer.

The Group has a mainly subscription-based revenue model with over ~90% of the revenue being recurring. Other sources of revenue include consulting services, courses and seminars. Non-recurring revenue is related to initialization fees incurred for both new sales and upselling. Initialization fees are typically billable hours on consultancy in the start-up phase of a new module.



## Complete product portfolio for financial and operational control



Complete Control constituted approximately 63% of Annual Recurring Revenue ("ARR") per August 2020. It is at the core of the offering to the market with a contract management tool relevant for all companies and public entities. Most businesses have a huge range of contracts covering equipment, liabilities, rental and leasing. In most cases, there tends to be no consolidated overview of these. Complete Control gives businesses the opportunity to get rid of automatic renewals and unnecessary costs and equipment. That is why House of Control call themselves 'the CFO's best friend'.

Supplementary solutions add additional functionality to Complete Control with 21 complementary software solutions. Per August 2020, supplementary solutions represented 17% of the ARR. Supplementary solutions include among else:

- Digital signature. Through our partnership with market leaders, Signicat, we offer digital signing of agreements that have been registered in Complete Control, whether these are with customers or suppliers. Digital signing is simpler, saves time and adds a new layer of security. It also expands the area of application of Complete Control to areas such as delivering equipment to employees and – most importantly – organization and follow-up of governing documents.
- HR/Competence. This module systematizes HR documents and agreements and provides notifications of qualification expiries, sickness absence, performance reviews or other deadlines.
- Foreign currencies and price indices. These modules are suited for anyone who needs to adjust prices against price indices and/or has multi-currency agreements. Data figures are directly recorded from Statistics Norway and Norges Bank.

Business process solutions are standardized, but yet highly configurable solutions that integrate, optimize and expand the ERP system. As of August 2020, business process solutions stood for 20% of the ARR. Business process solutions include among else:



- Finance leases and IFRS 16. Complete Control is a suited platform for complying with requirements to recognize leases in a company's balance sheet. Our modules provide you with quick and accurate values for accounting and reporting.
- ACR. Scanning of PDFs and paper documents, with proposed values, lists of contacts, deadlines to be registered in Complete Control.

## 6.5 Principal markets

The Group's current operations are primarily focused on the Nordic market, but the Group also has a foothold in numerous other European countries including Germany, France, the UK and Australia. House of Control considers the Nordic market as its main market due to its strategic ambitions to continue organic growth and conduct further acquisitions in this region.

Commercial Value Management is the intersect between contract management and financial management. Tracking individual contracts allows more granularity than ERP systems, maintaining a big-picture overview that is not possible with simple contract management software. House of Control combines the level of detail from contract management with big-picture capabilities of large and expensive enterprise-wide systems, occupying the full Commercial Value Management space.

House of Control does not have a clear substitute in the Nordic market, and often competes against low tech substitutes such as paper files and spreadsheets. The Group offers solutions that are adjacent to other contract management solutions (e.g. Visma, Centuri), vertically and horizontal focused contract management software solutions (e.g. Controlkeeper, Infosoft) and ERP-systems (e.g. Oracle and SAP), but has no direct competitors with the same value proposition. The Group is known for being the sole commercial value management provider in the Nordics, and there are many small contract management companies with niche offerings who are seen as potential acquisition candidates.

The Group has a large and diversified customer base, among others consisting of a considerable number of public sector entities. Further, the customer base generally consists of customers with a long-term and strong relationship to House of Control.

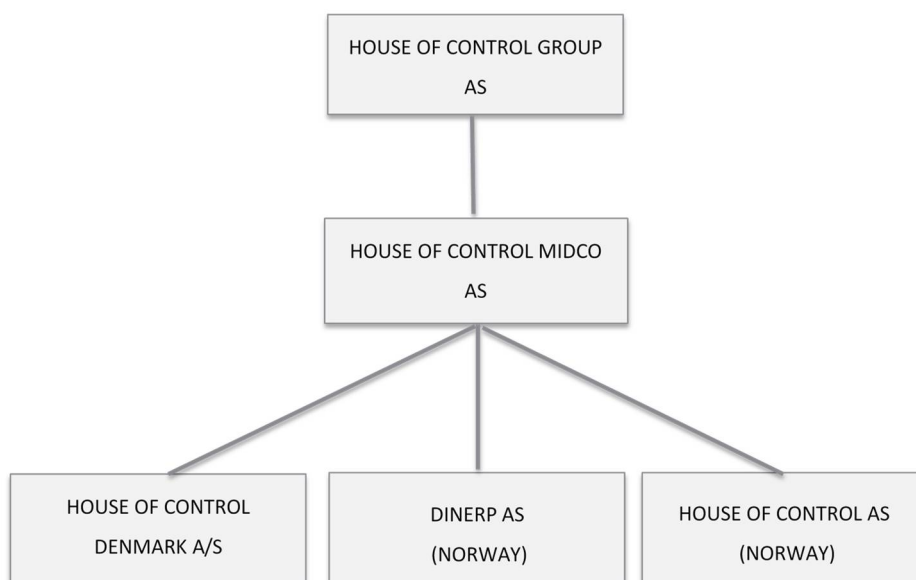
## 6.6 Group structure

The Company is the ultimate parent company in the Group. The Company is a holding company and the business of the Group is carried out through the subsidiaries. The following table sets out information about the Company's subsidiaries (all of which are wholly-owned):



Company	Country of incorporation	Field of activity
House of Control Midco AS	Norway	Holding company for the Group companies listed below.
House of Control AS	Norway	Operational company – Development, sales and customer support. In addition, this company provides certain centralized services and HQ functions to the other Group companies.
House of Control Denmark A/S	Denmark	Operational company – sales and customer support in the Danish market.
DinERP AS	Norway	Operational company – Development, sales and customer support for the solutions and services provided by DinERP AS.

The following chart sets out the legal structure of the Group:



In addition, the Group has a branch office in Sweden and the Group's operations in Sweden are carried out through this branch office.

## 6.7 Material contracts

On 9 December 2019, the Company entered into the Senior Facilities Agreement. For further information on the Senior Facilities Agreement, please refer to Section 7.7.2 "Further information on loan from Ashgrove".

On 2 July 2020, the Company and its wholly owned subsidiary House of Control AS entered into a share purchase agreement to acquire all shares in DinERP AS. The consideration under this share purchase agreement was settled through issuance of new shares in the Company. The terms and conditions of the share purchase agreement is considered to be customary and in line with market practice for comparable transactions. Further information about the acquisition of DinERP AS is available in Section 7.6.1 "Acquisition of DinERP AS".



Apart from the above, neither the Company nor the Group has entered into any material contract outside the ordinary course of business for the period since 1 January 2018.

#### **6.8 Dependency on contracts, patents, licenses etc.**

The Group is not dependent on any patents or licenses, nor on any industrial, commercial or financial contracts.

#### **6.9 Related party transactions**

Transactions between the Company and its subsidiaries, which are related parties to the Company, have been eliminated on consolidation. Apart from this, there have been no transactions between the Company and related parties for the period since 1 January 2018 and up to the date of this Admission Document.

#### **6.10 Legal and arbitration proceedings**

From time to time, the Group may become involved in litigation, disputes and other legal proceedings arising in the ordinary course of business. Such claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

The Group is not, nor has it been during the course of the preceding 12 months, involved in any legal, governmental or arbitration proceedings which may have, or has had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Group is not aware of any such proceedings which are pending or threatened.



## 7 SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION

The following selected financial information has been extracted from the Group's unaudited consolidated management accounts as of and for the eight months period ended 31 August 2020 and the Group's audited consolidated financial statements as of, and for the years ended 31 December 2019 and 2018 (the Financial Statements).

The Financial Statements and the unaudited consolidated management accounts have been prepared in accordance with NGAAP. The Financial Statements are included herein as Appendix B and C. The Financial Statements have been audited by the independent auditor of the Company, PricewaterhouseCoopers AS, as set forth in the auditor's report, which is included in the Financial Statements (see Appendix B and C). The auditor's report do not include any qualifications.

The Group presents the Financial Information in NOK (presentation currency).

### 7.1 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgments, please refer to the notes to the audited consolidated financial statements as of and for the year ended 31 December 2019, attached as Appendix B to this Admission Document.

### 7.2 Selected statement of income

The table below sets out selected data from the Group's audited consolidated statements of income and consolidated statement of income for the years ended 31 December 2019 and 2018, as well as selected data from the Group's unaudited consolidated statement of income for the 8 month period ended 31 August 2020, and which has been derived from unaudited management accounts.

<i>NOK</i>	<b>Eight months ended 31 August 2020 (unaudited)</b>	<b>Year ended 31 December 2019 (audited)</b>	<b>Year ended 31 December 2018 (audited)</b>
Revenue	75,698,557	93,778,633	70,684,649
Other income	731,969	-	23,500
<b>Revenue and other income</b>	<b>76,430,526</b>	<b>93,778,633</b>	<b>70,708,149</b>
Cost of materials	79,762	22,275	37,736
Salary and personnel costs	51,173,608	68,855,537	51,692,298
Depreciation and amortization	11,979,914	8,883,701	7,151,316
Other operating expenses	16,527,839	32,913,135	21,788,304
<b>Operating loss</b>	<b>-3,330,597</b>	<b>-16,896,015</b>	<b>-9,961,505</b>
Financial income	134,836	1,997,616	355,096
Financial expenses	-10,024,906	-5,965,996	-2,580,039
<b>Financial income/(expenses) – net</b>	<b>-9,890,070</b>	<b>-3,968,380</b>	<b>-2,491,699</b>
<b>Loss before income tax</b>	<b>-13,220,667</b>	<b>-20,684,395</b>	<b>-12,453,204</b>
Income tax expense	- <sup>1</sup>	-2,800,355	2,902,764
<b>Net profit for the period</b>	<b>-13,220,667</b>	<b>-18,064,040</b>	<b>-9,550,440</b>



<i>NOK</i>	<b>Eight months ended 31 August 2020 (unaudited)</b>	<b>Year ended 31 December 2019 (audited)</b>	<b>Year ended 31 December 2018 (audited)</b>
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**Net profit is attributable to:**

Other reserves	<b>-13,220,667</b>	-18,064,040	-9,550,440
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1) No income tax expense has been calculated in the unaudited management accounts.

### 7.3 Selected statement of financial position

The table below sets out selected data from the Group's balance sheet as at 31 December 2019 and 2018, as well as selected data from the Group's unaudited consolidated balance sheet for the 8 month period ended 31 August 2020, and which has been derived from unaudited management accounts.

<i>NOK</i>	<b>As of 31 August 2020 (unaudited)</b>	<b>As of 31 December 2019 (audited)</b>	<b>As of 31 December 2018 (audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Research and development	127,232,307	50,952,285	47,494,506
Equipment and other movables	829,117	726,721	282,550
Deferred tax asset	-80,315	-	-
Other long-term receivables	174,893	160,857	687,895
<b>Total non-current assets</b>	<b>128,156,002</b>	<b>51,839,862</b>	<b>48,464,951</b>
<b>Current assets</b>			
Inventories	218,750	218,750	241,025
Accounts receivable	7,614,591	5,935,424	6,043,000
Other short-term receivables	26,051,544	28,013,884	27,336,545
Cash and bank deposits	29,898,894	81,506,652	12,433,727
<b>Total current assets</b>	<b>63,783,779</b>	<b>115,776,710</b>	<b>46,054,297</b>
<b>TOTAL ASSETS</b>	<b>191,939,781</b>	<b>167,616,572</b>	<b>94,519,248</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	7,944,940	6,409,320	6,282,750
Share premium reserve	95,132,842	46,083,848	39,852,657
Other equity	-66,067,438	-52,796,934	-33,791,684
<b>Total equity</b>	<b>37,010,344</b>	<b>-303,766</b>	<b>12,343,723</b>
<b>Non-current liabilities</b>			
Other long term liabilities	76,457,760	75,305,947	3,600,000
Deferred tax	1,884,326	1,884,326	4,684,681
<b>Total non-current liabilities</b>	<b>78,342,086</b>	<b>77,190,272</b>	<b>8,284,681</b>



<i>NOK</i>	<b>As of 31 August 2020</b> (unaudited)	<b>As of 31 December</b> <b>2019</b> (audited)	<b>As of 31 December</b> <b>2018</b> (audited)
<b>Current liabilities</b>			
Debt to financial institutions	-	47,086	-
Trade creditors	497,287	4,281,701	6,251,435
Public duties payable	7,525,852	9,597,920	8,084,775
Prepayments from customers	57,691,656	63,912,733	52,283,061
Other current liabilities	10,872,555	12,890,625	7,271,573
<b>Total current liabilities</b>	<b>76,587,351</b>	<b>90,730,066</b>	<b>73,890,844</b>
<b>Total liabilities</b>	<b>154,929,437</b>	<b>167,920,338</b>	<b>82,175,525</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>191,939,781</b>	<b>167,616,572</b>	<b>94,519,248</b>

#### 7.4 Selected statement of cash flows

The table below sets out selected data from the Group's audited statement of cash flow for the years ended 31 December 2019 and 2018, as well as selected data from the Group's unaudited consolidated statement of cash flows for the 8 month period ended 31 August 2020, and which has been derived from unaudited management accounts.

<i>NOK</i>	<b>eight months ended</b> <b>31 August 2020</b> (unaudited)	<b>Year ended 31</b> <b>December 2019</b> (audited)	<b>Year ended 31</b> <b>December 2018</b> (audited)
<b>Cash flow from operating activities</b>			
Loss before tax	-13,220,667	-20,864,395	-12,453,204
<i>Adjustments for</i>			
- Depreciation, amortization and net impairment losses	11,979,914	8,883,701	7,151,316
- Change in inventory	-	22,275	37,736
- Change in trade debtors	1,679,167	107,576	-2,018,917
- Change in trade creditors	-3,784,414	-1,969,734	3,020,497
- Change in other provisions	-22,144,446	17,106,470	1,458,713
<b>Net cash flow from operating activities</b>	<b>-25,490,477</b>	<b>3,285,893</b>	<b>-2,803,859</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets and intangible assets	-14,349,093	-12,628,494	-6,069,756
Purchase of other investments	-	-	-
<b>Net cash outflow from investing activities</b>	<b>-14,349,093</b>	<b>-12,628,494</b>	<b>-6,069,756</b>
<b>Cash flow from financing activities</b>			
Proceeds from long term loans	-	80,100,000	3,600,000
Repayment/financing costs of long term loans	-12,280,258	-7,368,907	-
New equity received	-	5,569,080	3,703,477
<b>Net cash inflow from financing activities</b>	<b>-12,280,258</b>	<b>78,300,173</b>	<b>7,303,477</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-52,119,799</b>	<b>69,174,925</b>	<b>-2,056,203</b>



<i>NOK</i>	<b>eight months ended 31 August 2020 (unaudited)</b>	<b>Year ended 31 December 2019 (audited)</b>	<b>Year ended 31 December 2018 (audited)</b>
Cash and cash equivalents at the beginning of the period	81,608,652	12,433,727	14,489,930
Effects of exchange rate changes on cash and cash equivalents	410,041	217,353	-486,065
<b>Cash and cash equivalents 31 December</b>	<b>29,898,893</b>	<b>81,608,652</b>	<b>12,433,727</b>

## 7.5 Selected statement of changes in equity

The table below sets out selected data from note 8 of the Financial Statements showing changes in equity for the period since 1 January 2018 until 31 December 2019.

<i>NOK</i>	<b>Share capital</b>	<b>Share premium</b>	<b>Other equity</b>	<b>Total</b>
<b>As of 1 January 2018</b>	<b>6,169,180</b>	<b>37,051,430</b>	<b>-24,902,607</b>	<b>18,318,004</b>
Capital increase	113,570	3,589,908	-	3,703,478
Profit for the year	-	-	-9,550,440	-9,550,440
<b>As of 31 December 2018</b>	<b>6,282,750</b>	<b>40,641,338</b>	<b>-34,580,783</b>	<b>12,343,723</b>
Capital increase	126,570	5,442,510	-	5,589,080
Profit for the year	-	-	-18,064,040	-18,064,040
<b>As of 31 December 2019</b>	<b>6,409,320</b>	<b>46,083,848</b>	<b>-53,388,853</b>	<b>-303,766</b>

## 7.6 Significant changes in the Group's financial or trading position

Apart from the Company's acquisition of all shares in DinERP AS (see Section 7.6.1 "Acquisition of DinERP AS" for further information), the completion of the Private Placement and a decline in the Group's activities in March and April 2020 due to the Covid-19 outbreak (which also included temporary lay-offs), there has been no significant changes in the Group's financial or trading position since 31 December 2019.

### 7.6.1 Acquisition of DinERP AS

DinERP AS is a Norwegian private limited company that develops software intended to simplify and improve companies' use of the global ERP system IFS. The Company acquired all of the shares in DinERP AS from the shareholders of the Company, including the majority shareholders Viking Venture 8 AS and Din ERP Holding AS. The shares, which was originally purchased by House of Control AS, but has later been transferred to House of Control MidCo AS.

The acquisition of DinERP AS provides the Group with synergies within the respective companies' product offerings, including a range of new offerings that can be offered to the Group's customers as well as the potential to offer the Group's offerings to DinERP AS's customers in the enterprise market.

The acquisition was consummated on 9 July 2020. As transaction consideration, the Company issued 153,562 consideration shares, each at a subscription price of NOK 316.62 and a par value of NOK 10 per share. In connection with the transaction, the parties agreed that if the sellers are entitled to compensation for breach of warranties by the Group, such compensation shall be settled through issuance of new Shares in the Company.



DinERP has 32 employees. The CEO of the company is Lasse Sten and the board of directors comprises of Lasse Sten (chairman) and Carl Fabian Flaaten. The key financial figures from the audited financial statements of DinERP AS<sup>1</sup> for the years ended 31 December 2019 and 31 December 2018 are set out below:

(NOK)	Year ended 31 December 2019 (Audited)	Year ended 31 December 2018 (Audited)
Revenues	33,027,429	30,155,127
Operating result	-367,992	151,725
Annual result	-1,191,199	178,067
Total assets	57,217,416	51,923,955
Total equity	21,877,335	31,663,813
Total debt and equity	57,217,416	51,923,955

Unaudited pro forma financial information on the Company's consolidated income statement as if the Company had acquired all shares in DinERP AS as of 1 January 2020 is set out below:

NOK 1,000	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	YTD
Organic	8.8	8.8	8.9	9.0	8.9	9.3	9.2	9.3	72.4
DinERP	2.5	2.6	2.5	2.5	3.5	2.9	1.9	2.1	20.5
<b>Revenue</b>	<b>11.3</b>	<b>11.5</b>	<b>11.4</b>	<b>11.5</b>	<b>12.4</b>	<b>12.2</b>	<b>11.2</b>	<b>11.4</b>	<b>93.0</b>
<i>Growth</i> <i>(annualized, %)</i>		19%	-4%	13%	92%	-23%	-101%	29%	
COGS	-0.3	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	-0.6
<b>Gross profit</b>	<b>11.0</b>	<b>11.2</b>	<b>11.4</b>	<b>11.5</b>	<b>12.4</b>	<b>12.2</b>	<b>11.2</b>	<b>11.4</b>	<b>92.4</b>
<i>Margin (%)</i>	97%	97%	100%	100%	100%	100%	100%	100%	99%
Organic	-2.4	-0.8	1.7	0.6	1.6	6.2	-0.1	1.8	8.6
DinERP	0.5	0.5	0.7	0.7	1.8	3.2	-0.1	0.2	7.5
<b>EBITDA</b>	<b>-1.9</b>	<b>-0.3</b>	<b>2.5</b>	<b>1.3</b>	<b>3.4</b>	<b>9.4</b>	<b>-0.2</b>	<b>2.0</b>	<b>16.1</b>
Organic	-2.9	-1.3	1.2	0.1	1.1	5.7	-0.6	1.2	4.5
DinERP	-0.5	-0.6	-0.4	-0.4	0.6	2.1	-1.4	-1.1	-1.8
<b>EBIT</b>	<b>-3.4</b>	<b>-1.9</b>	<b>0.8</b>	<b>-0.4</b>	<b>1.7</b>	<b>7.7</b>	<b>-2.0</b>	<b>0.1</b>	<b>2.7</b>
EBT	-4.5	-3.0	-0.3	-1.4	0.5	5.7	-3.2	-1.6	-7.7

No agreements to the benefit of the members of the Board or Management or the members of the Board of Directors and management of DinERP AS was entered into as part of the transaction.

## 7.7 Material borrowings

### 7.7.1 Current borrowings

As per 31 December 2019, the Group's interest-bearing debt was as set out below:

<sup>1</sup> The annual financial statements of DinERP AS for the years ended 31 December 2019 and 31 December 2018 have been audited by Systemrevisjon Fosen AS, Rådhusveien 20, 7100 Rissa.



Lender	Type	Currency	Interest rate	Year of maturity	Face value	
					31 December 2019	31 December 2018
Ashgrove	Secured loan	NOK	NIBOR + 7.50 %	2024	82,000,000	N/A
Innovasjon Norge	Secured loan	NOK	4.45 %	2023	4,687,500	-
<b>TOTAL</b>					<b>86,687,500</b>	<b>-</b>

#### 7.7.2 Further information on loan from Ashgrove

In December 2019, the Company entered into a senior facilities agreement (the "**Senior Facilities Agreement**") with, *inter alia*, Ashgrove Specialty Lending Investments I Designated Activity Company ("**Ashgrove**") with a committed credit facility of NOK 132 million, and a non-committed incremental credit facility of NOK 100 million.

The proceeds from the Senior Facilities Agreement may be used for funding of capital expenditure, funding of acquisitions and refinancing of debt in acquired companies, as well as for funding or refinancing of working capital or general corporate purposes.

The Senior Facilities Agreement carries an interest of NIBOR, with an added margin of 7.5%, for any amount drawn under the Senior Facilities Agreement. The final maturity date for the Senior Facilities Agreement is in December 2024.

Any early repayment of amounts outstanding under the Senior Facilities Agreement is subject to payment of significant break costs.

The Senior Facilities Agreement contains customary restrictions on the Company relating to incurrence of additional indebtedness, further encumbrances, acquisitions and other investments, divestments of assets etc. The Company will also subject to a maximum recurring revenue ratio, maximum leverage ratio and minimum liquidity.

Further, the Senior Facilities Agreement contain a customary change of control provision, which imply that Ashgrove may require early repayment of the amounts outstanding if a shareholder (other than Viking Venture AS or affiliates of Viking Venture) holds or otherwise controls more than 50% of the outstanding Shares in the Company.

Pursuant to the terms of the Senior Facility Agreement, the Group has pledged all material assets, including but not limited to, shares in Group companies, bank accounts, intercompany receivables, intellectual property, trade receivables and inventory

As of the date of this Admission Document, the total amounts outstanding under the Senior Facilities Agreement amounts to NOK 102 million.

### 7.8 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Admission Document.



## 8 THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND EMPLOYEES

### 8.1 Overview

The general meeting is the highest authority of the Company. All shareholders of the Company are entitled to attend and vote at general meetings of the Company and to table draft resolutions for items to be included on the agenda for a general meeting.

The overall management of the Company is vested in the Company's Board of Directors and the Company's management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business, ensuring proper organization, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's chief executive officer (the "CEO"), is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must according to Norwegian law brief the Board of Directors about the Company's activities, financial position and operating results at least once per month.

### 8.2 Board of Directors

#### 8.2.1 General

The Company's registered business address, O.H. Bangs vei 70, 1363 Høvik, Norway, serves as business address for the members of the Company's Board of Directors in relation to their directorship in the Company. The names and positions and current term of office of the board members as at the date of this Admission Document are set out in the table below.

Name	Position	Served since	Term expires	Shares
Erik Fjellvær Hagen	Chair	2015	2022	0 <sup>1</sup>
Jostein Vik	Director	2015	2022	0 <sup>1</sup>
Thorstein Berg	Director	2015	2022	2,837,750 <sup>2</sup>
Øyvind Robert Thorsen	Director	2017	2022	346,600
Marius Haabeth	Director	2020	2022	0

1 Erik Fjellvær Hagen and Jostein Vik are employees of Viking Venture AS, the manager of the Viking Venture funds, including the shareholders Viking Venture AS, Viking Venture 7 AS, Viking Venture 7B AS and Viking Venture 8 AS. As of the date of this Admission Document, Viking Venture AS and funds managed by Viking Venture hold 14,215,800 Shares in the Company.

2 Berg holds the shares through Bjørk Invest AS, a company controlled by him.

#### 8.2.2 Brief biographies of the Board of Directors

##### Erik Fjellvær Hagen, Chair

Mr. Hagen is the Managing Partner and founder of Viking Venture. He has over 30 years of experience in the software industry and his background brings a dynamic combination of strategic, operational and entrepreneurial experience to



all portfolio companies of Viking Venture. Mr. Hagen has previously worked at McKinsey & Company, Netcom GSM ASA, Schibsted and Arthur Andersen. He has an MCS in Computer Science from the Norwegian Institute of Technology and an MBA from INSEAD.

#### **Jostein Vik**

Jostein Vik is a partner in and co-founder of Viking Venture. He is passionate about technology and his expertise in business strategy and commercialization has time after time driven results for fast-growing software scale-ups. Vik has over 20 years of experience from the software industry.

#### **Thorstein Berg**

Thorstein Berg is an active seed capitalist and was one of the earliest investors in House of Control. In addition to his investment activities, Berg has extensive experience from the hotel and tourism sector. Berg holds a Master in Business and Economics from the University of Freiburg.

#### **Øyvind Robert Thorsen**

Øyvind Robert Thorsen is the founder of EcoOnline and acted as CEO of EcoOnline for more than 16 years. During his time at EcoOnline, Thorsen led the company to becoming the largest software company for chemical documentation in the Nordics. Prior to founding EcoOnline, Thorsen was a Sales Director at the US computer manufacturer Compaq.

#### **Marius Haabeth**

Marius Haabeth has extensive experience within financial management and business development, and also within real estate development. Haabeth has previously held positions within, *inter alia*, Skanska, Telenor, Basale and EMGS, in addition to several board positions. Haabeth holds degrees within business and marketing from both the BI Norwegian Business School and from University of Colorado Boulder.

### **8.3 Management**

#### **8.3.1 General**

The Group's management team consists of 3 individuals. The names of the members of the Management and their respective positions are presented in the table below:

<b>Name</b>	<b>Position</b>	<b>Shares</b>	<b>Options held</b>
Lasse Sten	Chief Executive Officer	2,484,000 <sup>1</sup>	525,000
Carl Fabian Flaaten	Chief Financial Officer	549,600 <sup>2</sup>	525,000
Rune Eivind Strandli	Chief Technical Officer	0	325,700

1 Sten holds the Shares through Dunvik AS, a company wholly owned by Sten.

2 Flaaten holds the Shares through Nikfan AS, a company wholly owned by Flaaten.

The business address of the Group's management team is O.H. Bangs vei 70, 1363 Høvik, Norway.



### 8.3.2 Brief biographies of the Management

#### **Lasse Sten**

Lasse Sten is the founder of the Group and the Group's chief executive officer since 2006. Prior to founding House of Control, Sten has experience as CEO from previously listed OfficeShop Holding ASA and as CEO of Wingi Holding AS.

#### **Carl Fabian Flaaten**

Carl Fabian Flaaten has held the position as CFO of the Group since 2016. Prior to joining House of Control, Flaaten has held positions as Financial Controller at Voss of Norway ASA and as Product Line Manager at Aker Solutions. Flaaten holds a degree in Business Administration from the BI Norwegian School of Management and a Master of Arts, Economics and Management from the University of St. Andrews.

#### **Rune Eivind Strandli**

Rune Strandli has held the position as Chief Technology Officer since August 2020. Prior to joining House of Control, Strandli has held positions as Vice President with TietoEVRY, where he was the head of Architecture and development within TietoEVRY Data-Driven Services. Strandli has also held positions at BN Bolig, Fugro and Accenture. Strandli holds a degree within Civil Engineering from the Norwegian University of Science and Technology, and has also completed an Executive Management Programme from INSEAD.

### **8.4 Employees**

As of 31 December 2019 and 31 December 2018, the Group had 62 and 52 full-time employees, respectively. As of the date of this Admission Document, the Group has 95 employees.

### **8.5 Share option scheme**

The Group has implemented a share option scheme, pursuant to which 3,306,650 options for shares have been granted. As of 1 October 2020, 787,150 of the options have vested, while the remaining will vest upon completion of the Admission. Each option gives the holder the right to have issued one new share in the Company at a subscription price of NOK 7.06, except for 226,750 options which have a strike price of NOK 8.47. Share options held by employees are subject to, inter alia, continued employment, no material breach of employment contract and approval by the general meeting.

The Board will from time to time consider the structure of the share option scheme, including the size of the scheme. Each investor should note that the share option scheme may be increased in excess of the size described above.

### **8.6 Bonus arrangements**

The members of the management, i.e. Lasse Sten (CEO), Carl Fabian Flaaten (CFO) and Rune Eivind Strandli (CTO) are entitled to a total bonus of NOK 600,000 per increase of NOK 5,000,000 in the Group's ARR.

### **8.7 Benefits upon termination**

No member of Management or the Board of Directors has entered into employment agreements which provide for any special benefits upon termination, except for CEO Lasse Sten, who is entitled to 12 months severance pay after termination of employment which is initiated by the Company or if he is demoted from his position as CEO, or if Sten



elects to terminate his employment with the Company if a shareholder other than Viking Venture and funds managed by Viking Venture becomes new majority shareholder in the Company.

#### **8.8 Conflicts of interests etc.**

Except that Marius Haabeth was a Board member in the company AIA Science AS that filed for bankruptcy in January 2020, no Board Member or member of Management has, or had, as applicable, during the last five years preceding the date of the Admission Document:

- any convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company.

To the Company's knowledge, there are currently no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the Board Members and members of the Management, including any family relationships between such persons.



## 9 SHARE CAPITAL AND SHAREHOLDER MATTERS

### 9.1 Share capital and share capital development

As of the date of this Admission Document, the Company's share capital is NOK 11,382,640 divided into 56,913,200 Shares, each with a par value of NOK 0.20. All the Shares have been created under the Norwegian Private Limited Companies Act and are validly issued and fully paid up.

The Company has one class of shares. The Company owns no treasury Shares at the date of this Admission Document. None of the Company's subsidiaries owns, directly or indirectly, Shares in the Company.

The Company's Shares are freely transferable, and the Company's Articles of Association stipulate that the transfer of Shares does not trigger pre-emptive rights for other shareholders and that transfer of Shares is not subject to the consent of the Board of Directors.

The Shares are registered in book-entry form with VPS under ISIN NO 001 0781818. The Company's register of shareholders in VPS is administrated by the VPS Registrar, Handelsbanken Capital Markets, Tjuvholmen allé 11, 0110 Oslo, Norway.

The table below shows the development in the Company's share capital for the period covered by the Financial Statements to the date of the Admission Document:

Date of registration	Type of change	Change in share capital (NOK)	New share capital (NOK)	Nominal value (NOK)	New number of total issued Shares	Sub- scription price per share (NOK)
11 June 2018	Share capital increase	63,570	6,232,750	10.00	623,275	311.00
9 October 2018	Share capital increase	50,000	6,282,750	10.00	628,275	345.29
8 July 2019	Share capital increase	76,570	6,359,320	10.00	635,932	440.00
6 November 2019	Share capital increase	50,000	6,409,320	10.00	640,932	440.00
20 July 2020	Share capital increase	1,535,620	7,944,940	10.00	794,494	316.62
14 October 2020	Share capital increase	104,700	8,049,640	10.00	804,964	123.17
15 October 2020	Share split	N/A	8,049,640	0.20	40,248,200	N/A
15 October 2020	Share capital increase	3,333,000	11,382,640	0.20	56,913,200	21.00



## 9.2 Shareholder structure

As of 13 October 2020, being the last practical date prior to the date of this Admission Document, the Company's twenty largest shareholders on record in the VPS were:

#	Shareholder name	No. of Shares	% of total Shares
1	Viking Venture 7 AS	328,655	41.37
2	Bjørk Invest AS	90,117	11.34
3	Viking Venture 8 AS	70,873	8.92
4	Din ERP Holding AS	70,684	8.90
5	Dunvik AS	66,240	8.34
6	Viking Venture 7B AS	44,415	5.59
7	Fiwe AS	15,421	1.94
8	Øyvind Robert Thorsen	10,664	1.34
9	Fat City AS	10,304	1.30
10	Stian Fladby	7,624	0.96
11	Viking Venture AS	7,500	0.94
12	Akkar Invest AS	6,988	0.88
13	Tonje Ettesvol	6,812	0.86
14	Hans-Erik Wærsted	4,451	0.56
15	Nikfan AS	4,186	0.53
16	Marianne Harr	4,080	0.51
17	Pål Martin Skjold	4,000	0.50
18	Morten Jærv Wang	3,972	0.50
19	Rune Aslaksen	3,812	0.48
20	Sturla Selvik Fjose	2,279	0.29
Top 20 holders of Shares		763,077	96.05
Other		31,417	4.12
<b>Total</b>		<b>794,494</b>	<b>100</b>

The overview above does not include Shares issued to Nikfan AS following an exercise of options on 30 September 2020, nor does it implement the share split resolved by the Company's extraordinary general meeting on 14 October 2020.

To the best knowledge of the Company, the following shareholders hold 5 % or more the currently outstanding Shares following completion of the Private Placement:

- Viking Venture AS and funds managed by Viking Venture AS, holding 24.98% of the Shares (following completion of the Private Placement); and
- Luxor Capital Group, LLC, holding 12.55% of the Shares (following completion of the Private Placement).

The Company is not subject to any provisions pursuant to which ownerships above certain thresholds must be disclosed.

The Company is not aware of any arrangements which may result in a change in control of the Company, neither as of the date of this Admission Document nor at a subsequent date.

## 9.3 Authorizations

The Board of Directors hold the following authorizations as of the date of this Admission Document:



Date granted	Purpose	Possible increase of issued share capital (NOK)	Amount utilized (NOK)	Valid until
14 February 2019	Share option program	200,000	154,700	14 February 2021
2 July 2020	Issuance of any compensation shares under transaction agreement for DinERP AS.	767,810	0	2 January 2022

The Board of Directors is not authorized to purchase own shares.

#### 9.4 Financial instruments

Apart from those options described in Section 8.5 "Share option scheme", neither the Company nor any of its subsidiaries has, as of the date of this Admission Document, issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries. Further, none of the companies in the Group has issued any convertible loans or subordinated debt or transferrable securities.

#### 9.5 Shareholder rights

The Company has one class of shares in issue, and in accordance with the Norwegian Private Limited Companies Act, all shares in that class provide equal rights in the Company. Each of the Shares carries one vote. The rights attaching to the Shares at Listing are described in Section 9.5.1 "The Articles of Association" and Section 9.5.2 "Certain aspects of Norwegian corporate law".

##### 9.5.1 The Articles of Association

The Company's Articles of Association are set out in Appendix A to this Admission Document. Below is a summary of provisions of the Articles of Association as 14 October 2020, valid at the date of this Admission Document.

##### *Objective of the Company*

Pursuant to section 3 of the Company's Articles of Association, the objective of the Company is to invest in other companies.

##### *Registered office*

Pursuant to section 2 of the Company's Articles of Association, the Company's registered office is in the municipality of Bærum, Norway.



### *Share capital and par value*

Pursuant to article 4 of the Company's Articles of Association, the Company's share capital is NOK 11,382,640 divided into 56,913,200 Shares, each Share with a par value of NOK 0.20. The Shares shall be registered with the Norwegian Central Securities Depository (VPS).

### *No restrictions on transfer of Shares*

Pursuant to article 5 of the Company's Articles of Association, the Shares are freely transferable, and transfers of Shares are not subject to approval by the Board of Directors.

### *General meetings*

The annual general meeting shall deal with and decide the following matters:

- Approval of the annual accounts and the annual report, including distribution of dividend.
- Other matters, which according to the law or the Articles of Association fall within the responsibility of the general meeting.

The general meetings of the Company, including extraordinary general meetings, may be held in the municipality of Bærum, Norway.

Shareholders may attend a general meeting through electronic means, unless the Board finds that there are justifiable reasons for denying attendance through electronic means and only provided that such attendance and voting can be controlled in a prudent manner.

Pursuant to Article 6 of the Company's Articles of Association, documents relating to matters to be considered at general meetings may be published on the Company's website instead of being distributed to the shareholders with the notice for the general meeting. However, a shareholder may require to receive the documents relating to matters to be considered at the general meeting.

### *Signatory rights*

Pursuant to Article 7 of the Company's Articles of Association, two directors jointly or the Chairman of the Board solely has the right to sign for and on behalf of the Company. The Board is also entitled to grant procuration.

## 9.5.2 Certain aspects of Norwegian corporate law

### *General meetings*

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 7 days before the annual general meeting of a Norwegian private limited liability company market shall be held, unless the articles of association stipulate a longer deadline, which is currently not the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. Although Norwegian law does not require the Company to send proxy forms to its shareholders for general meetings, the



Company plans to include a proxy form with notices of general meetings. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at general meetings, without any requirement of pre-registration.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the board of directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the Company's auditor or shareholders representing at least 10% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings.

#### *Voting rights – amendments to the Articles of Association*

Each of the Company's Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Company's Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorize an increase or reduction in the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the articles of association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees.

There are no quorum requirements that apply to the general meetings.

#### *Additional issuances and preferential rights*

If the Company issues any new Shares, including bonus share issues, the Company's Articles of Association must be amended, which requires the same vote as other amendments to the articles of association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the articles of association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.



The general meeting may, by the same vote as is required for amending the articles of association, authorize the board of directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered par share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States and other jurisdictions upon the exercise of preferential rights may require the Company to file a registration statement or prospectus in the United States under United States securities laws or in such other jurisdictions under the laws of such jurisdictions. Should the Company in such a situation decide not to file a registration statement or prospectus, the Company's U.S. shareholders and shareholders in such other jurisdictions may not be able to exercise their preferential rights. To the extent that shareholders are not able to exercise their rights to subscribe for new shares, the value of their subscription rights will be lost and such shareholders' proportional ownership interests in the Company will be reduced.

#### *Minority rights*

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to, those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the board of directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 10% or more of the Company's share capital have a right to demand in writing that the Company's board of directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

#### *Rights of redemption and repurchase of Shares*

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the board of directors has been granted an authorisation to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired,



and held by the Company must not lead to the share capital with deduction of the aggregate nominal of the holding of own shares is less than the minimum allowed share capital of NOK 30,000, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorization by the general meeting of the Company's shareholders cannot be granted for a period exceeding two years.

#### *Shareholder vote on certain reorganisations*

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the board of directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the articles of association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

#### *Liability of board members*

Board members owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the board members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Board members may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting passing upon the matter. If a resolution to discharge the Company's board members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the articles of association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Company's board members from liability or not to pursue claims against the Company's board members is made by such a majority as is necessary to amend the articles of association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

#### *Indemnification of board members*

Neither Norwegian law nor the articles of association contains any provision concerning indemnification by the Company of the board of directors. The Company is permitted to purchase insurance for the board members against certain liabilities that they may incur in their capacity as such.

#### *Distribution of assets on liquidation*

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.



## 9.6 Corporate governance

The Company is not subject to the Norwegian Corporate Governance Code, but the Company will consider to adhere to the requirements of the Norwegian Corporate Governance Code on a voluntary basis at a later time.

## 9.7 Dividend policy

### 9.7.1 Policy

As of the date of this Admission Document, the Board of directors has not determined any specific dividend policy.

Pursuant to the Norwegian Private Limited Liability Companies Act, dividends may only be declared to the extent that the Company has distributable funds and the Company's Board of Directors finds such a declaration to be prudent in consideration of the size, nature, scope and risks associated with the Company's operations and the need to strengthen its liquidity and financial position. Apart from this, there are no formal restrictions on the distribution of dividends. However, as the Company's ability to pay dividends is dependent on the availability of distributable reserves, it is, among other things, dependent upon receipt of dividends and other distributions of value from its subsidiaries and companies in which the Company may invest.

### 9.7.2 Legal and contractual constraints on the distribution of dividends

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the Norwegian Private Limited Liability Companies Act, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in force at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Private Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Dividends may be paid in cash or in some instances in kind. The Norwegian Private Limited Liability Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Private Limited Liability Companies Act regulates what may be distributed as dividend, and provides that the Company may distribute dividends only to the extent that the Company after said distribution still has net assets to cover (i) the share capital and (ii) other restricted equity (i.e. the reserve for unrealized gains and the reserve for valuation of differences).
- The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorize the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.
- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Pursuant to the Norwegian Private Limited Liability Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the General Meeting when it resolved to issue new shares in the company. A



subscriber of new shares in a Norwegian private limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Private Limited Liability Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 10 ("Norwegian Taxation").

#### 9.7.3 Manner of dividend payments

Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through the VPS Registrar. Shareholders registered in the VPS who have not supplied the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

#### 9.8 Takeover bids and forced transfers of shares

The Company is not subject to the takeover regulations set out in the Norwegian Securities Trading Act, or otherwise.

The Shares are, however, subject to the provisions on compulsory transfer of shares as set out in the Norwegian Private Limited Liability Companies Act. If a private limited liability company alone, or through subsidiaries, owns 9/10 or more of the shares in the subsidiary, and may exercise a corresponding part of the votes that may be cast in the general meeting, the board of directors of the parent company may resolve that the parent company shall take over the remaining shares in the company. Each of the other shareholders in the subsidiary have the right to require the parent company to take over the shares. The parent company shall give the shareholders a redemption offer pursuant to the provisions of the Norwegian Private Limited Liability Companies Act. The redemption amount will in the absence of agreement or acceptance of the offer be fixed by a discretionary valuation.



## 10 NORWEGIAN TAXATION

*This section describes certain tax rules in Norway applicable to shareholders who are resident in Norway for tax purposes ("**Norwegian Shareholders**") and to shareholders who are not resident in Norway for tax purposes ("**Non-Resident Shareholders**"). The statements herein regarding taxation are based on the laws in force in Norway as of the date of this Admission Document and are subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares. Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Shares. The statements only apply to shareholders who are beneficial owners of Shares. Please note that for the purpose of the summary below, references to Norwegian Shareholders or Non-Resident Shareholders refers to the tax residency rather than the nationality of the shareholder. Please also note that the tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdictions in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.*

### 10.1 Norwegian shareholders

#### 10.1.1 Taxation of Dividends

Norwegian corporate shareholders (i.e. limited liability companies and similar entities) ("**Norwegian Corporate Shareholders**") are comprised by the Norwegian participation exemption. Under the exemption, only 3 % of dividend income on shares in Norwegian limited liability companies is subject to tax as ordinary income (22 % flat rate as of 2019), implying that such dividends are effectively taxed at a rate of 0.66 %. For Norwegian Corporate Shareholders that are considered to be "Financial Institutions" under the Norwegian financial activity tax the effective rate of taxation for dividends is 0.75 %.

Dividends distributed to Norwegian shareholders that are individuals (i.e. shareholders who are natural persons) ("**Norwegian Individual Shareholders**") are grossed up with a factor of 1.44 before taxed as ordinary income (22 % flat rate, resulting in an effective tax rate of 31.68 %) to the extent the dividend exceeds a tax-free allowance.

The tax-free allowance is calculated on a share-by-share basis for each individual shareholder on the basis of the cost price of each of the Shares multiplied by a risk-free interest rate. The risk-free interest rate is based on the effective rate of interest on treasury bills (Nw: *statskasseveksler*) with three months maturity plus 0.5 percentage points, after tax. The tax-free allowance is calculated for each calendar year and is allocated solely to Norwegian Individual Shareholders holding Shares at the expiration of the relevant calendar year. Norwegian Individual Shareholders who transfer Shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated tax-free allowance one year exceeding the dividend distributed on the Share ("unused allowance") may be carried forward and set off against future dividends received on (or gains upon realization of, see below) the same Share. Any unused allowance will also be added to the basis of computation of the tax-free allowance on the same Share the following year.

The Shares will not qualify for Norwegian share saving accounts (Nw: *aksjesparekonto*) for Norwegian Individual Shareholders as the shares are listed on Merkur Market (and not Oslo Børs or Oslo Axess).

#### 10.1.2 Taxation of Capital Gains

Sale, redemption or other disposal of Shares is considered as a realization for Norwegian tax purposes.



Capital gains generated by Norwegian Corporate Shareholders through a realization of shares in Norwegian limited liability companies, such as the Company, are comprised by the Norwegian participation exemption and therefore tax exempt. Net losses from realization of Shares and costs incurred in connection with the purchase and realization of such Shares are not tax deductible for Norwegian Corporate Shareholders.

Norwegian Individual Shareholders are taxable in Norway for capital gains derived from realization of Shares and have a corresponding right to deduct losses. This applies irrespective of how long the Shares have been owned by the individual shareholder and irrespective of how many Shares that are realized. Gains are taxable as ordinary income in the year of realization and losses can be deducted from ordinary income in the year of realization. Any gain or loss is grossed up with a factor of 1.44 before taxed at a rate of 22 % (resulting in an effective tax rate of 31.68 %. Under current tax rules, gain or loss is calculated per Share, as the difference between the consideration received for the Share and the Norwegian Individual Shareholder's cost price for the Share, including costs incurred in connection with the acquisition or realization of the Share. Any unused tax-free allowance connected to a Share may be deducted from a capital gain on the same Share but may not create or increase a deductible loss. Further, unused tax-free allowance related to a Share cannot be set off against gains from realization of other Shares.

If a Norwegian shareholder realizes Shares acquired at different points in time, the Shares that were first acquired will be deemed as first sold (the "first in first out"-principle) upon calculating taxable gain or loss. Costs incurred in connection with the purchase and sale of Shares may be deducted in the year of sale.

A shareholder who ceases to be tax resident in Norway due to domestic law or tax treaty provisions may become subject to Norwegian exit taxation of capital gains related to shares in certain circumstances.

#### 10.1.3 Net wealth tax

The value of Shares is taken into account for net wealth tax purposes in Norway. The marginal net wealth tax rate is currently 0.85 % of the value assessed. The value for assessment purposes for the Shares is equal to 75 % of the total tax value of the Company as of 1 January of the year before the tax assessment year. However, if the share capital in the Company has been increased or reduced by payment from or to shareholders in the year before the tax assessment year, the value for assessment purposes for the Shares is equal to 75 % of the total tax value of the Company as of 1 January of the tax assessment year. The value of debt allocated to the Shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 75 %).

Norwegian limited liability companies and similar entities are exempted from net wealth tax.

### 10.2 Non-Resident Shareholders

#### 10.2.1 Taxation of Dividends

Dividends paid from a Norwegian limited liability company to shareholders who are not resident in Norway for tax purposes ("**Non-Resident Shareholders**") are generally subject to Norwegian withholding tax at a rate of 25% unless the recipient qualifies for a reduced rate according to an applicable tax treaty or other specific regulations. The shareholder's country of residence may give credit for the Norwegian withholding tax imposed on the dividend.

If a Non-Resident Shareholder is carrying on business activities in Norway and the Shares are effectively connected with such activities, the Non-Resident Shareholder will be subject to the same taxation of dividend as a Norwegian Shareholder, as described above.



Non-Resident Shareholders that are corporate shareholders (i.e. limited liability companies and similar entities) ("**Foreign Corporate Shareholders**") resident within the EEA are exempt from Norwegian withholding tax pursuant to the Norwegian participation exemption provided that the Foreign Corporate Shareholder is genuinely established and carries out genuine economic activities within the EEA.

Dividends paid to Non-Resident Shareholders that are individual shareholders (i.e. shareholders who are natural persons) ("**Foreign Individual Shareholders**") are as the main rule subject to Norwegian withholding tax at a rate of 25%, unless a lower rate has been agreed in an applicable tax treaty. If the individual shareholder is resident within the EEA, the shareholder may apply to the tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share, see Section 10.1.1 ("Taxation of dividends"). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

In accordance with the present administrative system in Norway, a distributing company will generally deduct withholding tax at the applicable rate when dividends are paid directly to an eligible Foreign Shareholder, based on information registered with the VPS. Foreign Corporate and Individual Shareholders must document their entitlement to a reduced withholding tax rate by (i) obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state, which cannot be older than three years, and (ii) providing a confirmation from the shareholder that the shareholder is the beneficial owner of the dividend. In addition, Foreign Corporate Shareholders must also present either (i) an approved withholding tax refund application or (ii) an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate or a withholding tax exemption. Such documentation must be provided to either the nominee or the account operator (VPS). Dividends paid to Non-Resident Shareholders in respect of nominee registered shares are not eligible for reduced treaty withholding tax rate at the time of payment unless the nominee, by agreeing to provide certain information regarding beneficial owner, has obtained approval for reduced treaty withholding tax rate from the Norwegian tax authorities. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Foreign Individual and Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Foreign Corporate Shareholders that have suffered withholding tax although qualifying for the Norwegian participation exemption.

Non-Resident Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments.

#### 10.2.2 Taxation of Capital Gains

Gains from realization of Shares by Non-Resident Shareholders will not be subject to tax in Norway unless the Non-Resident Shareholders are holding the Shares in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

#### 10.2.3 Net Wealth Tax

Non-Resident Shareholders are not subject to Norwegian net wealth tax with respect to the Shares, unless the shareholder is an individual, and the shareholding is effectively connected with a business which the shareholder takes part in or carries out in Norway. Such taxation may be limited according to an applicable tax treaty.



### **10.3 Transfer taxes etc., VAT**

No transfer taxes, stamp duty or similar taxes are currently imposed in Norway on purchase, issuance, disposal or redemption of shares. Further, there is no VAT on transfer of shares.



## 11 SELLING AND TRANSFER RESTRICTIONS

### 11.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares admitted to trading on Merkur Market.

The Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Admission Document does not constitute an offer and this Admission Document is for information only and should not be copied or redistributed. If an investor receives a copy of this Admission Document, the investor may not treat this Admission Document as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Admission Document, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

### 11.2 Selling restrictions

#### 11.2.1 The United States

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act; or (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Transfer of the Shares will be restricted and each purchaser of the Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 11.3.1 ("The United States").

#### 11.2.2 European Economic Area

In no member state (each a "**Relevant Member State**") of the European Economic Area (the "**EEA**") have Shares been offered and in no Relevant Member State will Shares be offered to the public pursuant to an offering, except that Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

- (a) to persons who are "qualified investors" within the meaning of Article 2(e) in the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State; or
- (c) in any other circumstances falling under the scope of Article 3(2) of the EU Prospectus Regulation;

provided that no such offer of Shares shall result in a requirement for the Company or Merkur Advisor to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.



### 11.3 Transfer restrictions

#### 11.3.1 The United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Admission Document and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities, regulatory authority or any state of the United States, subject to certain exceptions, may not be offered or sold within the United States.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares, was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Admission Document.
- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.
- If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.
- The purchaser acknowledges that the Company, the Merkur Advisor and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.



Each purchaser of the Shares within the United States purchasing pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Admission Document and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.
- The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, or any economic interest therein, as the case may be, such Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser will not deposit or cause to be deposited such Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.
- The purchaser acknowledges that the Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.
- The purchaser acknowledges that the Company shall not recognize any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.



- If the purchaser is requiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that Company, the Merkur Advisor and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

### 11.3.2 European Economic Area

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Shares under, the offers contemplated in this Admission Document will be deemed to have represented, warranted and agreed to and with the Merkur Advisor and the Company that:

- it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and
- in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Shares acquired by it in an offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on terms of an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.



## **12 ADDITIONAL INFORMATION**

### **12.1 Admission to Merkur Market**

On 2 October 2020, the Company applied for Admission to Merkur Market. The first day of trading on Merkur Market is expected to be on or about 20 October 2020.

Neither the Company nor any other entity of the Group have securities listed on any stock exchange or other regulated marketplace.

### **12.2 Independent auditors**

The Company's independent auditor is PricewaterhouseCoopers AS (PWC) with registration number 987 009 713 and registered business address Dronning Eufemias gate 71, N-0194 Oslo, Norway. The partners of PWC are members of The Norwegian Institute of Public Accountants (Nw: *Den Norske Revisorforening*). PricewaterhouseCoopers AS has been the auditor of the Company since July 2016.

PricewaterhouseCoopers AS has not audited, reviewed or produced any report on any other information in this Admission Document.

### **12.3 Confirmation regarding sources**

In this Admission Document, certain information has been sourced from third parties. The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

### **12.4 Advisors**

ABG Sundal Collier ASA (Munkedamsveien 45 Vika Atrium, N-0250 Oslo, Norway) and Pareto Securities AS (Dronning Mauds gate 3, 0250 Oslo, Norway) are acting as Merkur Advisors.

Advokatfirmaet CLP DA (Sommerrogata 13-15, N-0255 Oslo, Norway) is acting as Norwegian counsel to the Company. Advokatfirmaet Thommessen AS (Haakon VIIIs gate 10, N-0161 Oslo, Norway) is acting as Norwegian legal counsel to the Merkur Advisors.



Defined term	Meaning
<b>Admission</b> .....	The admission to trading of the Company's Shares on the Merkur Market.
<b>Admission Document</b> .....	This admission document dated 15 October 2020, and its appendices.
<b>Ashgrove</b> .....	Ashgrove Specialty Lending Investments I Designated Activity Company.
<b>Articles of Association</b> .....	The articles of association of the Company as of 14 October 2020.
<b>ARR</b> .....	Annual Recurring Revenue.
<b>Board of Directors</b> .....	The Board of Directors of the Company.
<b>Board Members</b> .....	The members of the Board of Directors.
<b>CEO</b> .....	Chief Executive Officer.
<b>COGS</b> .....	Cost of Goods Sold
<b>Company</b> .....	House of Control.
<b>Corporate Governance Code</b> .....	The Norwegian Code of Practice for Corporate Governance last updated 17 October 2018
<b>EBITDA</b> .....	Earnings before Interest, Taxes, Depreciation and Amortization.
<b>EBIT</b> .....	Earnings before Interest and Taxes.
<b>EBT</b> .....	Earnings before Taxes.
<b>EEA</b> .....	European Economic Area.
<b>EU Prospectus Regulation</b> .....	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
<b>Financial Statements</b> .....	The Group's audited consolidated financial statements as of, and for the years ended, 31 December 2019 and 2018.
<b>Foreign Corporate Shareholders</b>	Shareholders of the Company who are limited liability companies and similar entities, and who are not resident in Norway for tax purposes.
<b>Foreign Individual Shareholders.</b>	Shareholders of the Company who are not resident in Norway for tax purposes, and who are not Foreign Corporate Shareholders.
<b>Foreign Shareholders</b> .....	Shareholders of the Company who are not resident in Norway for tax purposes.
<b>FSMA</b> .....	Financial Services and Markets Act 2000.
<b>GDPR</b> .....	General Data Protection Regulation (EU) 2016/679.
<b>Group</b> .....	The Company and its subsidiaries.
<b>House of Control</b> .....	House of Control Group AS, a Norwegian private limited liability company incorporated under the laws of Norway with registration number 912 861 732 and registered address O.H. Bangs vei 70, N-1363 Høvik, Norway.
<b>IT</b> .....	Information Technology.
<b>LEI</b> .....	Legal Entity Identifier.
<b>Merkur Advisors</b> .....	ABG Sundal Collier ASA and Pareto Securities AS.
<b>Merkur Market</b> .....	A multilateral trading facility operated by Oslo Børs ASA.
<b>Merkur Market Admission Rules</b>	Admission to trading rules for Merkur Market as of December 2017.
<b>Merkur Market Content Requirements</b> .....	Content requirements for Admission Documents for Merkur Market as of January 2017.
<b>NGAAP</b> .....	Norwegian Generally Accepted Accounting Principles.
<b>NIBOR</b> .....	Norwegian Interbank Offered Rate.
<b>NOK</b> .....	Norwegian kroner, the currency of the Kingdom of Norway.
<b>Norwegian Accounting Act</b> .....	The Norwegian Accounting Act of 17 July 1998 no. 56 (Nw: <i>regnskapsloven</i> )



<b>Norwegian Corporate Shareholders</b> .....	Shareholders of the Company who are limited liability companies and similar entities, and who are resident in Norway for tax purposes.
<b>Norwegian Individual Shareholders</b> .....	Shareholders of the Company who are resident in Norway for tax purposes, and who are not Norwegian Corporate Shareholders.
<b>Norwegian Private Limited Liability Companies Act</b> .....	The Norwegian Private Limited Liability Companies Act of 13 June 1997 no 44 (as amended) (Nw: <i>aksjeloven</i> ).
<b>Norwegian Securities Trading Act</b> .....	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended) (Nw: <i>verdipapirhandelloven</i> ).
<b>Norwegian Securities Trading Regulation</b> .....	The Norwegian Securities Trading Regulation of 29 June 2007 no 876 (as amended) (Nw: <i>verdipapirforskriften</i> ).
<b>Norwegian Shareholders</b> .....	Shareholders of the Company who are resident in Norway for tax purposes.
<b>Oslo Børs (or OSE)</b> .....	Oslo Børs ASA
<b>Private Placement</b> .....	The private placement consisting of (i) a share capital increase for a total amount of NOK 350 million, by issuing 16,665,000 new Shares, each with a nominal value of NOK 0.20, and (ii) a secondary sale of existing, validly issued Shares from the Selling Shareholders, each with a nominal value of NOK 0.20, for a total amount of NOK 300 million.
<b>Relevant Member State</b> .....	Each Member State of the European Economic Area which has implemented the EU Prospectus Directive.
<b>Selling Shareholders</b> .....	The consortium of existing shareholders who sold existing, validly issued Shares in the Private Placement.
<b>Senior Facilities Agreement</b> .....	The senior facilities agreement entered into in December 2019 between, <i>inter alia</i> , the Company and Ashgrove.
<b>Shares</b> .....	The 56,913,200 Shares of the Company, each with a par value of NOK 0.20.
<b>SaaS</b> .....	Software as a service.
<b>VPS</b> .....	The Norwegian Central Securities Depository (Nw: <i>Verdipapirsentralen</i> ).
<b>VPS Registrar</b> .....	Handelsbanken Capital Markets.



**REGISTERED OFFICE**



**House of Control Group AS**

O.H. Bangs vei 70  
1363 Høvik  
Norway

*Merkur Advisors*



**ABG Sundal Collier ASA**

Munkedamsveien 45 Vika Atrium  
0250 Oslo  
Norway



**Pareto Securities**

Dronning Mauds gate 3  
0250 Oslo  
Norway

*Legal counsel to the Company*

*Legal counsel to the Merkur Advisors*



**CLP**

Sommerrogata 13-15  
0255 Oslo  
Norway



**Thommessen**

Haakon VIIs gate 10  
0161 Oslo  
Norway



*Unofficial office translation; in case of discrepancy between the English and Norwegian version, the Norwegian version shall prevail.*

## **VEDTEKTER**

### **FOR**

#### **HOUSE OF CONTROL GROUP AS**

(org.nr. 912 861 732)  
(sist endret 14. oktober 2020)

##### **§ 1 Foretaksnavn**

Selskapets foretaksnavn er House of Control Group AS.

##### **§ 2 Forretningskontor**

Selskapets forretningskontor er i Bærum kommune.

##### **§ 3 Virksomhet**

Selskapets virksomhet er investeringer i andre selskaper, samt det som naturlig står i forbindelse med dette.

##### **§ 4 Aksjekapital**

Selskapets aksjekapital er NOK 11 382 640 fordelt på 56 913 200 aksjer, hver aksje pålydende NOK 0,20. Selskapets aksjer skal være registrert i Verdipapirsentralen (VPS).

##### **§ 5 Omsettelighet**

Aksjene er fritt omsettelige. Erverv av aksjer er ikke betinget av samtykke fra Selskapet. Aksjeeierne har ikke forkjøpsrett i henhold til aksjeloven.

##### **§ 6 Publikasjon av dokumenter**

Dokumenter som gjelder saker som skal behandles på generalforsamlingen kan publiseres på Selskapets internettside. Det samme gjelder dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen. Dersom dokumentene er gjort tilgjengelige for aksjeeierne på Selskapets internettsider, gjelder ikke lovens krav om at

## **ARTICLES OF ASSOCIATION**

### **FOR**

#### **HOUSE OF CONTROL GROUP AS**

(reg.no. 912 861 732)  
(last amended on 14 October 2020)

##### **§ 1 Business name**

The Company's business name is House of Control Group AS.

##### **§ 2 Registered office**

The Company's registered office is in the municipality of Bærum, Norway.

##### **§ 3 Objective**

The objective of the Company is to invest in order companies, as well as other activities in relation to this.

##### **§ 4 Share capital**

The Company's share capital is NOK 11,382,640 divided into 56,913,200 shares, each with a par value of NOK 0.20. The Company's shares shall be registered with the Norwegian Central Securities Depository (Nw: *Verdipapirsentralen*).

##### **§ 5 Transferability**

The shares are freely transferable. Transfers of shares do not require consent from the Company. Shareholders have no pre-emptive rights to shares pursuant to the Private Limited Liability Companies Act.

##### **§ 6 Publication of documents**

Documents relating to matters to be considered at the general meeting may be published on the Company's website. This does also apply to documents that are required by law to be included in or attached to the notice of the general meeting. If the documents are made available to the shareholders on the Company's website, it is not required that the



dokumentene skal sendes aksjeeierne. En aksjeeier kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

#### **§ 7 Signatur**

To styremedlemmer i fellesskap eller styrets leder alene kan tegne Selskapet. Styret kan meddele prokura.

#### **§ 8 Forholdet til aksjeloven**

For øvrig henvises det til enhver tid gjeldende aksjelovgivning.

documents are sent to the shareholders directly. However, a shareholder may require to receive the documents relating to matters to be considered at the general meeting.

#### **§ 7 Signature**

Two Directors jointly or the Chairman of the Board of Directors solely have the right to sign for and on behalf of the Company. The Board of Directors may grant procuration.

#### **§ 8 Relation to the Private Limited Liability Companies Act**

For other matters, reference is made to the Private Limited Liability Companies Act, as applicable from time to time.





HOUSE OF  
CONTROL



# THE COMMERCIAL VALUE MANAGEMENT COMPANY

ANNUAL REPORT 2019



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DISCLAIMER: This report includes forward-looking statements which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this report, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, including our plans for future costs savings and synergies may be deemed to be forward-looking statements. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this notice.



«2019 was a year of strong  
and purely organic growth.»

Lasse Sten, CEO







## LETTER FROM CEO

2019: A year characterised by healthy growth driven by sales, innovation and product development – and new compliance requirements

- Onboarded 287 new customers
- Generated 27 million NOK in new ARR
- Annual recurring revenue passed 100 million
- Revenue year-on-year growth of 33%

2019 was a year of strong and purely organic growth. Sales increased by a healthy 1 per cent and annual recurring revenues rose by 24 per cent. At the end of 2019, the value of our ARR portfolio was NOK 102 million, up NOK 27 million compared to 2018.

This growth is attributable to external as well as internal factors. Externally, I can identify at least six main drivers of demand for our software solutions:

- Organisations wishing to improve cost control and cut costs
- CFOs looking for ways to work smarter – reducing stress while increasing the efficiency of their company and their team
- Shareholders, board members and CEOs demanding better control over existing contracts, commitments and future cash flows
- More outsourcing and a growing B2B market resulting in a

need for active management and control over an increasing number of contracts

- Businesses professionalising, moving away from dependence on key personnel
- New compliance requirements such as IFRS 16 driving new demand for contract management, estimates and reporting

Why is House of Control so well positioned to leverage these market forces? Looking inward into our own organisation, 2019 was a year of continued innovation, a great leap forward for our customer success team, and – as has always been the hallmark of House of Control – impressive efforts to identify new sales leads and convert a record number of prospects into customers. Here are just some of our internal highlights from 2019:

- 23 updates of our Complete Control software and the launch of a brand new version – Complete Control 5 – in late 2019





- Several new Complete Control modules and extra functionality, including digital signature and ESG reporting
- With our unique solution for IFRS 16 compliance we have taken a lead in the European market and further strengthened our relationship with CFOs
- The number of Customer Success Managers increased by 36 per cent while churn fell to record lows
- Our meeting bookers and hunter sales personnel booked 3044 and held 3549 meetings

Our investors deserve praise, too. The influence of our majority owner, Viking Venture, cannot be overstated. Since investing in House of Control in 2015, Viking Venture has contributed greatly to professionalising our management and creating an even more scalable organisation and business model. In addition, networking with other Viking Venture companies has given our management team very useful

input in a wide range of areas, spanning operations to strategy.

How do we view our prospects for 2020 and beyond? At present, we are in early June 2020 and the world is three months into what has been labelled the Great Lockdown following the Covid-19 outbreak. We are also encountering increased demand for our products, as contract life-cycle management is an integral part of cost-cutting in private enterprises.

I often tell our customers that Complete Control was made during a time of crisis to assist businesses in crisis management. By that I mean that the Financial Crisis of 2008-2009 was the time of our first real break-through in the market. During the Covid-19 outbreak, quite a few prospects have told our salespeople that they should have started using our solution long before the outbreak exposed them to heavy dependency on key personnel and acute

needs to cut costs.

While we cannot predict how long the slowdown will last and how much it will impact 2020 sales, we are very optimistic about the long-term market outlook. Furthermore, I've never been more convinced that our organisation and its unique culture is perfectly geared to achieve continued growth and profitability in the years ahead.

Best regards,

**Lasse Sten**  
CEO



# FROM START-UP TO A MAJOR NORWEGIAN SOFTWARE PLAYER

THIS IS HOUSE OF CONTROL



What was stolen? This is what the insurance company asked Lasse Sten when the then managing director of a computer equipment distributor reported a break-in at his office in Oslo. It's also what prompted him to establish House of Control.

Here's the story in a nutshell. The insurance company's question caused Sten a real headache. He and his colleagues quite simply could not present a valid list of what was missing. Although they knew that something specific had been taken, they still couldn't provide key data such as the model name, purchase price and age.

Sten, who had already founded multiple companies, quickly realised that this problem wasn't unique to them. In fact, most businesses were in the same boat – and so the idea was born: Security labels linked to a digital register containing key information such as prices, serial

numbers, expiry dates, users and other important documentation.

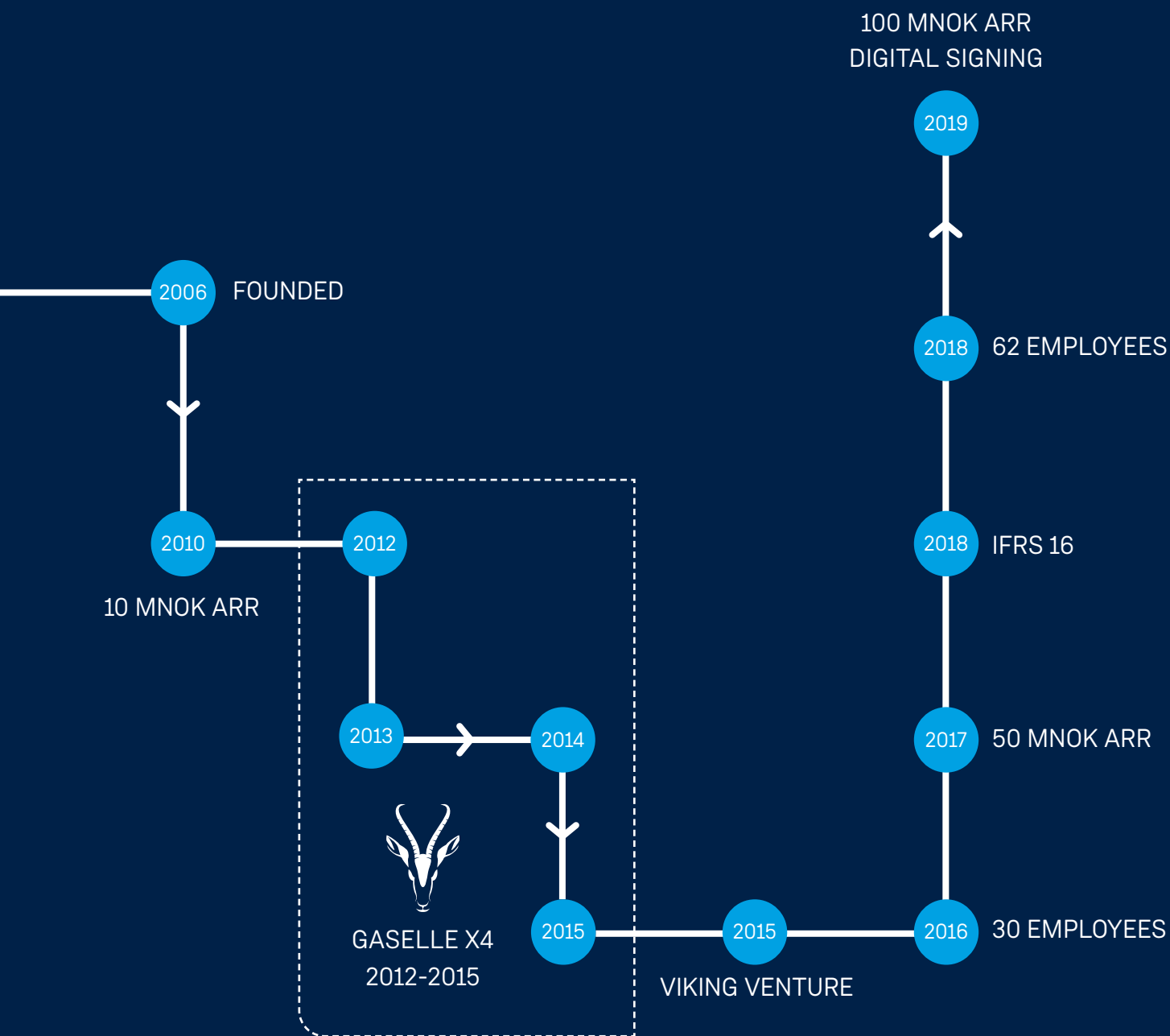
The solutions were positively received by the market, and a growing number of customers confirmed the business as viable. And the customers did more than use the security labels; they asked questions and made suggestions. "Couldn't this digital register also be used to give us an overview of bigger things like our ongoing contracts with suppliers and customers?"

Of course the answer was yes. This customer engagement set off a spiral of customer-driven innovation and technological development that defines House

of Control to this day. It soon became clear that the tool helped users to cut out non-essential supplies, learn when contracts were due to expire and automatically renew, remove dependency on key personnel and budget more quickly and accurately.

While the customers in the first few years tended to be IT managers, the new areas of application and financial savings to be made soon piqued the interest of CFOs, accounting managers and controllers. Through our core product Complete Control, we have now developed practical solutions to simplify and improve financial management for all our customers. This gives them full







## «We are convinced that House of Control is ideally positioned to generate further growth in existing and new markets.»

and complete control over what was previously a tangled mess of contracts and future financial commitments.

While the functionality of Complete Control includes contract lifecycle management, it goes much wider than that – as indicated above. Complete Control is a highly versatile software for financial and accounting management that can be applied to any ERP system. That is why we call ourselves the Commercial Value Management Company on the frontpage of this annual report.

It would seem that the requirements of IFRS 16 and national legislation to recognise leases in the balance sheet were as if made for Complete Control. Essentially, future lease amounts for property rentals, cars, airplanes and production equipment and other assets were already registered in the solution. Together with experts from the world of accounting and auditing, we developed the functionality to make complying with the complex regulations simple, secure,

precise and quick.

In the last year, digital signing of documents is a good example of the continuing rate of innovation. Not only does this make signing contracts with both customers and suppliers quicker and more secure, combined with a digital register, it can also potentially be used for areas such as distributing equipment to employees and governing documents.

When the investors in Viking Venture acquired a majority stake in House of Control in 2015, it gave the company further momentum: Professionalisation of management, better organisation of the business, a renewed focus on customer satisfaction, learning from other companies in which Viking Venture had invested, and greater financial resources for expansion into new markets – these were just some of the improvements that together marked the greatest watershed in the company's history.

We are convinced that House of Control is ideally positioned

to generate further growth in existing and new markets. An important – but far from the only – reason for this is the need to keep a good overview and cost control over the growing number of contracts between and within businesses. Our solutions can be used by anyone, regardless of which systems our customers use today. They are easy to use and our customers achieve quick and measurable gains. We intend to continue to move forward from this promising starting point.



CHECK!







Contract lifecycle  
management



Digital  
signing



ESG



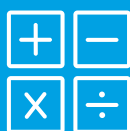
Property/  
rent



ACR  
Advanced Contract  
reader



Assets



IFRS 16



Financial  
Lease



HR management



Custom  
Solutions



WHAT WE MAKE  
AND SELL:

# THIS IS COMPLETE CONTROL 5

Complete Control 5 is at the core of our offering to the market. The Software as a Service (SaaS) solution is a simple yet secure and powerful tool for managing contracts and physical assets throughout their lifecycle.

Most businesses have a huge range of contracts covering equipment, liabilities, rental and leasing. In most cases, there tends to be no consolidated overview of these. If you are not in control, it's easy for thousands of dollars, pounds or euros to slip quietly off the bottom line, year in and year out.

We offer a solution, Complete Control, that gives your business the opportunity to get rid of automatic renewals and unnecessary costs and equipment. This solution is as efficient as it is simple and user-friendly, and its information security is first class. This is why we call ourselves 'the CFO's best friend'.

## Rapid innovation – focusing on the user

The significant growth in the number of customers and use of Complete Control we have experienced has given us some unique opportunities. One of our heaviest investment areas has been the development of the actual solution and the different modules. Here is a small selection of new functions we have developed over the last few years:

- **Digital signature.** Through our partnership with market leaders Signicat we offer digital signing of agreements that have been registered in Complete Control, whether these are with customers or suppliers. Digital signing is simpler, saves time and adds a new layer of security. It also expands the area of application of Complete Control to areas such as delivering equipment to employees and – most importantly – organisation and follow-up of governing documents.
- **Finance leases and IFRS 16.** Complete Control is the perfect platform for complying with requirements to recognise leases in a company's balance sheet. Our modules provide you with quick and accurate values for accounting and reporting.
- **ACR.** Scanning of PDFs and paper documents, with proposed values, lists of contacts, deadlines to be registered in Complete Control.
- **ESG.** This module links data on agreements to open APIs. This allows customers to perform tasks such as linking electronic driving logs to registration numbers, and then notify the Norwegian Road Federation (OFV) of emissions for the model in question. This will provide extremely accurate figures on a vehicle's CO2 and NOx emissions. The potential uses are many: monitoring electricity consumption, water consumption, CO2 emissions from air travel etc.
- **HR/Competence.** This module systematises HR documents and agreements and provides notifications of qualification expiries, sickness absence, performance reviews or other deadlines.
- **Foreign currencies and price indices.** These modules are perfect for anyone who needs to adjust prices against price indices and/or has multi-currency agreements. We retrieve figures directly from Statistics Norway and Norges Bank.



## WHY ORGANISATIONS BECOME – AND STAY – OUR CUSTOMERS

During 2019, we were delighted to welcome 7800 new users. The majority became first-time users of our SaaS platform Complete Control, which has been gradually expanded and improved since it was launched more than ten years ago.

In addition to our main product, the new solutions we have developed for IFRS 16 and Finance Lease estimates and reporting have been new sources of growth.

Here's what they tell us about what users value:

- Early arrival of cost savings
- Quantum leaps in control
- Combatting hidden oversight costs
- Removing dependency on key personnel
- Secure storage of critical data
- IFRS 16 compliance made easy and valuable
- Implementation that doesn't require a project manager
- Compatible with every ERP, including future versions
- Measures relevant climate impacts
- Continuous innovation centred on user experience and value







# THE ULTIMATE SOLUTION FOR FINANCIAL AND OPERATIONAL LEASES

FAST AND ACCURATE REPORTING







## WHY USE HOUSE OF CONTROL FOR IFRS 16?

Our IFRS solution is an additional sophisticated development of our software, which has become a major success in Norway and internationally.

IFRS 16 requires companies to accurately disclose future financial obligations associated with leases of property and assets. Since this regulation only recently came into effect, few financial or ERP systems are capable of tracking and modelling these obligations, at least not without custom modification.

Our solution can accurately capture all associated lease obligations, and project them accurately on a monthly, quarterly or annual basis. It also creates reports with all of the required ledger entries to push to the organisation's financial system and output into government report formats for submission.



## MANAGEMENT TEAM



**Lasse Sten**  
Founder & Chief  
Executive Officer



**Carl Fabian Flaaten**  
Chief Financial  
Officer



**Jeremy Freeman**  
Customer Success  
Director



**Petter Wolden**  
Head of  
Lead Generation



**Christoffer Bergstrøm**  
Sales Director  
Norway



**Magnus Jansson**  
Sales Director  
Sweden



**Lars Hoffmann**  
Sales Director  
Denmark



# BOARD OF DIRECTORS



**Erik Fjellvær Hagen**  
Chairman of the Board

Erik is Managing Partner and founder of Viking Venture. Erik has been VP Marketing (distribution) in NetCom GSM ASA, CEO in Schibsted Nett and Scandinavia Online, a partner in Arthur Andersen, and Engagement Manager in McKinsey & Co.



**Jostein Vik**  
Board Member

Jostein is partner and cofounder of Viking Venture. Jostein has a background from business development and M&A in Carlsberg Breweries, Lilleborg, Orkla Media and Orkla ASA.



**Thorstein Berg**  
Board Member

Thorstein invested capital in House of Control at the early stages and has been a member of the Board since the very beginning. He is an active seed capitalist providing capital to a wide range of start-ups, from adventures parks to software companies.

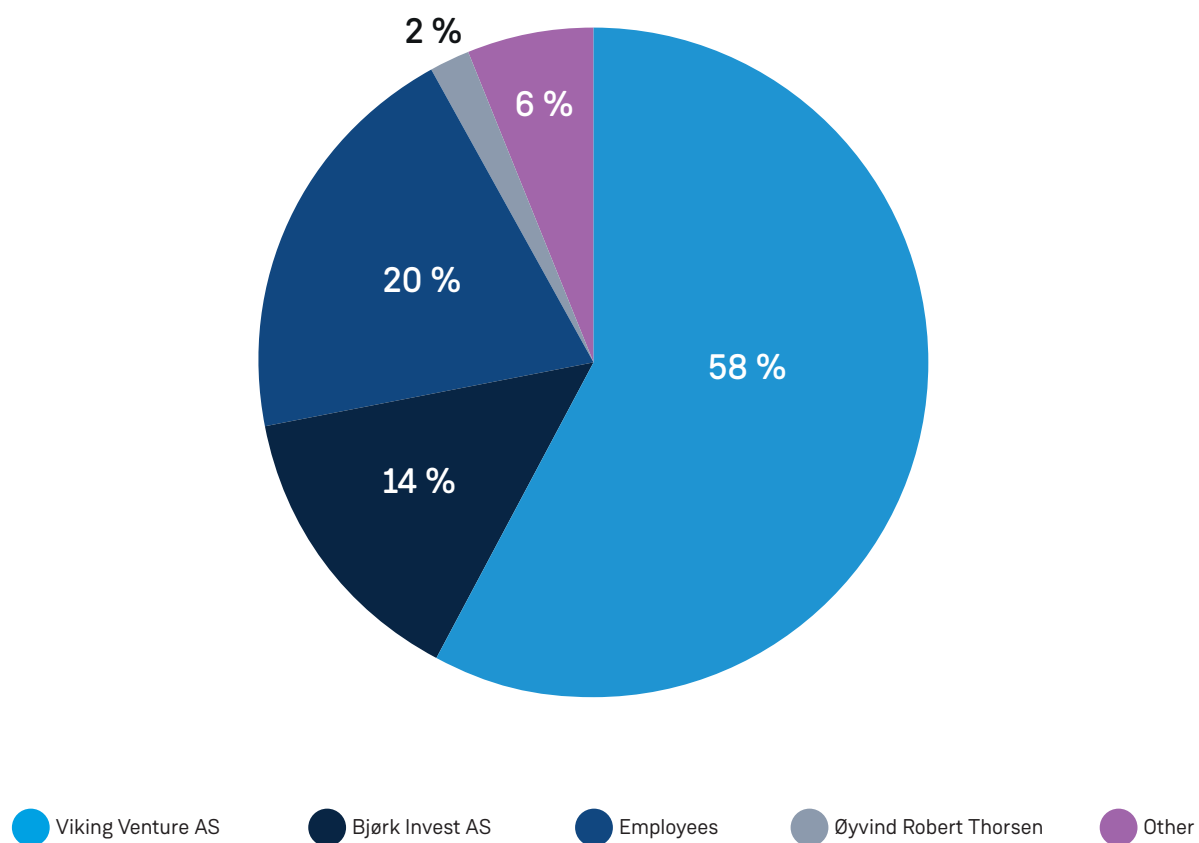


**Øyvind Robert Thorsen**  
Board Member

Øyvind has been CEO of EcoOnline over the last 16 years and has led EcoOnline into becoming the largest software company for chemical documentation in the Nordics. Øyvind became a member of the board in 2017.



## OUR SHAREHOLDERS





VIKING  
VENTURE

THE NORDIC  
SOFTWARE  
INVESTOR

## OUR MAJORITY OWNER – AND LONG-TERM TEAM PLAYER

### THIS IS VIKING VENTURE

Viking Venture invests in fast-growing software scale-ups. As an active investor, they believe in rolling up their sleeves together with entrepreneurs who want to scale. Their aim is to provide an outside perspective through mentoring, guiding and coaching to help us succeed.

Simply put, Viking Venture's sole purpose is to help Nordic software companies scale. The

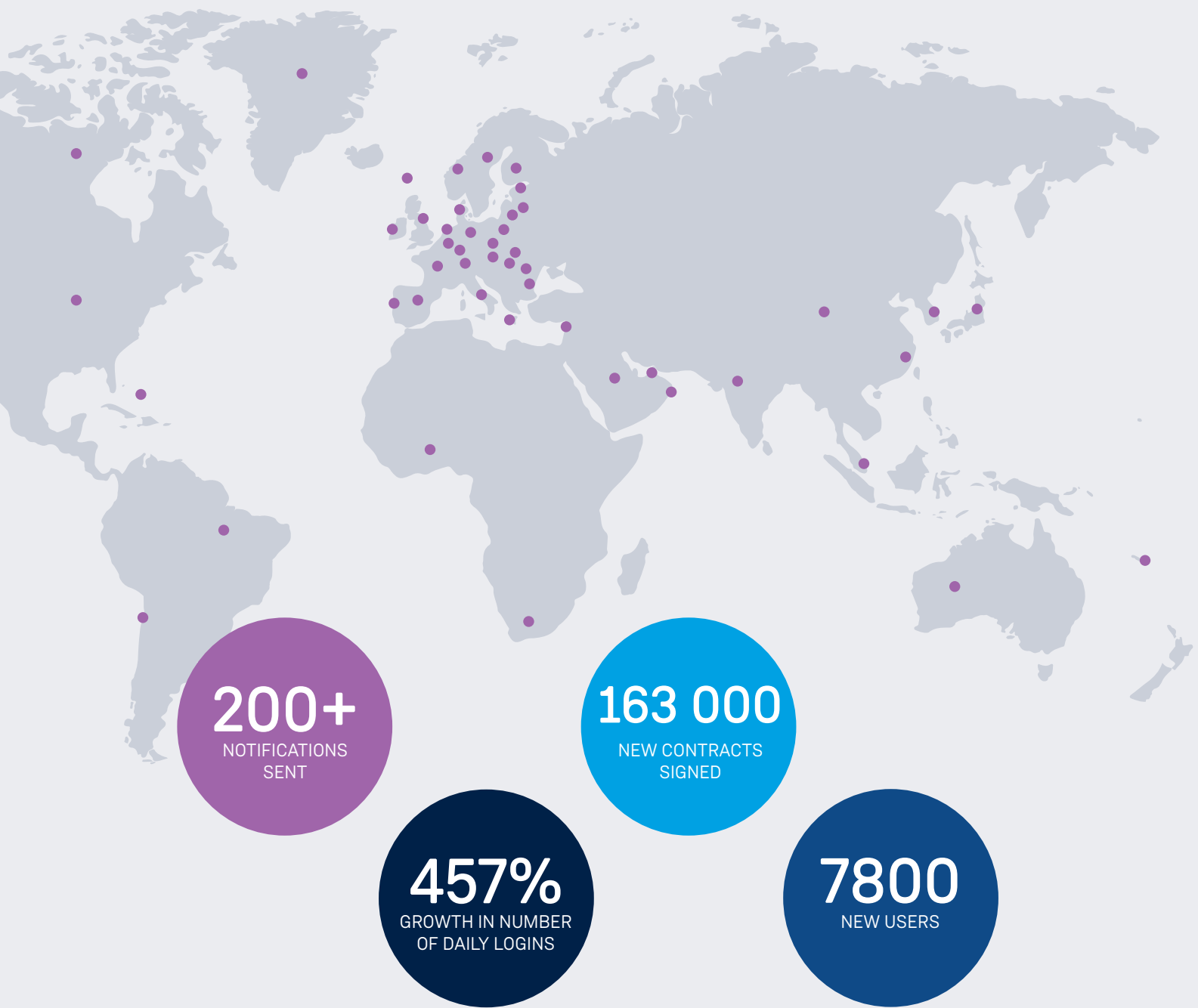
experienced team and their in-depth experience with software companies is as valuable as their capital. Viking Venture help companies like House of Control to:

- Get their business model right
- Build a scalable, international sales organisation
- Accelerate growth through acquisitions
- Recruit the right people
- Get the financing we need

Viking Venture's community of over 20 companies offers a unique environment for exchanging knowledge, ideas and experiences, which we believe is key to realising our potential and succeeding internationally. This makes Viking Venture a great majority shareholder – not just financially.



# GLOBAL FOOTPRINT





# BUSINESS MOMENTUM



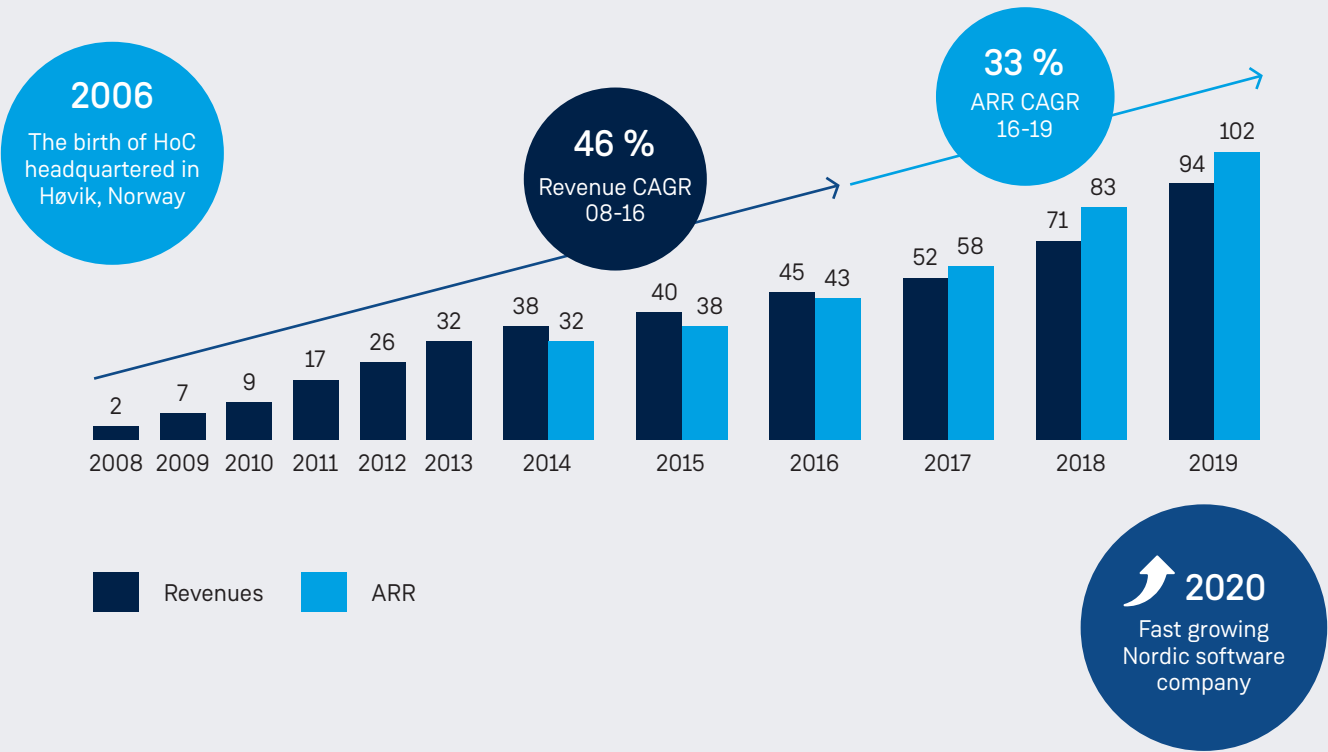
CAGR: Compounded Annual Growth Rate



# FINANCIAL HIGHLIGHTS

2006-2013	2014-2016	2017 AND BEYOND
Entrepreneurial development and proof of concept	Professionalize/organize	Geographical expansion
Focus on security labelling and software for control over ICT equipment. Business focus was later transferred to asset, contract and liability management software.	After a successful proof of concept, HoC started building a professional, modern and agile SaaS organization ready to take on future growth in collaboration with Viking Ventures. <ul style="list-style-type: none"><li>• Lean and scalable</li><li>• Professionalized sales process</li><li>• Increasing focus on ARR</li></ul>	Founded on a proven concept and a scalable organization, growth has accelerated in both existing and new markets.

NOKM





90

tNOK  
AVERAGE ARR

24%

ARR NET  
INCREASE

2,6

YEARS AVERAGE  
EMPLOYMENT

80%

OF NEW DEALS  
BOOKED BY LEAD  
GENERATION

CHECK!





# CONSOLIDATED FINANCIAL STATEMENTS

## HOUSE OF CONTROL GROUP AS

### STATEMENT OF PROFIT AND LOSS

In NOK 1000

	NOTE	2019	2018
		(audited)	(audited)
<b>Operating income and operating expenses</b>			
Revenue	12	93 778 633	70 684 649
Other operating income			23 500
<b>Total operating income</b>		<b>93 778 633</b>	<b>70 708 149</b>
Cost of materials		22 275	37 736
Personnel expenses	10, 13	68 855 537	51 692 298
Depreciation of operating and intangible assets	1, 2	8 883 701	7 151 316
Other operating expenses	13	32 913 134	21 788 304
<b>Total operating expenses</b>		<b>110 674 648</b>	<b>80 669 654</b>
<b>Operating profit</b>		<b>-16 896 015</b>	<b>-9 961 505</b>
<b>Financial income and expenses</b>			
Income from investments in subsidiaries		-	-
Other interest income	15	130 764	40 622
Other financial income	15	1 866 852	314 474
Other interest expenses	15	1 749 353	266 756
Other financial expenses	15	4 216 643	2 580 038
<b>Net financial items</b>		<b>3 968 380</b>	<b>2 491 699</b>
<b>Operating result before tax</b>		<b>-20 864 395</b>	<b>-12 453 204</b>
Tax on ordinary result	11	-2 800 355	-2 902 764
<b>ORDINARY RESULT AFTER TAX</b>		<b>-18 064 040</b>	<b>-9 550 440</b>
<b>Annual net profit</b>		<b>-18 064 040</b>	<b>-9 550 440</b>
Minority share of annual net profit		-	-
Majority share of annual net profit		-18 064 040	-9 550 440
<b>Brought forward</b>			
Allocated to other equity		-18 064 040	-9 550 440
<b>NET BROUGHT FORWARD</b>		<b>-18 064 040</b>	<b>-9 550 440</b>



# STATEMENT OF FINANCIAL POSITION

In NOK 1000

	NOTE	2019 (audited)	2018 (audited)
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
<b>Intangible assets</b>			
Deferred tax assets	11	-	-
Goodwill	1	-	-
Research and development	1	50 952 285	47 494 506
<b>Total intangible assets</b>		<b>50 952 285</b>	<b>47 494 506</b>
<b>Tangible assets</b>			
Equipment and other movables	2	726 721	68
<b>Total tangible assets</b>		<b>726 721</b>	<b>68</b>
<b>Financial fixed assets</b>			
Investments in subsidiaries		-	-
Other long-term receivables		160 857	687 895
<b>Total financial fixed assets</b>		<b>160 857</b>	<b>687 895</b>
<b>TOTAL FIXED ASSETS</b>		<b>51 839 862</b>	<b>48 464 951</b>
<b>CURRENT ASSETS</b>			
Inventories	4	218 750	241 025
<b>Debtors</b>			
Accounts receivable	5	5 935 424	6 043 000
Other short-term receivables		28 013 884	27 336 545
Receivables from group companies		-	-
<b>Total receivables</b>		<b>33 949 308</b>	<b>33 379 545</b>
<b>Cash and bank deposits</b>	7	<b>81 608 652</b>	<b>12 433 727</b>
<b>Total current assets</b>		<b>115 776 710</b>	<b>46 054 297</b>
<b>TOTAL ASSETS</b>		<b>167 616 572</b>	<b>94 519 248</b>



# STATEMENT OF FINANCIAL POSITION

In NOK 1000

	NOTE	2019 (audited)	2018 (audited)
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Paid-up equity</b>			
Share capital	8, 9	6 409 320	6 282 750
Share premium reserve	8	46 083 848	39 852 657
<b>Total paid-up equity</b>		<b>52 493 168</b>	<b>46 135 407</b>
<b>Retained earnings</b>			
Other equity	8	-52 796 934	-33 791 684
<b>Total retained earnings</b>		<b>-52 796 934</b>	<b>-33 791 684</b>
<b>Total equity</b>		<b>-303 766</b>	<b>12 343 723</b>
<b>LIABILITIES</b>			
<b>Other long-term liabilities</b>			
Other long term liabilities	5	75 305 947	3 600 000
Deferred tax	11	1 884 326	4 684 681
<b>Total of other long term liabilities</b>		<b>77 190 272</b>	<b>8 284 681</b>
<b>CURRENT DEBT</b>			
Debt to financial institutions	5	47 086	-
Trade creditors		4 281 701	6 251 435
Tax payable	11	-	-
Public duties payable		9 597 920	8 084 775
Debt to group companies		-	-
Prepayments from customers		63 912 733	52 283 061
Other current debt		12 890 625	7 271 573
<b>Total current debt</b>		<b>90 730 066</b>	<b>73 890 844</b>
<b>Total debt</b>		<b>167 920 338</b>	<b>82 175 525</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>167 616 572</b>	<b>94 519 248</b>



# CASH FLOW STATEMENT

In NOK 1000

	NOTE	2019 (audited)	2018 (audited)
<b>CASH FLOW FROM OPERATIONS</b>			
Profit before income taxes		-20 864 395	-12 453 204
Taxes paid in the period		-	-
Depreciation	1, 2	8 883 701	7 151 316
Change in inventory	4	22 275	37 736
Change in trade debtors	5	107 576	-2 018 917
Change in trade creditors		-1 969 734	3 020 497
Change in other provisions	5,6	17 106 470	1 458 713
<b>Net cash flow from operations</b>		<b>3 285 893</b>	<b>-2 803 859</b>
<b>CASH FLOW FROM INVESTMENTS</b>			
Purchase of fixed assets and intangible assets	1, 2	-12 628 494	-6 069 756
Purchase of shares and investments in other companies		-	-
Purchase of other investments		-	-
<b>Net cash flow from investments</b>		<b>-12 628 494</b>	<b>-6 069 756</b>
<b>CASH FLOW FROM FINANCING</b>			
Proceeds from long term loans	5	80 100 000	3 600 000
Repayment/financing costs of long term loans		-7 368 907	-
Net change in bank overdraft		-	-
New equity received	8	5 569 080	3 703 477
Group contribution received		-	-
<b>Net cash flow from financing</b>		<b>78 300 173</b>	<b>7 303 477</b>
Exchange gains / (losses) on cash and cash equivalents		217 353	-486 065
Net change in cash and cash equivalents		69 174 925	-2 056 203
Cash and cash equivalents at the beginning of the period		12 433 727	14 489 930
<b>Cash and cash equivalents at the end of the period</b>		<b>81 608 652</b>	<b>12 433 727</b>



# NOTES TO THE ACCOUNTS FOR 2019

## ACCOUNTING PRINCIPLES

### Basis for preparation

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

### Use of estimates

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

### Subsidiaries and investment in associated companies

Subsidiaries and investments in associate are valued to cost in the company accounts. The investment is valued as the cost of acquiring shares in the subsidiary, providing that a write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write

down are no longer present.

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

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

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

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

### Translation differences of foreign subsidiaries

Translation of the financial statements occurs with the use of the daily rate, in such a way that the balance sheet is translated at the



balance sheet date and the income statement is translated at an average rate. Any significant transactions are translated at the transaction date rate. All translation differences are recognized directly in equity.

#### **Revenue recognition**

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

#### **License fee for standard software**

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

#### **Maintenance fee for standard software**

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

#### **Rendering of services**

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

#### **Research and development**

Expenses relating to research activities are recognised in the income statement as they occur. Expenses relating to development activities are capitalised to the extent that the product or process is technically and commercially viable and the Group has sufficient resources to complete the development work. Expenses that are capitalised include the costs of materials and external suppliers, direct wage costs and a share of the directly attributable common ex-

penses. Capitalised development costs are recognised at their cost minus accumulated amortisation and impairment losses. Capitalised development costs are amortised on a straight-line basis over the estimated useful life of the asset.

#### **Balance sheet classification**

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

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

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

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and short



term deposits with an original maturity of three months or less. Restricted cash related to withholding tax from employees is included as cash and cash equivalents.

#### Trade and other receivables

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

#### Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs

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

#### Inventories

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

#### Impairment of nonfinancial-assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the

asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### Leased assets

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

#### Pension

The company operates a defined



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

### Currency translation

#### *Functional and presentation currency*

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

### *Transactions and balances*

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

### Short term investments

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

### Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it

is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

### Share Capital

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

### Cash flow statement

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



## NOTE 1 – INTANGIBLE ASSETS

*In NOK 1000*

GROUP	DATA ANALYTICS PLATFORM	WEB- PLATFORM	EXCESS VALUE FROM ACQUIRED CUSTOMER CONTRACTS *)	EXCESS VALUE FROM ACQUIRED TECHNOLOGY **)	TOTAL
Purchase cost pr. 01.01.	0	23 277 799	27 397 260	39 172 555	89 847 614
Additions	539 000	11 562 293	-	-	12 101 293
Disposals	0	-	-	-	-
<b>Purchase cost pr. 31.12.</b>	<b>539 000</b>	<b>34 840 092</b>	<b>27 397 260</b>	<b>39 172 555</b>	<b>101 948 907</b>
Accumulated depreciation 31.12.	0	11 054 734	16 438 356	23 503 533	50 996 623
<b>NET BOOK VALUE PR. 31.12.</b>		<b>23 785 358</b>	<b>10 958 904</b>	<b>15 669 022</b>	<b>50 952 284</b>
Depreciation in the year		1 964 163	2 739 726	3 917 255	8 621 145
Estimated useful life	5 years		10 years	10 years	
Depreciation plan	Straight line		Straight line	Straight line	

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

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

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

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

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



## NOTE 2 – FIXED ASSETS

*In NOK 1000*

GROUP	BUILDINGS AND LAND	MACHINES, MOVABLES ETC	TOTAL FIXED ASSETS
Purchase cost pr. 01.01.	711 387	487 667	1 199 054
Additions	-	706 727	706 727
Disposals	-	-	-
<b>Purchase cost pr. 31.12.</b>	<b>711 387</b>	<b>1 194 394</b>	<b>1 905 781</b>
Accumulated depreciation 31.12.	711 387	467 674	1 179 061
<b>NET BOOK VALUE PR. 31.12.</b>	<b>-</b>	<b>726 720</b>	<b>726 720</b>
Depreciation in the year	-	262 557	262 557
Expected useful life	5 years	3 years	
Depreciation plan	Straight line	Straight line	
<b>Annual rental of non-financial assets 2019</b>			
Buildings	3 399 380		

## NOTE 3 – SUBSIDIARIES, ASSOCIATED COMPANIES, AND JOINT VENTURES

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

*In NOK 1000*

SUBSIDIARIES	LOCATION	OWNERSHIP/ VOTING RIGHT	EQUITY 31.12 (100%)	RESULT IN THE YEAR (100%)	BALANCE SHEET VALUE
House of Control AS	Høvik	100 %	13 134 195	-3 615 143	69 400 064
House of Control DK	Karlsunde	100 %	2 561 534	-4 672 961	15 360 598
<b>Balance sheet value 31.12.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84 760 662</b>



## NOTE 4 – INVENTORIES

In NOK 1000

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

## NOTE 5 – DEBTORS AND LIABILITIES

In NOK 1000

HOUSE OF CONTROL GROUP AS			GROUP	
2019	2018		2019	2018
		<b>TRADE DEBTORS</b>		
-	-	Trade debtors at nominal value	6 659 999	4 683 773
-	-	Bad debts provision	-616 999	-659 690
-	-	<b>Trade debtors in the balance sheet</b>	<b>6 043 000</b>	<b>4 024 083</b>
71 643 593	-	Liabilities secured by mortgage		3 600 000

## TERMS AND PAYMENT SCHEDULE (GROUP)

	CURRENCY	NOMINAL INTEREST RATE	YEAR OF MATURITY	FACE VALUE
Facility B	NOK	NIBOR+7,5%	2024	82 000 000
Innovasjon Norge	NOK	4,45 %	2023	4 687 500
<b>Total interest bearing loans as of December 31</b>				<b>86 687 500</b>
Capitalized costs				-10 356 407
<b>Closing balance as of December 31</b>				<b>76 331 093</b>



## PAYMENT SCHEDULE INNOVASJON NORGE LOAN

YEAR	AMOUNT	
2020	1 250 000	
2021	1 250 000	Downpayment planned for the next 12 months are classified as short term debt.
2022	1 250 000	
2023	937 500	For the Facility loan, there are no downpayment planned in 2020.

## TERMS AND PAYMENT SCHEDULE (HOUSE OF CONTROL AS)

	CURRENCY	NOMINAL INTEREST RATE	YEAR OF MATURITY	FACE VALUE
Facility B	NOK	NIBOR+7,5%	2024	82 000 000
<b>Total interest bearing loans as of December 31</b>				<b>82 000 000</b>
Capitalized costs				-10 356 407
<b>Closing balance as of December 31</b>				<b>71 643 593</b>

As Security for the facility and the loan from Innovasjon Norge, the Group has pledged all material assets including, but not limited to shares in subsidiaries, bank accounts, intercompany receivables, intellectual property, trade receivables and inventory. Additionally, 90 % of the shareholders has pledged their shares as security. The facility loan is subject to covenant restrictions. The most important being:

Recurring revenue ration (Years 1&2)

Optional EBITDA ratio year 3

EBITDA ratio year 5 and 5

## NOTE 6 – BALANCE WITH GROUP COMPANIES, ETC.

In NOK 1000

	TRADE DEBTORS		OTHER DEBTORS	
	2019	2018	2019	2018
Group companies	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	OTHER LONG TERM LIABILITIES		OTHER LIABILITIES	
	2019	2018	2019	2018
Group companies	-	-	27 795 667	22 796 527
<b>Total</b>	<b>-</b>	<b>-</b>	<b>27 795 667</b>	<b>22 796 527</b>



## NOTE 7 – RESTRICTED BANK DEPOSITS, OVERDRAFT FACILITIES

*In NOK 1000*

HOUSE OF CONTROL GROUP AS			GROUP	
2019	2018	Restricted bank deposits	2019	2018
-	-	Withheld employee taxes	2 984 161	3 012 075
		<b>Overdraft facilities granted</b>		
-	-	Unused bank overdraft	-	10 000 000

## NOTE 8 – SHAREHOLDERS' EQUITY

*In NOK 1000*

## HOUSE OF CONTROL GROUP AS

EQUITY CHANGES IN THE YEAR	SHARE CAPITAL	SHARE PREMIUM	OTHER EQUITY	TOTAL
Equity 01.01.	6 282 750	40 641 338	81 707	47 005 794
Capital increase	126 570	5 442 510	-	5 569 080
Profit for the year	-		-5 174 991	-5 174 991
Equity 31.12.	6 409 320	46 083 848	-5 093 284	47 399 884

## GROUP

EQUITY CHANGES IN THE YEAR	SHARE CAPITAL	SHARE PREMIUM	OTHER EQUITY	TOTAL
Equity 01.01.	6 282 750	40 641 338	-34 580 783	12 343 305
Capital increase	126 570	5 442 510		5 569 080
Profit for the year			-18 064 040	-18 064 040
Currency effects			-152 529	-152 111
Equity 31.12.	6 409 320	46 083 848	-53 388 853	-303 766



## NOTE 9 – SHARE CAPITAL AND SHAREHOLDER INFORMATION

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

LIST OF MAJOR SHAREHOLDERS AT 31.12.	NUMBER OF SHARES	OWNERSHIP
Viking Venture 7 AS	328 655	51,28 %
Bjørk Invest AS (controlled by board member Thorstein Berg)	90 117	14,06 %
Dunvik AS (controlled by general manager)	66 240	10,33 %
Viking Venture 7B AS	44 415	6,93 %
Fiwe AS	15 421	2,41 %
Morten Wang	11 472	1,79 %
Øyvind Robert Thorsen (board member)	10 664	1,66 %
Fat City AS	10 304	1,61 %
Stian Fladby	7 624	1,19 %
Akkar Invest AS	6 988	1,09 %
<b>Total</b>	<b>591 900</b>	<b>92,35 %</b>
<b>Other owners (ownership &lt; 1%)</b>	<b>49 032</b>	<b>7,65 %</b>
<b>TOTAL NUMBER OF SHARES</b>	<b>640 932</b>	<b>100 %</b>

## NOTE 10 – PENSION

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

*In NOK 1000*

	2019	2018
<b>NET PENSION COST</b>		
Pension cost	1 551 977	770 869
<b>Total</b>	<b>1 551 977</b>	<b>770 869</b>



## NOTE 11 – TAXES

In NOK 1000

HOUSE OF CONTROL GROUP AS			GROUP	
2019	2018	CALCULATION OF DEFERRED TAX/DEFERRED TAX BENEFIT	2019	2018
		<b>TEMPORARY DIFFERENCES</b>		
-	-	Fixed assets	-200 000	-2 753 078
-	-	Receivables	-2 104 466	-616 999
10 356 407	-	Other accrued receivables/liabilities	10 356 407	-
	-	Net temporary differences	8 051 941	-3 370 077
-15 738 563	-3 956 305	Tax losses carried forward	-28 253 312	-19 224 756
<b>-5 382 156</b>	<b>-3 956 305</b>	<b>Basis for deferred tax asset</b>	<b>-20 201 371</b>	<b>-22 594 833</b>
-1 184 074	-870 387	Deferred tax asset	-4 444 302	-4 970 863
-	-	Deferred tax asset not shown in the balance sheet	470 483	2 332 865
-	-	Deferred tax from allocated excess value	5 858 144	7 322 680
<b>-1 184 074</b>	<b>-870 387</b>	<b>DEFERRED TAX ASSET IN THE BALANCE SHEET</b>	<b>1 884 326</b>	<b>4 684 681</b>
		<b>BASIS FOR INCOME TAX EXPENSE, CHANGES IN DEFERRED TAX AND TAX PAYABLE</b>		
		<b>BASIS FOR INCOME TAX EXPENSE</b>		
-5 488 678	-788 680	Result before taxes	-20 864 395	-12 453 204
4 062 828	-	Permanent differences	4 153 221	-1 429 833
-1 425 850	-788 680	Basis for the tax expense for the year	-16 711 174	-13 883 037
-10 356 407	-	Change in temporary differences	-4 763 245	7 583 957
<b>-11 782 257</b>	<b>-788 680</b>	<b>BASIS FOR INCOME TAX EXPENSE</b>	<b>-21 474 419</b>	<b>-6 299 080</b>
	-	+/- Group contributions received/given		
11 782 257	788 680	Change in tax loss carried forward	21 474 419	6 416 118
		Currency effect on loss carry forward		-117 039
-	-	<b>TAXABLE INCOME (BASIS FOR PAYABLE TAXES IN THE BALANCE SHEET)</b>	-	-
		<b>COMPONENTS OF THE INCOME TAX EXPENSE</b>		
		Payable tax on this year's result	-	-
	-	Adjustment in respect of priors	-	-



HOUSE OF CONTROL GROUP AS			GROUP	
2019	2018		2019	2018
	-	<b>TOTAL PAYABLE TAX</b>	-	-
-313 687	-909 950,4	Change in deferred tax benefit based on original tax rate	-2 800 355	-1 158 717
-	39 563,1	Change in deferred tax benefit due to change in tax rate	-	119 909
-		Change in deferred tax	-	-1 531 106
-	-	Change in deferred tax due to change in tax rate	-	-332 849
<b>-313 687</b>	<b>-870 387</b>	<b>TAX EXPENSE</b>	<b>-2 800 355</b>	<b>-2 902 764</b>
		<b>RECONCILIATION OF THE TAX EXPENSE</b>		
<b>-5 488 677,6</b>	<b>-788 680</b>	<b>Result before taxes</b>	<b>-20 864 395</b>	<b>-12 453 204</b>
-1 207 509	-181 396	Calculated tax	-4 590 167	-2 864 237
-313 687	-870 387	Tax expense	-2 800 355	-2 902 764
<b>893 822</b>	<b>-688 991</b>	<b>Difference</b>	<b>-1 789 812</b>	<b>-38 527</b>
		The difference consist of:		
893 822	-	Tax of permanent differences	913 709	-328 661
-	39 563	Change in deferred tax due to change in tax rate	-	-212 940
-	-728 554	Other differences	-2 703 520	503 074
<b>893 822</b>	<b>-688 991</b>	<b>Sum explained differences</b>	<b>-1 789 812</b>	<b>-38 527</b>
		<b>PAYABLE TAXES IN THE BALANCE SHEET</b>		
-	-	Payable tax in the tax charge	-	-
-	-	Tax effect of SkatteFUNN	-	-1 470 260
-	-	Tax effect of group contribution	-	-
<b>-</b>	<b>-</b>	<b>PAYABLE TAX IN THE BALANCE SHEET</b>	<b>-</b>	<b>-1 470 260</b>

### SkatteFUNN

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



## NOTE 12 – OPERATING INCOME

*In NOK 1000*

HOUSE OF CONTROL GROUP AS			GROUP	
2019	2018		2019	2018
833 852	495 969	Sales income	93 778 633	70 708 149
833 852	495 969	<b>TOTAL</b>	<b>93 778 633</b>	<b>70 708 149</b>
<b>GEOGRAPHICAL DISTRIBUTION</b>				
833 852	495 969	Norway		
-	-	Sweden	79 044 694	62 426 519
-	-	Denmark	6 429 185	3 298 581
-	-	Other countries	7 777 860	4 535 729
833 852	495 969	<b>TOTAL</b>	<b>526 894</b>	<b>447 320</b>



## NOTE 13 – PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATIONS, LOANS TO EMPLOYEES, ETC.

In NOK 1000

HOUSE OF CONTROL GROUP AS			GROUP	
2019	2018		2019	2018
		<b>PAYROLL EXPENSES</b>		
1 028 400,00	-	Salaries/wages		
-	-	Social security fees	57 550 059	40 130 830
-	-	Pension expenses	6 959 284	6 477 062
-	-	Other remuneration	1 305 763	947 250
1 028 400,00	-	<b>TOTAL</b>	<b>3 040 431</b>	<b>4 137 156</b>
-	-	<b>FTE in the accounting year</b>	<b>62</b>	<b>52</b>

EXPENSED AUDIT FEE	HOUSE OF CONTROL GROUP AS	GROUP
Statutory audit (incl. technical assistance with financial statements)	28 229	307 382
Other assurance services	55 000	256 460
Other assistance (specified below)		20 000
<b>TOTAL</b>	<b>83 229</b>	<b>583 842</b>

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



## NOTE 14 – RELATED-PARTY TRANSACTIONS

*In NOK 1000*

	HOUSE OF CONTROL GROUP AS	GROUP
<b>TRANSACTIONS WITH RELATED PARTY</b>		
a) Sales of goods and services	833 852	3 960 679
b) Purchases of goods and services	833 852	3 960 679

## NOTE 15 – SPECIFICATION OF FINANCIAL INCOME AND EXPENSES

*In NOK 1000*

HOUSE OF CONTROL GROUP AS			GROUP	
2019	2018		2019	2018
		<b>FINANCIAL INCOME</b>		
-	-	Currency gain	1 817 188	26 337
-	-	Interest income from group companies		-
	703	Other financial income	180 429	355 096
<b>0</b>	<b>703</b>	<b>Total financial income</b>	<b>1 997 617</b>	<b>355 096</b>
		<b>FINANCIAL EXPENSES</b>		
		Financing cost factoring	3 010 392	2 277 499
		Interest expenses	1 749 353	263 331
833 852	495 969	Interest expenses to group companies	-	-
		Currency loss	1 137 273	252 667
-	-	Other financial expenses	68 979	2 594 127
<b>833 852</b>	<b>495 969</b>	<b>Total financial expenses</b>	<b>5 965 997</b>	<b>2 846 794</b>







## INDEPENDENT AUDITOR'S REPORT



To the General Meeting of House of Control Group AS

### *Independent Auditor's Report*

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

##### *Opinion*

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

- The financial statements of the parent company House of Control Group AS (the Company), which comprise the balance sheet as at 31 December 2019, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of House of Control Group AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2019, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

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

##### *Basis for Opinion*

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

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





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### *Other information*

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

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

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

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

---

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

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

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

---

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

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

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





## Independent Auditor's Report - House of Control Group AS

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

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

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

#### *Opinion on Registration and Documentation*

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

Oslo, 4 February 2020

**PricewaterhouseCoopers AS**

A handwritten signature in blue ink, appearing to read 'Eivind Nilsen', written over a light blue horizontal line.

Eivind Nilsen

State Authorised Public Accountant









HOUSE OF  
CONTROL

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**Corporate Headquarters**

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Email: [post@houseofcontrol.no](mailto:post@houseofcontrol.no)

**Sweden – Stockholm**  
**Sales Office**

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167 51 Bromma  
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Email: [post@houseofcontrol.se](mailto:post@houseofcontrol.se)


**Denmark – Copenhagen**  
**Sales Office**

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DK-2600, Glostrup  
Telefon: +45 31 19 50 34  
Email: [post@houseofcontrol.dk](mailto:post@houseofcontrol.dk)





HOUSE OF  
CONTROL



# A YEAR OF EXTREME GROWTH

ANNUAL REPORT 2018



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DISCLAIMER: This report includes forward-looking statements which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this report, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, including our plans for future costs savings and synergies may be deemed to be forward-looking statements. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this notice.



# «House of Control is on its way to become a large company.»

Lasse Sten, CEO







## LETTER FROM CEO

### 2018: A Year of Extreme Growth for House of Control.

The House of Control team reached several major milestones in 2018, making it the best year ever for the company.

- New sales increased by 65 percent
- Annual Recurring Revenue (ARR) increased by 42 percent to 83 MNOK
- Revenue increased by 35 % to 71 MNOK, of which 92 percent was recurring

The fact that we can achieve such growth rates organically shows the strength of our organization and supports our theory that there is significant untapped potential in the company and markets to be realized over the coming years.

As we prepare for new and existing initiatives in 2019, I would like to reflect on some of the highlights of 2018.

The introduction of our new solution for IFRS 16 calculation and reporting was well received by both listed companies and other IFRS-reporting entities. Two of the big four accounting firms provided valuable input in the development phase and have already adopted our solution. I would like to take this opportunity to acknowledge the great development effort that has been undertaken as well as the added product competence that our employees in sales and customer success have acquired.





Norway is still our largest market measured by turnover. We also achieved solid growth in Denmark and Sweden through the hard work and dedication of our skilled employees and management in each of the countries. Both ARR and number of employees more than doubled in these markets during 2018.

70 percent of new sales was based on meetings generated by our centralized booking department. I cannot emphasize enough how important this team has been for our success in 2018.

Complete Control gives our customers a unique opportunity to have unparalleled control and obtain actionable insight on all contracts, assets, liabilities and

revenues. We are preparing to launch a major software upgrade in 2019. The new version of Complete Control offers a significant change with a brand new user interface and several exciting new features.

House of Control is on its way to become a large company. I'm looking forward to working with the team to make 2019 another best year ever.

Our journey has only just begun.

Best regards,

**Lasse Sten**  
CEO



# THIS IS HOUSE OF CONTROL



Our business concept is to safeguard your liabilities and assets, giving our customers control and making them more profitable.

House of Control is growing rapidly, and has been voted Gazelle Company of the Year four years in a row.

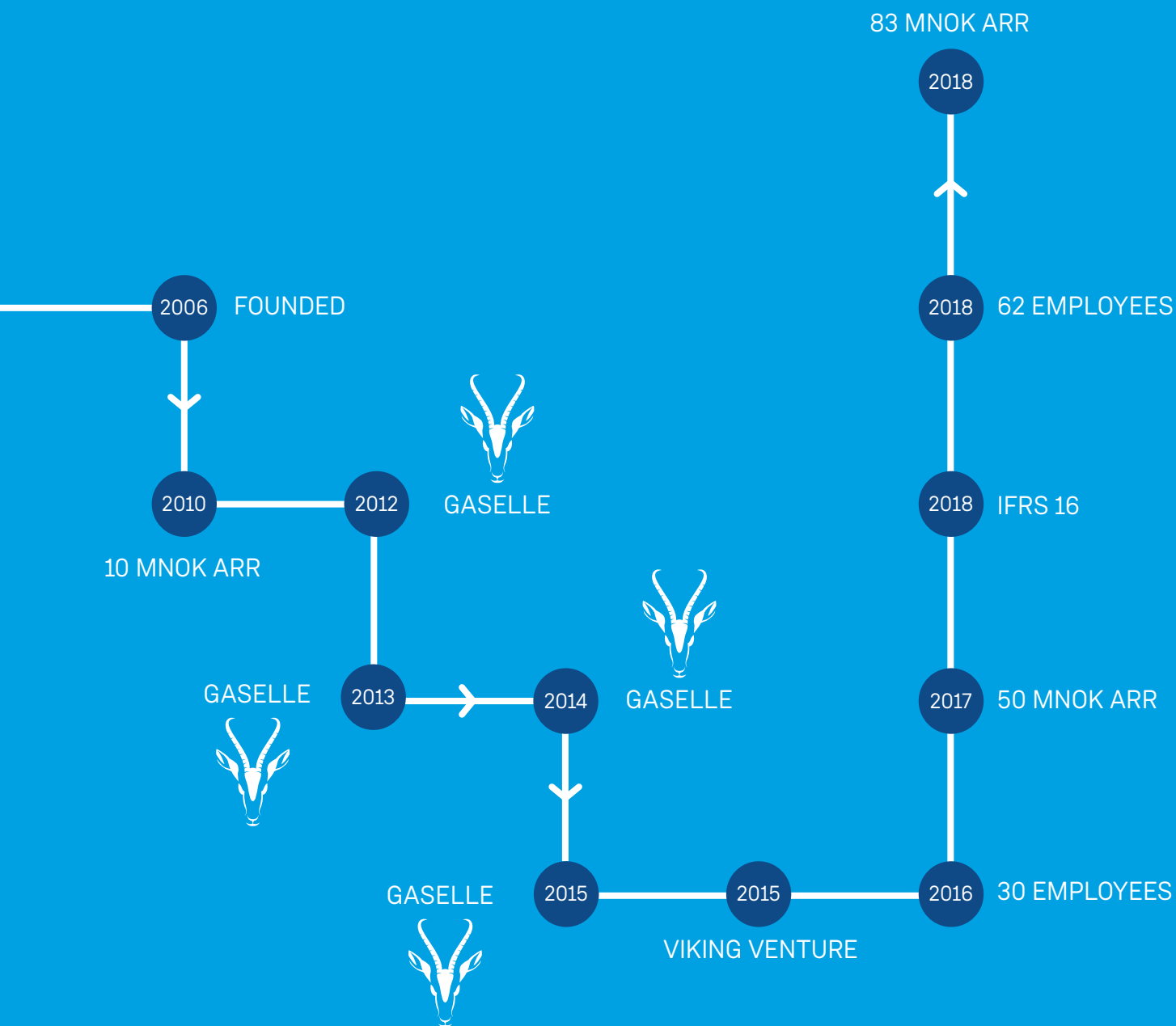
The company was founded in 2006, and it all began with a burglary at a company run by the founder of House of Control, Lasse Sten. The insurance claim became a nightmare, because there was no overview of the company's assets, and thereby no list of what had been taken. Based on his bitter experience, our founder created a tool that systematizes everything that a company owns and rents – including prices, descriptions, date of purchase, who signed the contract, who uses the equipment – and more.

Sten hit a nerve in the market with his product, and ever since then, House of Control has been focusing on developing its product and simplifying its processes. In the beginning, our most important products were security labelling and software for control of ICT equipment. House of Control quickly saw that the platform could also be used to provide companies with an overview of all their assets, contracts and liabilities, giving them control of these and simplifying administration. This is the platform that we now call Complete Control.

Through our corporate headquarters in Norway, and sales office in Denmark and Sweden

we now service more than 1,200 clients in 40 countries. We are the market leader in the proactive management of contracts and liabilities for large and small companies in the private, public and government sectors. We manage corporate assets worth more than NOK 200 billion. In early 2015, the Norwegian investment company Viking Venture became a co-owner, with the aim of expanding the company internationally and accelerating its pace of innovation from 2016 onward. House of Control Groups AS is an independent and neutral company.









Contract  
management



Revenue  
management



Financial  
planning



Property/  
rent



Cash Flow



Assets



IFRS 16



Financial  
Lease



HR management



Custom  
Solutions





## OUR SOLUTION

# THE CFO'S BEST FRIEND

Most businesses have a huge range of contracts covering equipment, liabilities, rental and leasing. In most cases, there tends to be no condensed overview of these. If you are not in control, it's easy for thousands of dollars, pounds or euros to slip quietly off the bottom line, year in and year out.

We offer a solution, Complete Control, that gives your business the opportunity to get rid of automatic renewals and unnecessary costs and equipment. This solution is as efficient as it is simple and user-friendly, and its information security is first class. This is why we call ourselves 'the CFO's best friend'.

Complete Control is perfect for small companies and big corporations alike. Our standard solution can be customized using our specialized modules.

**Complete Control is a cloud-based system that puts you in control of your contracts, liabilities and assets**

- Get an overview of contracts without having to rely on individual people
- See all your future liabilities quickly and easily
- You receive notifications of expiries, renewals, due dates, etc.
- Much easier budgeting process with a full overview of all your contract-related cash flows
- You can see who is using equipment and assets at any time
- The system generates asset reports that show the actual value and book values of your assets
- Simple import and export to Excel and PowerPoint
- Intuitive system with easy administration
- 100 % web-based SaaS system
  - no new infrastructure needed
- Complete Control is available in 5 languages

**CHECK!**



# THE ULTIMATE SOLUTION FOR FINANCIAL AND OPERATIONAL LEASES

FAST AND ACCURATE REPORTING







## WHY USE HOUSE OF CONTROL FOR IFRS 16?

Our IFRS solution is an additional sophisticated development of our software, which has become a major success in Norway and internationally.

This software solution is called Complete Control. This is where the company's assets, agreements and other obligations are recorded. The software gives users a simple, quick and accurate control of future cash flow. In other words, it is a powerful tool for budgeting and cost control.

House of Control already has more than 1,200 customers in 40 countries. Our customers are very active users of the Complete Control solution.

We have multiple customers who are either listed or have their business in auditing and accounting. Together, we have seen how Complete Control can be developed to further handle the new requirements for capitalization of lease/leasing contracts.

Our IFRS solution has all the features of Complete Control – and more. We are confident that the solution will save the CFO much work both today and in the years to come, while also providing accurate numbers.



## THE MANAGEMENT



**Lasse Sten**  
Founder & Chief  
Executive Officer



**Carl Fabian Flaaten**  
Chief Financial  
Officer



**Jeremy Freeman**  
Customer Success  
Director



**Cathrine Gynnild**  
Customer Success  
Deputy Director



**Petter Wolden**  
Head of Booking



**Christoffer Bergstrøm**  
Sales Director  
Norway



**Gustav Westman**  
Sales Director  
Sweden



**Lars Hoffmann**  
Sales Director  
Denmark



# BOARD OF DIRECTORS



**Erik Hagen**  
Chairman of the Board

Erik is Managing Partner and founder of Viking Venture. Erik has been VP Marketing (distribution) in NetCom GSM ASA, CEO in Schibsted Nett and Scandinavia Online, and a partner in Arthur Andersen.



**Jostein Vik**  
Board Member

Jostein is partner and cofounder of Viking Venture. Jostein has a background from business development and M&A in Carlsberg Breweries, Lilleborg, Orkla Media and Orkla ASA.



**Thorstein Berg**  
Board Member

Thorstein invested capital in House of Control at the early stages and has been a member of the Board since the very beginning. He is an active seed capitalist providing capital to a wide range of start-ups, from adventures parks to software companies.

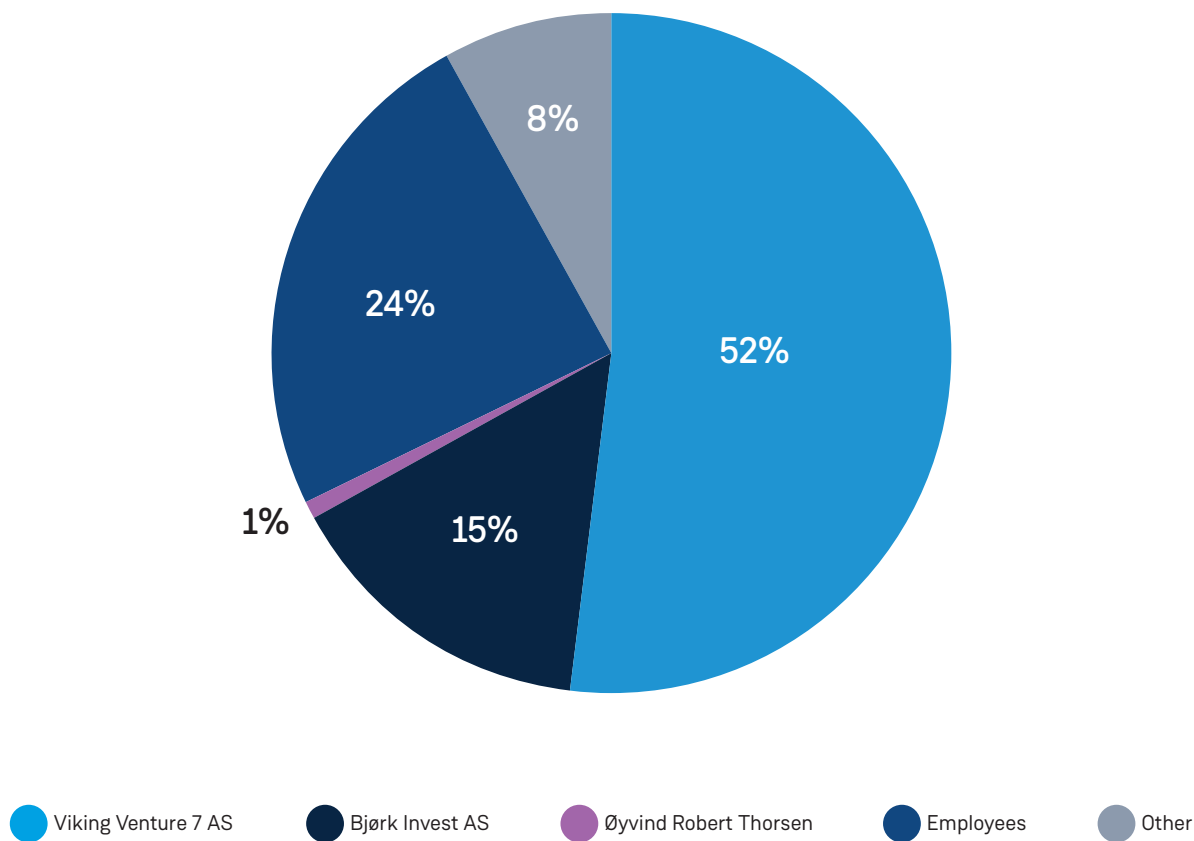


**Øyvind Robert Thorsen**  
Board Member

Øyvind has been CEO of EcoOnline over the last 16 years and has led EcoOnline into becoming the largest software company for chemical documentation in the Nordics. Øyvind became a member of the board in 2017.



# OUR SHAREHOLDERS



## MAJORITY SHAREHOLDER

Our Majority shareholder Viking Venture is one of the leading software investors in the Nordic countries. The fund is an active and solid owner with more than 200 million USD under management. House of Control is a proud member of Viking Ventures portfolio.





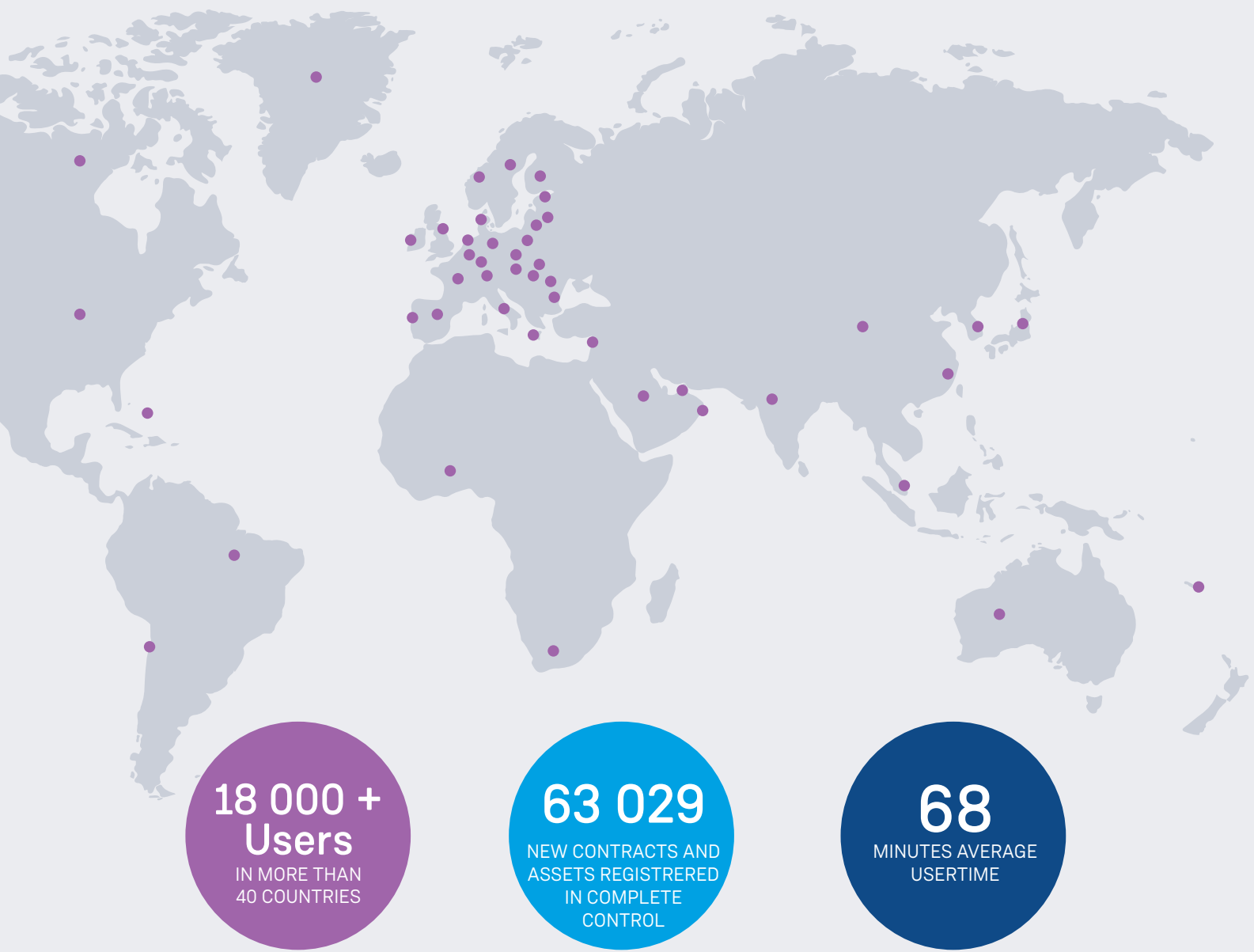
## EMPLOYEE SHAREHOLDERS

LASSE STEN	Staff
MORTEN JÆRV WANG	Hunter Sales Norway
STIAN FLADBY	Hunter Sales Norway
CARL FABIAN FLAATEN	Staff
MARIANNE HARR	Booking Norway
HANS-ERIK WÆRSTED	Customer Care
PÅL SKJOLD	Hunter Sales Norway
LARS HOFFMANN	Hunter Sales Denmark
PETER NOE BYSKOV	Booking Denmark
MARTIN SOMMER NYGAARD	Staff
STURLA SELVIK FJOSE	Hunter Sales Norway
GUSTAV WESTMAN	Hunter Sales Sweden
KATHRINE RESCH-KNUDSEN	Customer Success
CARL ERIK NYQVIST	Booking Sweden
CHRISTOFFER BERGSTRØM	Hunter Sales Norway
CHRISTEN ANDREAS ØYAN	Hunter Sales Norway
LUDVIG NILSSON	Hunter Sales Sweden
JORG NANNESTAD	Customer Success
JOMPE DEHS-THOMAS	Customer Success
MARTIN BEKKE	Hunter Sales Norway
CATHRINE GYNNILD	Customer Success
ANDREAS HEDLUND	Customer Success
ANN KRISTIN BRYHN LARSEN	Hunter Sales Norway
JEREMY FREEMAN	Customer Success
HENRIK RØNNEVIG	Hunter Sales Norway
DION RUDOLPH	Booking Denmark
PETTER WOLDEN	Booking Norway
DANIEL STOLTENBERG- NORDELL	Booking Sweden
LINDA GJELSVIK	Customer Success
NORUNN KORSGÅRDEN	Hunter Sales Norway
STÅLE ELGÅEN	Hunter Sales Norway
JUNE HAGESVEEN	Booking Norway
MARTIN LJØSTAD	Booking Norway
CARSTEN HOLLØSE	Hunter Sales Denmark
CHARLOTTA FORSSTRÖM	Customer Success
ROBERT ELIASSEN	Booking Norway



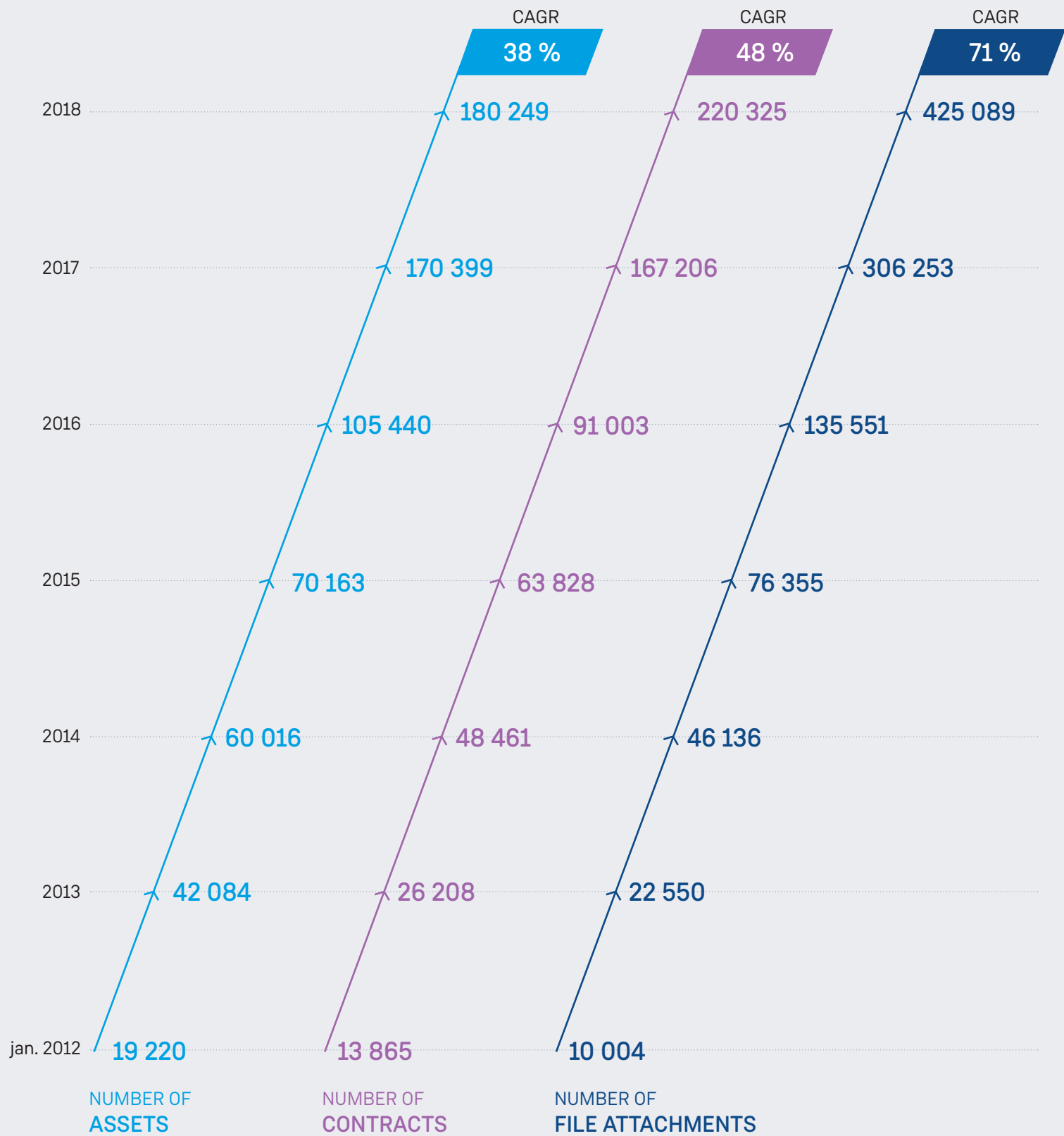


# GLOBAL FOOTPRINT





# BUSINESS MOMENTUM

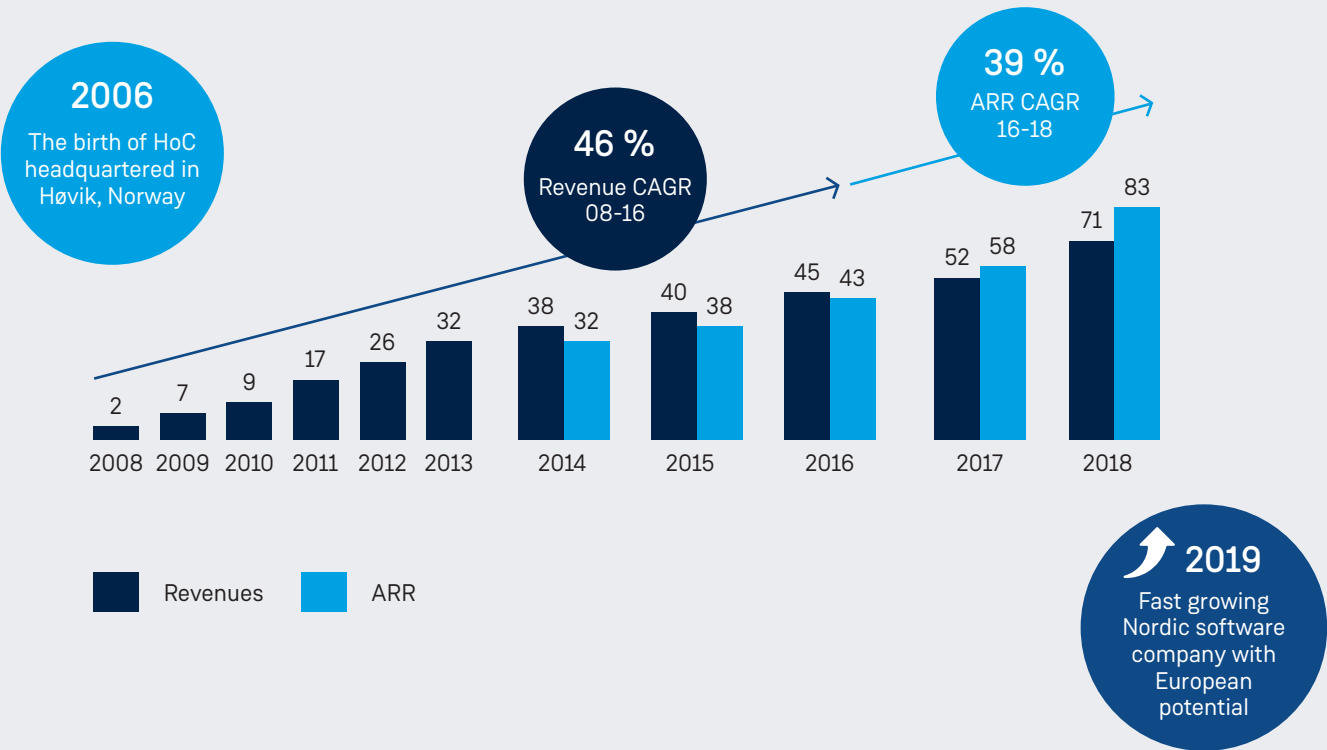




# FINANCIAL HIGHLIGHTS

2006-2013	2014-2016	2017 AND BEYOND
Entrepreneurial development and proof of concept	Professionalize/organize	Geographical expansion
Focus on security labelling and software for control over ICT equipment. Business focus was later transferred to asset, contract and liability management software.	After a successful proof of concept, HoC started building a professional, modern and agile SaaS organization ready to take on future growth in collaboration with Viking Ventures. <ul style="list-style-type: none"><li>• Lean and scalable</li><li>• Professionalized sales process</li><li>• Increasing focus on ARR</li></ul>	Founded on a proven concept and a scalable organization, growth has accelerated in both existing and new markets.

NOKM





**65%**  
YoY SALES  
GROWTH

**62**  
EMPLOYEES

**106%**  
NET RETENTION

**42%**  
ARR PORTFOLIO  
GROWTH





# CONSOLIDATED FINANCIAL STATEMENTS

## HOUSE OF CONTROL GROUP AS

# STATEMENT OF PROFIT AND LOSS

(All amounts in NOK 1000)

	NOTE	2018 (audited)	2017 (audited)
<b>Operating income and operating expenses</b>			
Revenue	12, 14	70 685	52 282
Other operating income		24	47
<b>Total operating income</b>		<b>70 708</b>	<b>52 330</b>
Cost of materials		38	55
Personnel expenses	10, 13	51 692	33 915
Depreciation of operating and intangible assets	1, 2	7 151	7 455
Other operating expenses	13	21 788	15 614
<b>Total operating expenses</b>		<b>80 670</b>	<b>57 039</b>
<b>Operating profit</b>		<b>-9 962</b>	<b>-4 709</b>
<b>Financial income and expenses</b>			
Income from investments in subsidiaries		-	-
Other interest income	15	41	92
Other financial income	15	314	49
Other interest expenses	15	267	227
Other financial expenses	15	2 580	2 173
<b>Net financial items</b>		<b>2 492</b>	<b>2 258</b>
<b>Operating result before tax</b>		<b>-12 453</b>	<b>-6 967</b>
Tax on ordinary result	11	-2 903	-1 102
<b>ANNUAL NET PROFIT</b>		<b>-9 550</b>	<b>-5 865</b>
<b>Brought forward</b>			
Allocated to other equity		-9 550	-5 865
<b>NET BROUGHT FORWARD</b>		<b>-9 550</b>	<b>-5 865</b>



# STATEMENT OF FINANCIAL POSITION

(All amounts in NOK 1000)

	NOTE	2018 (audited)	2017 (audited)
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
<b>Intangible assets</b>			
Deferred tax assets	11	-	-
Goodwill	1	-	-
Research and developement	1	47 495	48 812
<b>Total intangible assets</b>		<b>47 495</b>	<b>48 812</b>
<b>Tangible assets</b>			
Equipment and other movables	2	283	68
<b>Total tangible assets</b>		<b>283</b>	<b>68</b>
<b>Financial fixed assets</b>			
Investments in subsidiaries		-	-
Other long-term receivables		688	307
<b>Total financial fixed assets</b>		<b>688</b>	<b>307</b>
<b>TOTAL FIXED ASSETS</b>		<b>48 465</b>	<b>49 188</b>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>	<b>4</b>	<b>241</b>	<b>279</b>
<b>Debtors</b>			
Accounts receivable	5	6 043	4 024
Other short-term receivables		27 337	15 081
Receivables from group companies		-	-
<b>Total receivables</b>		<b>33 380</b>	<b>19 105</b>
<b>Cash and bank deposits</b>	<b>7</b>	<b>12 434</b>	<b>14 490</b>
<b>Total current assets</b>		<b>46 054</b>	<b>33 874</b>
<b>TOTAL ASSETS</b>		<b>94 519</b>	<b>83 062</b>



# STATEMENT OF FINANCIAL POSITION

(All amounts in NOK 1000)

	NOTE	2018 (audited)	2017 (audited)
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Paid-up equity</b>			
Share capital	8, 9	6 283	6 169
Share premium reserve	8	39 853	37 051
<b>Total paid-in-equity</b>		<b>46 135</b>	<b>43 221</b>
<b>Retained earnings</b>			
Other equity	8	-33 792	-24 903
<b>Total retained earnings</b>		<b>-33 792</b>	<b>-24 903</b>
<b>Total equity</b>		<b>12 344</b>	<b>18 318</b>
<b>LIABILITIES</b>			
<b>Other long-term liabilities</b>			
Other long term liabilities	5	3 600	-
Deferred tax	11	4 685	7 587
<b>Total of other long term liabilities</b>		<b>8 285</b>	<b>7 587</b>
<b>CURRENT DEBT</b>			
Debt to financial institutions	5	-	-
Trade creditors		6 251	3 231
Tax payable	11	-	-
Public duties payable		8 085	4 137
Debt to group companies		-	-
Prepayments from customers		52 283	42 194
Other current debt		7 272	7 594
<b>Total current debt</b>		<b>73 891</b>	<b>57 156</b>
<b>Total debt</b>		<b>82 176</b>	<b>64 744</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>94 519</b>	<b>83 062</b>



# NOTES TO THE ACCOUNTS FOR 2018

## ACCOUNTING PRINCIPLES

### **Basis for preparation**

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

### **Use of estimates**

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

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

Subsidiaries and investments in associate are valued to cost in the company accounts. The investment is valued as the cost of acquiring shares in the subsidiary, providing that a write down is not required. Write down to fair value will be carried out if the reduction in value is caused

by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

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

The purchase method of accounting is applied to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at fair value of the assets given, equity

instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition, irrespective of the extent of any minority interest.

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

The cost of acquisition exceeding the fair value of the Group's share of identifiable net assets acquired, is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement. Inter-company transactions, balances and unrealized gains



on transactions between group companies are eliminated. Unrealized losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed whenever necessary to ensure consistency with the policies adopted by the Group.

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

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

#### **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown as the net of value-added tax, returns, rebates

and discounts and after eliminated sales within the Group. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

#### **License fee for standard software**

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

#### **Maintenance fee for standard software**

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

#### **Rendering of services**

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

#### **Research and development**

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



basis over the estimated useful life of the asset.

#### **Balance sheet classification**

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

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

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

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and short term deposits with an original

maturity of three months or less. Restricted cash related to withholding tax from employees is included as cash and cash equivalents.

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

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

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

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

#### **Inventories**

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



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

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

### **Leased assets**

Leases that provide Fronter with substantially all the rights and

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

### **Pension**

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

### **Currency translation**

#### *Functional and presentation currency*

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

#### *Transactions and balances*

Transactions in a currency other than the functional currency ('foreign currency') are translated into the functional currency using the exchange rates prevailing at the date of trans-



actions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

#### **Short term investments**

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

#### **Income tax**

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it

is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

#### **Share Capital**

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

#### **Cash flow statement**

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

As the Company are following generally accepted accounting principles (GAAP) for small entities in Norway, cash flow statement is not prepared for 2018.



## NOTE 1 – INTANGIBLE ASSETS

(All amounts in NOK 1000)

	WEB	EXCESS VALUE FROM ACQUIRED CUSTOMER CONTRACTS *)	EXCESS VALUE FROM ACQUIRED TECHNOLOGY **)	TOTAL
Purchase cost pr. 01.01.	17 474	27 397	39 173	84 044
Additions	5 804	-	-	5 804
Disposals	-	-	-	-
<b>Purchase cost pr. 31.12.</b>	<b>23 278</b>	<b>27 397</b>	<b>39 173</b>	<b>89 848</b>
Accumulated depreciation 31.12.	9 068	13 699	19 586	42 353
<b>NET BOOK VALUE PR. 31.12.</b>	<b>14 210</b>	<b>13 699</b>	<b>19 586</b>	<b>47 495</b>
Depreciation in the year	464	2 740	3 917	7 121
Estimated useful life	5 years	10 years	10 years	
Depreciation plan	Straight line	Straight line	Straight line	

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

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

Excess value from the acquisition of House of Control AS in 2013 is written down over more than 5 years. For customer contracts this is justified through an observable churn of 10%, which indicates a 10 year depreciation.

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



## NOTE 2 – FIXED ASSETS

(All amounts in NOK 1000)

	BUILDINGS AND LAND	MACHINES, MOVABLES ETC	TOTAL FIXED ASSETS
Purchase cost pr. 01.01.	711	245	957
Additions	-	242	242
Disposals	-	-	-
<b>Purchase cost pr. 31.12.</b>	<b>711</b>	<b>488</b>	<b>1 199</b>
Accumulated depreciation 31.12.	711	205	917
<b>NET BOOK VALUE PR. 31.12.</b>	<b>-</b>	<b>283</b>	<b>283</b>
Depreciation in the year	4	30	34
Expected useful life	5 years	3 years	
Depreciation plan	Straight line	Straight line	
<b>Annual rental of non-financial assets</b>	<b>2018</b>		
Buildings	1 932		

## NOTE 3 – SUBSIDIARIES, ASSOCIATED COMPANIES, AND JOINT VENTURES

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

(All amounts in NOK 1000)

SUBSIDIARIES	LOCATION	OWNERSHIP/ VOTING RIGHT	EQUITY 31.12 (100%)	RESULT IN THE YEAR (100%)	BALANCE SHEET VALUE
House of Control AS	Høvik	100 %	10 949	-1 550	63 600
House of Control DK	Karlsunde	100 %	-1 176	-3 289	5 966
<b>Balance sheet value 31.12.</b>	-	-	-	-	69 566



## NOTE 4 – INVENTORIES

(All amounts in NOK 1000)

	2018	2017
Finished goods of own production	-	-
Purchased finished goods	241	279
<b>Total</b>	<b>241</b>	<b>279</b>

## NOTE 5 – DEBTORS AND LIABILITIES

(All amounts in NOK 1000)

	2018	2017
<b>TRADE DEBTORS</b>		
Trade debtors at nominal value	6 660	4 684
Bad debts provision	-617	-660
<b>Trade debtors in the balance sheet</b>	<b>6 043</b>	<b>4 024</b>
<b>LONG TERM LIABILITIES WHICH FALL DUE LATER THAN 5 YEARS</b>		
Liabilities to credit institution	3 600	
<b>Total</b>	<b>3 600</b>	
<b>BALANCE SHEET VALUE OF ASSETS PLACED AS SECURITY</b>		
Fixed assets		
Inventory		
Trade debtors	23 000	18 000
<b>Total</b>	<b>23 000</b>	<b>18 000</b>



## NOTE 6 – BALANCE WITH GROUP COMPANIES, ETC.

(All amounts in NOK 1000)

	2018	2017
Trade debtor		
Other debtors		459
<b>Total</b>		<b>459</b>
Other long term liabilities		
Other liabilities	22 819	14 922
<b>Total</b>	<b>22 819</b>	<b>14 922</b>

## NOTE 7 – RESTRICTED BANK DEPOSITS, OVERDRAFT FACILITIES

(All amounts in NOK 1000)

	2018	2017
<b>Restricted bank deposits</b>		
Withheld employee taxes	3 703	1 860
<b>Overdraft facilities granted</b>		
Unused bank overdraft	10 000	10 000

## NOTE 8 – SHAREHOLDERS' EQUITY

(All amounts in NOK 1000)

EQUITY CHANGES IN THE YEAR	SHARE CAPITAL	SHARE PREMIUM	OTHER EQUITY	TOTAL
<b>Equity 01.01.</b>	6 169	37 051	-24 903	18 318
Capital increase	114	3 590	-	3 703
Profit for the year	-	-	-9 550	-9 550
Currency effects	-	-	-128	-127
<b>Equity 31.12.</b>	<b>6 283</b>	<b>40 641</b>	<b>-34 581</b>	<b>12 344</b>



## NOTE 9 – SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital of NOK 6 282 750 consists of 628 275 shares with nominal value of NOK 10 each

LIST OF MAJOR SHAREHOLDERS AT 31.12.	NUMBER OF SHARES	OWNERSHIP
Viking Venture 7 AS	328 655	52,3 %
Dunvik AS (controlled by general manager)	100 605	16,0 %
Bjørk Invest AS (Controlled by board member Thorstein Berg)	95 117	15,1 %
Fiwe AS	20 421	3,3 %
Morten Wang	11 472	1,8 %
Fat City AS	10 304	1,6 %
Stian Fladby	7 624	1,2 %
Akkar Invest AS	6 988	1,1 %
Tonje Ettesvoll	6 812	1,1 %
<b>Total</b>	<b>587 998</b>	<b>93,6 %</b>
<b>Other owners (ownership &lt;1%)</b>	<b>40 277</b>	<b>6,4 %</b>
<b>TOTAL NUMBER OF SHARES</b>	<b>628 275</b>	<b>100,0 %</b>

## NOTE 10 – PENSION

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

(All amounts in NOK 1000)

	2018	2017
<b>NET PENSION COST</b>		
Pension cost	771	351
<b>Total</b>	<b>771</b>	<b>351</b>



## NOTE 11 – TAXES

(All amounts in NOK 1000)

CALCULATION OF DEFERRED TAX/DEFERRED TAX BENEFIT		
	2018	2017
<b>TEMPORARY DIFFERENCES</b>		
Fixed assets	-2 753	-1 777
Receivables	-617	-660
Other accrued liabilities	-	-
Net temporary differences	-3 370	-2 437
Tax losses carried forward	-19 225	-12 809
<b>Basis for deferred tax asset</b>	<b>-22 595</b>	<b>-15 245</b>
Deferred tax asset	-4 971	-3 463
Deferred tax asset not shown in the balance sheet	2 333	1 864
Deferred tax from allocated excess value	7 323	9 187
<b>DEFERRED TAX IN THE BALANCE SHEET</b>	<b>4 685</b>	<b>7 587</b>
<b>BASIS FOR INCOME TAX EXPENSE, CHANGES IN DEFERRED TAX AND TAX PAYABLE</b>		
Result before taxes	-12 453	-6 967
Permanent differences	-1 430	-1 195
Basis for the tax expense for the year	-13 883	-8 163
Change in temporary differences	7 584	7 489
<b>BASIS FOR INCOME TAX EXPENSE</b>	<b>0</b>	<b>0</b>
+/- Group contributions received/given	0	0
Change in tax loss carried forward	6 416	674
Currency effect on loss carry forward	-117	0
<b>TAXABLE INCOME (BASIS FOR PAYABLE TAXES IN THE BALANCE SHEET)</b>	<b>0</b>	<b>0</b>
<b>COMPONENTS OF THE INCOME TAX EXPENSE</b>		
Payable tax on this year's result	0	0
Adjustment in respect of priors	0	0
<b>TOTAL PAYABLE TAX</b>	<b>0</b>	<b>0</b>
Change in deferred tax based on original tax rate	-1 159	825
Change in deferred tax due to change in tax rate	120	70
Change in deferred tax	-1 531	-1 598
Change in deferred tax due to change in tax rate	-333	-399
<b>TAX EXPENSE</b>	<b>-2 903</b>	<b>-1 102</b>



(All amounts in NOK 1000)

	2018	2017
<b>RECONCILIATION OF THE TAX EXPENSE</b>		
Result before taxes	-12 453	-6 967
Calculated tax	-2 864	-1 672
Tax expense	-2 903	-1 102
<b>Difference</b>	<b>-39</b>	<b>570</b>
The difference consist of:		
Tax of permanent differences	-329	-212
Change in deferred tax due to change in tax rate	-213	-330
Other differences	503	1 111
<b>Sum explained differences</b>	<b>-39</b>	<b>570</b>
<b>PAYABLES TAXES IN THE BALANCE SHEET</b>		
Payable taxes in the tax charge	0	0
Tax effect of SkatteFUNN	-1 470	-1 346
Tax effect of group contribution	0	0
<b>PAYABLE TAX IN THE BALANCE SHEET</b>	<b>-1 470</b>	<b>-1 346</b>

**SkatteFUNN**

House of Control AS is eligible for public subsidies in form of contribution from the SkatteFUNN scheme. Calculations are as shown above, and in the balance sheet the contribution are presented as notes receivable. The contribution is distributed as a reduction in cost



## NOTE 12 – OPERATING INCOME

(All amounts in NOK 1000)

	2018	2017
Sales income	70 708	52 330
<b>Total</b>	<b>70 708</b>	<b>52 330</b>

(All amounts in NOK 1000)

	2018	2017
<b>GEOGRAPHICAL DISTRIBUTION</b>		
Norway	62 874	47 770
Sweden	3 299	1 802
Denmark	4 536	2 758
Other countries	-	-
<b>Total</b>	<b>70 708</b>	<b>52 330</b>



## NOTE 13 – PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATIONS, LOANS TO EMPLOYEES, ETC.

(All amounts in NOK 1000)

<b>PAYROLL EXPENSES</b>		
	<b>2018</b>	<b>2017</b>
Salaries/wages	40 131	26 289
Social security fees	6 477	4 194
Pension expenses	947	868
Other remuneration	4 137	2 564
<b>TOTAL</b>	<b>51 692</b>	<b>33 915</b>
The number of employees in the accounting year has been		
	52	36
<b>EXPENSED AUDIT FEE</b>		
	<b>HOUSE OF CONTROL GROUP AS</b>	<b>GROUP</b>
Statutory audit (incl. technical assistance with financial statements)	167	282
Other assurance services	166	166
Tax advisory fee (incl. technical assistance with tax return)	0	0
Other assistance (specified below)	141	141
<b>TOTAL AUDIT FEES</b>	<b>474</b>	<b>588</b>

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

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



## NOTE 14 – RELATED-PARTY TRANSACTIONS

(All amounts in NOK 1000)

	2018	2017
<b>TRANSACTIONS WITH RELATED PARTY</b>		
a) Sales of goods and services	496	2 486
b) Purchases of goods and services	496	2 486

## NOTE 15 – SPECIFICATION OF FINANCIAL INCOME AND EXPENSES

(All amounts in NOK 1000)

	2018	2017
<b>FINANCIAL INCOME</b>		
Interest income from group companies	-	-
Other financial income	355	141
<b>Total financial income</b>	<b>355</b>	<b>141</b>
<b>FINANCIAL EXPENSES</b>		
Interest expenses to group companies	-	-
Other financial expenses	2 847	2 400
<b>Total financial expenses</b>	<b>2 847</b>	<b>2 400</b>



## INDEPENDENT AUDITOR'S REPORT



To the General Meeting of House of Control Group AS

### *Independent auditor's report*

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

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##### *Opinion*

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

- The financial statements of the parent company House of Control Group AS (the Company), which comprise the balance sheet as at 31 December 2018, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of House of Control Group AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2018, the income statement and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2018, 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.

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##### *Basis for Opinion*

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

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm





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

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

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

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

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

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


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

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#### *Opinion on Registration and Documentation*

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

Oslo, 31 January 2019  
**PricewaterhouseCoopers AS**

  
Eivind Nilsen  
State Authorised Public Accountant



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HOUSE OF  
CONTROL

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