**Consolidated statement of profit or loss and other comprehensive income**
**For the year ended 31 December**

| | Note | 2021 | 2020 |
|---|---|---|---|
| *(All figures in NOK 1000)* | | | |
| **Continuing operations** | | | |
| Revenues from contracts with customers | 6 | 488 972 | 219 755 |
| Other operating income | 13 | 27 | 0 |
| **Total operating income** | | **488 999** | **219 755** |
| **Operating expenses** | | | |
| Cost of goods sold | | 273 843 | 137 106 |
| Employee benefit expenses | 7 | 77 973 | 43 624 |
| Depreciation and amortisation expense | 11,12,13 | 12 890 | 6 221 |
| Other operating expenses | 7,22 | 61 791 | 20 347 |
| **Total operating expenses** | | **426 497** | **207 298** |
| **Operating result** | | **62 502** | **12 456** |
| **Finance income and expense** | | | |
| Finance income | 8 | 5 115 | 4 726 |
| Finance expense | 8 | 4 983 | 4 486 |
| **Net finance income and expense** | | **133** | **240** |
| **Profit before tax** | | **62 635** | **12 697** |
| Tax expense | 9 | 17 134 | -6 029 |
| **Profit** | | **45 501** | **18 725** |
| **Other comprehensive income** | | | |
| *Items that will or may be reclassified to profit or loss:* | | | |
| Exchange gains arising on translation of foreign operations | | 3 905 | 63 |
| **Total comprehensive income** | | **49 406** | **18 788** |
| **Profit for the year attributable to:** | | | |
| Owners of the parent | | 45 501 | 18 583 |
| Non-controlling interest | | 0 | 142 |
| **Total comprehensive income attributable to:** | | | |
| Owners of the parent | | 49 406 | 18 702 |
| Non-controlling interest | | 0 | 87 |
| **Earnings per share** | | | |
| Basic earnings per shares (in NOK) | 10 | 0,603 | 0,321 |
| Diluted earnings per shares (in NOK) | 10 | 0,595 | 0,320 |

## Consolidated statement of financial position
## As of 31 December 2021, 31 December 2020 and 01 January 2020

| Assets | Note | 2021 | 2020 | 01.01.2020 |
|---|---|---|---|---|
| *(All figures in NOK 1000)* | | | | |
| **Non-current assets** | | | | |
| Deferred tax asset | 9 | 5 468 | 16 394 | 10 365 |
| Intangible assets | 11 | 141 125 | 46 514 | 36 627 |
| Property, plant and equipment | 12 | 5 061 | 2 246 | 1 672 |
| Right-of-use assets | 13 | 15 210 | 1 388 | 2 776 |
| Other non-current assets | | 109 | 82 | 4 003 |
| **Total non-current assets** | | **166 973** | **66 624** | **55 443** |
| **Current assets** | | | | |
| Inventories | 14 | 26 173 | 12 952 | 16 806 |
| Financial Investments | 4 | 183 500 | 221 012 | 0 |
| Trade receivables | 15 | 80 916 | 30 780 | 7 502 |
| Other current assets | | 28 605 | 8 854 | 2 922 |
| **Current assets** | | **319 193** | **273 598** | **27 231** |
| Cash and cash equivalents | 16 | 76 258 | 23 734 | 15 021 |
| **Total Cash and cash equivalents** | | **76 258** | **23 734** | **15 021** |
| **Total current assets** | | **395 451** | **297 332** | **42 252** |
| **Total assets** | | **562 424** | **363 957** | **97 695** |

## Consolidated statement of financial position
## As of 31 December 2021, 31 December 2020 and 01 January 2020

| Equity and liabilities | Note | 2021 | 2020 | 01.01.2020 |
|---|---|---|---|---|
| *(All figures in NOK 1000)* | | | | |
| **Equity** | | | | |
| Share capital | 17 | 475 | 469 | 318 |
| Treasury shares | 17 | 0 | 0 | -5 |
| Share premium | 17 | 355 362 | 323 993 | 95 008 |
| Not registered capital increase | 17 | 3 825 | 0 | 0 |
| Other paid in equity | | 10 633 | 2 931 | 0 |
| Foreign exchange reserve | | 4 093 | 118 | 0 |
| Other reserves | | 20 126 | -21 940 | -42 229 |
| Non controlling interest | | | 87 | |
| **Total equity** | | **394 514** | **305 658** | **53 092** |
| **Liabilities** | | | | |
| Deferred tax | 9 | 5 360 | 0 | 0 |
| Loans and borrowings | 18 | 0 | 3 833 | 7 667 |
| Lease liabilities | 13 | 11 619 | 0 | 1 417 |
| Provisions | 7 | 6 905 | 4 062 | 169 |
| **Total non-current liabilities** | | **23 884** | **7 895** | **9 253** |
| **Current liabilities** | | | | |
| Loans and borrowings | 18 | 3 833 | 3 834 | 3 833 |
| Trade payables | | 66 142 | 32 639 | 18 972 |
| Current lease liabilities | 13 | 3 813 | 1 417 | 1 359 |
| Contingent consideration | 22 | 38 963 | 0 | 0 |
| Income tax payable | 9 | 9 248 | 0 | 0 |
| Other current liabilities | 19 | 22 026 | 12 516 | 11 187 |
| **Total Current liabilities** | | **144 026** | **50 405** | **35 350** |
| **Total liabilities** | | **167 910** | **58 300** | **44 603** |
| **Total equity and liabilities** | | **562 424** | **363 957** | **97 695** |

Stavanger, October 14, 2022

| Stig H. Christiansen (sign)<br>Chairman of the board | Peter Bardenfleth-Hansen(sign)<br>Chief Executive Officer | Christian Rangen(sign)<br>Board member | Pål S. Valseth (sign)<br>Board member |
|---|---|---|---|

## Consolidated statement of changes in equity

*(All figures in NOK 1000)*

| | Note | Share Capital | Treasury shares | Share premium | Not-registered capital | Other paid in capital | Foreign exchange reserve | Other equity | Total equity holders of the parent | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **31 December 2019** | | 318 | -5 | 95 008 | | | | -42 097 | **53 224** | | **53 224** |
| Effect of implementing IFRS | 25 | | | | | | | -132 | -132 | | -132 |
| **1 January 2020** | | **318** | **-5** | **95 008** | | | | **-42 229** | **53 092** | | **53 092** |
| Profit | | | | | | | | 18 583 | 18 583 | 142 | 18 725 |
| Other comprehensive Income | | | | | | | 118 | | 118 | -55 | 63 |
| **Total comprehensive Income for the year** | | | | | | | **118** | **18 583** | **18 702** | **87** | **18 788** |
| Purchase of treasury shares | | | -1 | | | | | -599 | -600 | | -600 |
| Sale of treasury shares | | | 6 | | | | | 2 304 | 2 310 | | 2 310 |
| Capital increase | | 151 | | 228 985 | | | | | 229 136 | | 229 136 |
| Share based payments | 7 | | | | | 2 931 | | | 2 931 | | 2 931 |
| Contributions by and distributions to owners | | 151 | 5 | 228 985 | | 2 931 | | 1 705 | 233 777 | | 233 777 |
| **31 December 2020** | | **469** | **0** | **323 993** | | **2 931** | **118** | **-21 940** | **305 571** | **87** | **305 658** |
| Profit | | | | | | | | 45 501 | 45 501 | | 45 501 |
| Other comprehensive Income | | | | | | | 3 905 | | 3 905 | | 3 905 |
| Total comprehensive Income for the year | | | | | | | 3 905 | 45 501 | 49 406 | | 49 406 |
| Purchase of non controlling interest | | | | | | | | -7 409 | -7 409 | -87 | -7 495 |
| Sale of treasury shares | | | | 0 | | | | 2 998 | 2 998 | | 2 998 |
| Capital increase | | 6 | | 31 369 | 3 825 | | | 350 | 35 550 | | 35 550 |
| Share based payments | 7 | | | | | 8 396 | | | 8 396 | | 8 396 |
| Contributions by and distributions to owners | | 6 | 0 | 31 369 | 3 825 | 8 396 | | -4 061 | 39 536 | -87 | 39 450 |
| **31 December 2021** | | **475** | **0** | **355 362** | **3 825** | **11 327** | **4 023** | **19 500** | **394 512** | | **394 514** |

## Consolidated statement of cash flows
For the year ended 31 December

*(All figures in NOK 1000)*

| | Note | 2021 | 2020 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax | | 62 635 | 12 697 |
| **Adjusted for** | | | |
| Depreciation and amortisation expense | 11,12,13 | 12 890 | 6 221 |
| Gain on right of use assets | 13 | -27 | 0 |
| Finance income | 8 | -4 679 | -4 146 |
| Finance expense | 8 | 3 608 | 3 611 |
| Increase in trade and other receivables | | -10 564 | 3 854 |
| Increase in inventories | | -39 054 | -23 278 |
| Decrease in trade and other payables | | 28 683 | 13 667 |
| Change in other accrual items | | -914 | 3 828 |
| **Cash generated from operations** | | **-10 057** | **3 757** |
| Income tax paid | 9 | 0 | 0 |
| Net cash flows from operating activities | | 52 578 | 16 453 |
| | | | |
| ***Investing activities*** | | | |
| Acquisition of subsidiary, net of cash acquired | 22 | -18 298 | 0 |
| Purchases of property, plant and equipment | 11 | -16 973 | -16 841 |
| Payments to buy other investments | 4 | 40 000 | -220 000 |
| Movement in other interest-bearing items | | -110 | 3 921 |
| **Net cash used in investing activities** | | **4 619** | **-232 920** |
| | | | |
| ***Financing activities*** | | | |
| Repayment of long-term liabilities | 18 | -3 833 | -3 833 |
| Lease liabilities | 13 | -2 901 | -1 359 |
| Interest on lease liabilities | 13 | -436 | -91 |
| Interest on debts and borrowings | | -205 | -385 |
| Purchase of treasury shares and non-controlling interest | | -7 495 | -600 |
| Sale of treasury shares | | 2 998 | 2 312 |
| Proceeds from equity | | 7 200 | 229 136 |
| Dividends paid to the holders of the parent | | 0 | 0 |
| **Net cash (used in)/ from financing activities** | | **-4 673** | **225 180** |
| | | | |
| **Net increase in cash and cash equivalents** | | **52 524** | **8 713** |
| | | | |
| **Cash and cash equivalents at beginning of year** | | **23 734** | **15 021** |
| **Cash and cash equivalents at end of year** | | **76 258** | **23 734** |

# Contents

## 1. Basis of preparation

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out in the following section. The policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements are presented in NOK, which is also the functional currency of the parent.

Amounts are rounded to the nearest thousand, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) which have been adopted by the EU and are mandatory for financial years beginning on or after 1 January 2020. These financial statements are the first financial statements prepared by the Group. Details on the effect from implementing IFRS are disclosed in note 25

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

## Note 2. Accounting policies

***Basis of measurement***

The consolidated financial statements have been prepared on a historical cost basis, except for the following items (refer to individual accounting policies for details):

- Financial investments – fair value through profit or loss
- Contingent consideration - fair value through profit or loss

**Accounting policies – Revenue**

*Performance obligations and timing of revenue recognition*

The majority of the group's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Some goods sold by the group include warranties which require the group to either replace or mend a defective product during the warranty period if the goods fail to comply with agreed-upon specifications. In accordance with IFRS 15, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them.

*Determining the transaction price*

The group's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

*Allocating amounts to performance obligations*

For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

***Basis of consolidation***

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of profit and loss from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

***Goodwill***

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Direct costs of acquisition are recognised immediately as an expense.

***Impairment of non-financial assets (excluding inventories and deferred tax assets)***

Impairment tests on goodwill are performed annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash inflows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss. An impairment loss recognised for goodwill is not reversed.

***Foreign currency***

Transactions in foreign currency are converted at the exchange rate at the time of the transaction. Monetary items in foreign currency are converted into NOK using the statement of financial position date's exchange rate. Non-monetary items measured at historical exchange rates expressed in foreign currency are converted into NOK using the exchange rate at the time of the transaction. Gains and losses from exchange rate changes are recognized in the income statement on an ongoing basis during the accounting period.

Assets and liabilities in foreign operations are converted into NOK using the balance sheet date's currency rate. Revenues and expenses in foreign operations converted into NOK using quarterly average currency rates. The translation difference because of the conversion of foreign operations is recognised in other comprehensive income. Accumulated translation differences in equity are recycled into profit and loss upon divestment of foreign operations.

***Financial assets***

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

*Fair value through profit or loss*

This category comprises investment in financial investments in interest rate funds. They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance income or expense line.

***Amortised cost***

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. Apart from trade receivables the assets are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company's financial assets measured at amortised cost comprise trade receivables, other current receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

***Financial liabilities***

The Group classifies its financial liabilities into one of two categories, the Group's accounting policy for each category is as follows:

***Fair value through profit or loss***

This category comprises contingent consideration. Contingent consideration is carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income. Other than the contingent consideration, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

***Other financial liabilities***

Other financial liabilities include the following items:

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

***Share capital***

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group's ordinary shares are classified as equity instruments.

***Defined contribution schemes***

Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

***Share-based payments***

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period.

Employer contribution payable is accrued over the vesting period based on the intrinsic value of the options.

***Leases***

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease; and
- initial direct costs incurred

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss

***Externally acquired intangible assets***

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

***Internally generated intangible assets (development costs)***

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold
- adequate resources are available to complete the development
- there is an intention to complete and sell the product
- the Group is able to sell the product
- sale of the product will generate future economic benefits, and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is included within the "Depreciation and amortization expense" in the consolidated statement of comprehensive income.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of comprehensive income as incurred.

***Dividends***

Dividends are recognised when they become legally payable.

***Taxes***

The tax expense in the Consolidated statement of profit and loss includes both current tax payable and changes in deferred tax/deferred tax assets.

Current tax constitutes the expected tax payable on the year's taxable result at the applicable tax rates on the balance sheet date and any corrections of tax payable for previous years.

Tax payable and deferred tax/deferred tax assets are calculated at the tax rate applicable in different jurisdictions.

Deferred tax/deferred tax assets are calculated on the basis of the temporary differences that exist between accounting and tax bases of assets and liabilities, as well as tax losses carried forward at year end. Net deferred tax assets are recognized to the extent that there is convincing evidence that there will be taxable income available to utilize the deferred tax asset.

***Property, plant and equipment***

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives.

***Treasury shares***

Consideration paid/received for the purchase/sale of treasury shares is recognised directly in equity. Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

***Inventories***

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

***Government grants***

Government grants received on capital expenditure are generally deducted in arriving at the carrying amount of the asset purchased. Grants for expenditure are netted against the cost incurred by the Group. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the consolidated statement of comprehensive income or netted against the asset purchased.

***Provisions***

The group has recognised provisions for liabilities of uncertain timing or amount including those for warranty claims, leasehold dilapidations and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

**Note 3. Critical accounting estimates and judgements**

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Estimates and assumptions**

- Impairment of goodwill – Estimate of future cash flows and determination of the discount rate. (Note 9).
- Fair value measurement of asset and liabilities in business combinations (Note 22)

**Note 4. Financial instruments - Risk Management**

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Foreign exchange risk
- Other market price risk, and
- Liquidity risk.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

***(i) Principal financial instruments***

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade receivables
- Other receivables
- Cash and cash equivalents
- Investments in funds
- Trade and other payables
- Bank overdrafts
- Floating-rate bank loans

### *(ii) Financial instruments by category*

| 31.12.2021 | *Financial assets at fair value* | *Financial asset at amortized cost* | *Financial liabilities at fair value* | *Financial liabilities at amortized cost* | **Total** |
|---|---|---|---|---|---|
| *(All figures in NOK 1 000)* | | | | | |
| ***Assets*** | | | | | |
| Investments | 183 500 | | | | 183 500 |
| Other non-current assets | - | 109 | | | 109 |
| Trade receivables and other receivables | - | 80 916 | | | 80 916 |
| Other current receivables | - | 28 605 | | | 28 605 |
| Cash | - | 76 258 | | | 76 258 |
| ***Liabilities*** | | | | | |
| Loans and borrowings | | | | 3 833 | 3 833 |
| Trade payables | | | | 66 142 | 66 142 |
| Contingent consideration | | | 38 963 | | 38 963 |
| Other current liabilities | | | | 22 026 | 22 026 |
| Net financial assets and liabilities at 31 december 2021 | 183 500 | 185 887 | 38 963 | 92 002 | 238 422 |

| 31.12.2020 | *Financial assets at fair value* | *Financial asset at amortized cost* | *Financial liabilities at fair value* | *Financial liabilities at amortized cost* | **Total** |
|---|---|---|---|---|---|
| *(All figures in NOK 1 000)* | | | | | |
| ***Assets*** | | | | | |
| Investments | 221 012 | | | | 221 012 |
| Other non-current assets | - | 82 | | | 82 |
| Trade receivables and other receivables | - | 30 780 | | | 30 780 |
| Other current receivables | - | 7 273 | | | 7 273 |
| Cash | - | 25 321 | | | 25 321 |
| ***Liabilities*** | | | | | |
| Loans and borrowings | | | | 7 667 | 7 667 |
| Trade payables | | | | 32 639 | 32 639 |
| Contingent consideration | | | | - | 0 |
| Other current liabilities | | | | 12 516 | 12 516 |
| Net financial assets and liabilities at 31 december 2020 | 221 012 | 63 456 | - | 52 822 | 231 646 |

### *(iii) Financial instruments not measured at fair value*

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables approximates their fair value.

### *(iv) Financial instruments measured at fair value*

Investments are measured based on observable inputs at level 2 in the fair value hierarchy. As of 31.12.2021 the contingent consideration is measured based on observable input at level 2 in the fair value hierarchy.

### *General objectives, policies and processes*

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

***Credit risk***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

Further disclosures regarding trade and other receivables are provided in note 15.

***Market risk***

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

***Interest rate risk***

The Group’s interest rate risk arises in both the short and medium-term perspective as The Group’s borrowings is held at floating interest rates. Changes in the interest rate level will have a direct impact on future cash flows and can also affect future investment opportunities.

Borrowings have been at a low level. Therefore, no measures implemented towards reducing the exposure towards interest rate risk.

***Foreign exchange risk***

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency.

As of 31 December the Group's net exposure to foreign exchange risk was limited.

***Other market price risk***

Part of The Group’s liquidity reserve is invested in financial instruments considered to have a low risk profile. The directors believe that the exposure to market price risk from this activity is acceptable in the Group's circumstances.

As of 31.12. the group holds the following investment in funds:

| | 2021 | 2020 |
|---|---|---|
| DNB High Yield D | 22 238 | 20 563 |
| DNB Obligasjon E | 80 182 | 100 213 |
| DNB Likviditet Institusjon | 81 080 | 100 236 |
| | 183 500 | 221 012 |

The effect of a 10% increase in the value of the investments held at the reporting date would, all other variables held constant, have resulted in an increase in the fair value through profit or loss and net assets of tNOK 18 350 (2020: tNOK 22 101). A 10% decrease in their value would, on the same basis, have decreased the fair value through profit or loss and net assets by the same amount.

***Liquidity risk***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Groups approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups reputation.

The table below shows the maturity structure of the Group's financial liabilities

| | | Cash flows including interest | | | |
|---|---|---|---|---|---|
| **31.12.2021** | **Carrying amount** | **Within 1 year** | **1-2 years** | **2-4 years** | **After 5 years** |
| *(All figures in NOK 1 000)* | | | | | |
| Debt to financial institutions | 3 833 | 3 936 | | | |
| Trade payables | 66 142 | 66 142 | | | |
| Contingent consideration | 38 963 | 40 000 | | | |
| Other short term liabilities | 22 026 | 22 026 | | | |
| **Total** | **130 965** | **132 105** | | | |

| | | Cash flows including interest | | | |
|---|---|---|---|---|---|
| **31.12.2020** | **Carrying amount** | **Within 1 year** | **1-2 years** | **2-4 years** | **After 5 years** |
| *(All figures in NOK 1 000)* | | | | | |
| Debt to financial institutions | 7 667 | 4 141 | 3 936 | | |
| Trade payables | 32 639 | 32 639 | | | |
| Contingent consideration | | | | | |
| Other short term liabilities | 12 516 | 12 516 | | | |
| **Total** | **52 822** | **49 296** | 3 936 | | |

***Capital Disclosures***

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

**Note 5 Segment information**

The Group consists of several legal entities where most of the entities are established to handle sales in a specific country. For management purposes, financial information is reported to the group management based on a legal entity basis. The group management is identified as the chief operating decision maker. Based on the internal reporting the following reportable segments are identified.

**Zaptec Charger AS**
This segment is involved in the sale of Zaptec products in Norway, and to customers in other countries where the Group has not established an entity or sales organization. Zaptec Charger AS also handles procurement of goods and internal sales.

**Zaptec Sweden AB**
This segment is involved in the sale and distribution of Zaptec products in Sweden.

**Novavolt AG**
This segment is involved in the sale and distribution of Zaptec products in Switzerland.

**Other**
Consist of all other legal entities in the group.

| 2021 | Zaptec Charger AS | Zaptec Sweden AB | Novavolt AG | Other | Adjustments and eliminations | Total |
|---|---|---|---|---|---|---|
| Revenues from contracts with customers | 344 072 | 74 047 | 65 884 | 4 969 | 0 | 488 972 |
| Revenues from internal sales | 88 736 | 0 | 0 | 0 | -88 736 | 0 |
| Other operating income | 0 | 0 | 0 | 0 | 27 | 27 |
| **Total Operating income** | **432 808** | **74 047** | **65 884** | **4 969** | **-88 709** | **488 999** |
| | | | | | | |
| **Operating expenses** | | | | | | 0 |
| Cost of goods sold | 268 030 | 53 083 | 35 922 | 549 | -83 740 | 273 843 |
| Employee benefit expenses | 50 432 | 4 175 | 7 720 | 13 005 | 2 640 | 77 973 |
| Depreciation and amortisation expense | 6 100 | 0 | 10 | 1 806 | 4 975 | 12 890 |
| Other operating expenses | 45 686 | 6 326 | 1 426 | 13 072 | -4 718 | 61 791 |
| **Total operating expenses** | **370 248** | **63 584** | **45 078** | **28 431** | **-80 844** | **426 498** |
| | | | | | | |
| **Operating result** | **62 561** | **10 464** | **20 806** | **-23 462** | **-7 866** | **62 502** |

| 2020 | Zaptec Charger AS | Zaptec Sweden AB | Novavolt AG | Other | Adjustments and eliminations | Total |
|---|---|---|---|---|---|---|
| Revenues from contracts with customers | 196 588 | 20 565 | 0 | 2 410 | 0 | 219 563 |
| Revenues from internal sales | 15 203 | 0 | 0 | 0 | -15 203 | 0 |
| Other operating income | 0 | 0 | 0 | 192 | 0 | 192 |
| **Total Operating income** | **211 791** | **20 565** | **0** | **2 602** | **-15 203** | **219 755** |
| | | | | | | |
| **Operating expenses** | | | | | | |
| Cost of goods sold | 136 347 | 14 289 | 0 | 475 | -14 005 | 137 106 |
| Employee benefit expenses | 40 821 | 2 799 | 0 | -5 | 0 | 43 615 |
| Depreciation and amortisation expense | 4 237 | 0 | 0 | 1 381 | 612 | 6 230 |
| Other operating expenses | 17 975 | 2 108 | 0 | 2 874 | -2 610 | 20 347 |
| **Total operating expenses** | **199 380** | **19 196** | **0** | **4 724** | **-16 002** | **207 299** |
| | | | | | | |
| **Operating result** | **12 410** | **1 369** | **0** | **-2 122** | **799** | **12 456** |

**Adjustments and eliminations**

The Group evaluates segmental performance on the basis of profit or loss from operations calculated based on local financial statements. Adjustments for IFRS 16 and eliminations are included in the column adjustments and eliminations.

Finance costs and finance income are not allocated to individual segments as the underlying instruments are managed on a group basis. Similarly, depreciation and amortisation excess values from business combinations are not allocated to individual segments as the underlying assets are managed on a group basis.

Current taxes and deferred taxes are not allocated to those segments as they are also managed on a group basis. Capital expenditure consists of additions of property, plant and equipment, intangible assets and right of use assets.

Inter-segment revenues are eliminated on consolidation.

## Note 6 Revenues from contracts with customers

*Disaggregation of Revenue*

The Group has disaggregated revenue into various categories in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date; and
- enable users to understand the relationship with revenue segment information provided in note 5.

Set out below is the disaggregation of the Group's revenue from contracts with customers:

| | For the year ended 31 December 2021 | | | | |
|---|---|---|---|---|---|
| **Segments** | **Zaptec Charger AS** | **Zaptec Sweden AB** | **Novavolt** | **Other** | **Total** |
| Product sales | 344 072 | 74 047 | 65 884 | 2 169 | 486 172 |
| Other | - | - | - | 2 800 | 2 800 |
| **Total revenue** | 344 072 | 74 047 | 65 884 | 4 969 | 488 972 |

| | | | | | |
|---|---|---|---|---|---|
| **By business area** | | | | | |
| **Geographical distribution** | | | | | |
| Norway | 236 067 | - | - | 3 799 | 239 866 |
| Sweden | 7 173 | 74 047 | - | - | 81 220 |
| Switzerland | - | - | 65 884 | - | 65 884 |
| Denmark | 40 072 | - | - | - | 40 072 |
| Iceland | 10 999 | - | - | - | 10 999 |
| Europe | 49 627 | - | - | 1 171 | 50 797 |
| Other | 133 | - | - | - | 133 |
| **Total** | **344 072** | **74 047** | **65 884** | **4 969** | **488 972** |

| | | | | | |
|---|---|---|---|---|---|
| **Timing of revenue recognition** | | | | | |
| Goods transferred at a point in time | 344 072 | 74 047 | 65 884 | 2 169 | 486 172 |
| Goods and services transferred over time | - | - | - | 2 800 | 2 800 |
| **Total revenue** | **344 072** | **74 047** | **65 884** | **4 969** | **488 972** |

| | For the year ended 31 December 2020 | | | | |
|---|---|---|---|---|---|
| **Segments** | **Zaptec Charger AS** | **Zaptec Sweden AB** | **Novavolt** | **Other** | **Total** |
| Product sales | 196 588 | 20 565 | 0 | 1 331 | 218 484 |
| Other | 0 | 0 | 0 | 1 271 | 1 271 |
| **Total revenue** | 196 588 | 20 565 | 0 | 2 602 | 219 755 |
| | | | | | |
| **Geographic information** | | | | | |
| Norway | 154 958 | 0 | 0 | 2 602 | 157 560 |
| Sweden | 41 629 | 20 565 | 0 | 0 | 62 195 |
| **Total revenue** | 196 588 | 20 565 | 0 | 2 602 | 219 755 |
| | | | | | |
| **Timing of revenue recognition** | | | | | |
| Goods transferred at a point in time | 196 588 | 20 565 | | 1 331 | 218 484 |
| Goods and services transferred over time | | | | 1 271 | 1 271 |
| **Total revenue** | 196 588 | 20 565 | 0 | 2 602 | 219 755 |

## Note 7 Employee benefit expenses

| | 2021 | 2020 |
|---|---|---|
| Salaries | 45 049 | 25 619 |
| Share based payment expense | 8 399 | 2 928 |
| Payroll tax | 14 414 | 10 506 |
| Other benefits | 10 111 | 4 572 |
| **Total** | **77 973** | **43 624** |
| | | |
| Average full-time employees | 59 | 34 |

**Management remuneration**

| 2021 | Board of directors | Chief executive officer | Chief financial officer |
|---|---|---|---|
| Salaries | 747 | 3 165 | 1 825 |
| Bonus | 0 | 0 | 0 |
| Share base payment expense | 5 900 | 1 363 | 454 |
| Other benefits | 0 | 18 | 14 |
| **Total** | **6 647** | **4 547** | **2 293** |

| 2020 | Board of directors | Chief executive officer | Chief financial officer |
|---|---|---|---|
| Salaries | 747 | 2 495 | 2 |
| Bonus | 0 | 1 500 | 0 |
| Share base payment expense | 0 | 1 597 | 532 |
| Other benefits | 0 | 19 | 14 |
| **Total** | **747** | **5 612** | **548** |

## Pension

The group is required to provide an occupational pension scheme pursuant to the Act relating to Mandatory Occupational Pensions. The group's pension schemes comply with the requirements under that law. This year's pension cost of NOK 2 521 785 is recognised in the consolidated statement of profit and loss and included in Other benefits.

**Remuneration to auditors**

| | 2021 | 2020 |
|---|---|---|
| Statutory audit | 306 | 170 |
| Other non-auditing services | 435 | 302 |
| **Total** | **741** | **472** |

All amounts exclude VAT.

**Loans and guarantees to management and leading employees**
The group does not have any loans or guarantees to management and leading employees.

**Share-based compensation**
The company operates two equity-settled share-based remuneration schemes for key management.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | **Weighted average exercise price** | **Number** | **Weighted average exercise price** | **Number** |
| Oustanding at 1 January | 12.58 | 1 750 000 | 1.84 | 3 670 000 |
| Granted during the year | 11.25 | 300 000 | 13.25 | 1 650 000 |
| Forfeited during the year | | | | |
| Excercied during the year | 10.29 | 700 000 | 1.85 | 3 570 000 |
| Lapsed during the year | | | | |
| Outstanding at 31 December | 13.47 | 1 350 000 | 12.58 | 1 750 000 |
| Vested at 31 December | | 650 000 | | 650 000 |

The following information is relevant in the determination of the fair value of options granted during the year:

| | 2021 | 2020 |
|---|---|---|
| Option pricing model used | **Black-Scholes** | **Black-Schole** |
| Share price at date of grant | 40 | 11 |
| Strike | 11.25 | 11.25-15.25 |
| Contractual life (in days) | 593 | 1 547 |
| Expected life (in days) | 486 | 956 |
| Expected volatility | 78 % | 66 % |
| Risk-free interest rate | 0,4%-0,6% | 0%-0,3% |
| Fair value at grant date (average) | 29.25 | 3.76 |

As of 31.12.2021 The Group had employee stock options agreements with 4 employees, former CEO Anders Thingbø, CFO Kurt Østrem, CTO Knut Braut og Kurt Aadnøy in Zaptec Charger. The agreements have vesting periods ranging from 12-24 months from October 2020, they grant the employees purchase rights of 1.100.000 shares at a share price ranging from NOK 11,25 to NOK 15,25.

During the 2021, Zaptec AS established stock options agreements with 2 board members, Stig Harry Christiansen (chairman) and Peter B. Hansen (board member). The agreements have vesting periods ranging for 6,4 - 18,4 months from 18.06.2021, they grant the board members purchase rights of 300 000 shares at a share pricing of NOK 11,25.

***The table below is an overview of the share option agreements as of 31.12.2021:***

| **Name** | **Role** | **Share options** | **Strike (NOK)** | **Vesting period end** | **Expiration date** |
|---|---|---|---|---|---|
| Anders Thingbø | CEO | 300 000 | 13,25 | 06.10.2021 | 31.12.2024 |
| Anders Thingbø | CEO | 300 000 | 15,25 | 06.10.2022 | 31.12.2024 |
| Kurt Østrem | CFO | 100 000 | 11,25 | 06.10.2020 | 31.12.2024 |
| Kurt Østrem | CFO | 100 000 | 13,25 | 06.10.2021 | 31.12.2024 |
| Kurt Østrem | CFO | 100 000 | 15,25 | 06.10.2022 | 31.12.2024 |
| Knut Braut | CTO | 100 000 | 15,25 | 06.10.2022 | 31.12.2024 |
| Kurt Aadnøy | | 50 000 | 15,25 | 06.10.2022 | 31.12.2024 |
| Stig H. Christiansen | Chairman | 50 000 | 11,25 | 31.12.2021 | 01.02.2023 |
| Stig H. Christiansen | Chairman | 50 000 | 11,25 | 31.12.2022 | 01.02.2023 |
| Peter B. Hansen | Board member | 100 000 | 11,25 | 31.12.2021 | 01.02.2023 |
| Peter B. Hansen | Board member | 100 000 | 11,25 | 31.12.2022 | 01.02.2023 |

***The table below is an overview of the share option agreements as of 31.12.2020:***

| **Name** | **Role** | **Share options** | **Strike (NOK)** | **Vesting period end** | **Expiration date** |
|---|---|---|---|---|---|
| Anders Thingbø | CEO | 300 000 | 13,25 | 06.10.2021 | 31.12.2024 |
| Anders Thingbø | CEO | 300 000 | 15,25 | 06.10.2022 | 31.12.2024 |
| Anders Thingbø | CEO | 300 000 | 11,25 | 06.10.2020 | 31.12.2024 |
| Kurt Østrem | CFO | 100 000 | 11,25 | 06.10.2020 | 31.12.2024 |
| Kurt Østrem | CFO | 100 000 | 13,25 | 06.10.2021 | 31.12.2024 |
| Kurt Østrem | CFO | 100 000 | 15,25 | 06.10.2022 | 31.12.2024 |
| Knut Braut | CTO | 100 000 | 11,25 | 06.10.2020 | 31.12.2024 |
| Knut Braut | CTO | 100 000 | 13,25 | 06.10.2021 | 31.12.2024 |
| Knut Braut | CTO | 100 000 | 15,25 | 06.10.2022 | 31.12.2024 |
| Kurt Aadnøy | | 50 000 | 11,25 | 06.10.2020 | 31.12.2024 |
| Kurt Aadnøy | | 50 000 | 13,25 | 06.10.2021 | 31.12.2024 |
| Kurt Aadnøy | | 50 000 | 15,25 | 06.10.2022 | 31.12.2024 |

During the year(2021) 700 000 options was exercised, subscription amount was NOK 7 200 000.

The employees have not paid any premium when acquiring the options. A provision is made for future obligations related to employer contribution from the option program. The provision is based on the intrinsic value of the options as of year-end and proportional to the vesting of the option granted. As of 31.12.2021 the provision for employer contribution is NOK 6 905 000 (NOK 4 062 000 for 2020).

## Note 8 Finance income and expense

| ***Finance income*** | **2021** | **2020** |
|---|---|---|
| Interest income | 33 | 181 |
| Gain on investments | 4 679 | 4 146 |
| **Other finance income** | 403 | 399 |
| **Total finance income** | **5 115** | **4 726** |

| ***Finance expense*** | **2021** | **2020** |
|---|---|---|
| Interest on debts and borrowings | 205 | 385 |
| Interest from leases | 436 | 91 |
| Other interest paid | 587 | 573 |
| Loss on investments | 1 930 | 3 135 |
| Unwinding of discount on contingent consideration | 1 037 | |
| Other finance expense | 788 | 302 |
| **Total finance expense** | **4 983** | **4 486** |

## Note 9 Income tax

| | 2021 | 2020 |
|---|---|---|
| *(All figures in NOK 1 000)* | | |
| **Income tax expense:** | | |
| Current income tax | 6 792 | 0 |
| Correction of previous years current income taxes | 0 | 0 |
| Changes in deferred tax | 10 341 | -6 029 |
| **Total income tax expense** | **17 134** | **-6 029** |

| **Temporary differences and tax positions** | **2021** | **2020** |
|---|---|---|
| Intangible assets | **-24 365** | **0** |
| Property plant and equipment | **4 873** | **3 104** |
| Inventories | **223** | **603** |
| Receivables | **724** | **406** |
| Profit and loss account | **0** | **0** |
| Provisions | **7 282** | **4 317** |
| Other differences | **305** | **29** |
| **Total temporary differences and tax positions** | **-10 959** | **8 459** |
| Tax losses carried forward | 23 287 | 76 806 |
| Temporary differences and tax positions not included in the basis for deferred tax | **-11 840** | **-10 745** |
| Basis for deferred tax | 488 | 74 520 |
| **Net deferred tax asset** | **107** | **16 394** |

There is no time limit of the tax losses carried forward. Tax losses not included in the basis for deferred tax relates to subsidiaries where there a still uncertainty about the availability of future tax income that can utilise these losses.

| **Specification in the statement of financial position** | | |
|---|---|---|
| Deferred tax asset | 5 468 | 16 394 |
| Deferred tax | 5 360 | 0 |
| **Net deferred tax** | **107** | **16 394** |

| **Tax payable in the statement of financial position** | | |
|---|---|---|
| Current income tax payable | 6 860 | 0 |
| Tax payable from result before acquisition | 2 388 | 0 |
| **Net tax payable** | **9 248** | **0** |

| Reconciliation of effective tax rate | 2021 | 2020 |
|---|---|---|
| *(All figures in NOK 1 000)* | | |
| Result before tax | 62 635 | 12 697 |
| Income tax based on applicable tax rate (22%) | 13 780 | 2 793 |
| Effect from foreign currency and different tax rates | -119 | 0 |
| Tax effect from result before acquistions | 0 | 0 |
| Changes in not recognized tax loss carried forward | 241 | -9 727 |
| Not deductible expenses employee share options | 1 848 | 209 |
| Note deductible expenses | 1 554 | 961 |
| Tax loss in foreging subsidiaries | 0 | 0 |
| Goodwill | 0 | 0 |
| Not taxable income | -169 | -264 |
| **Income tax expense** | **17 134** | **-6 029** |
| Effective tax rate | 27,4 % | -47,5 % |

## Note 10 Earnings per share

Basic earnings per share is based on the earnings attributable to shareholders of the company and the weighted average number of ordinary shares outstanding for the year, less ordinary shares purchased by the company and held as treasury shares.

*All numbers are presented in NOK 1.000 with the exeption of earnings per share and number of shares*

| **Earnings per share** | **2021** | **2020** |
|---|---|---|
| Net profit or loss for the year attributable to owners of the parent company | 45 501 | 18 583 |
| Adjustments for basic earnings: | - | - |
| Earnings used in basic EPS | 45 501 | 18 583 |
| Adjustments for diluted earnings: | - | - |
| Earnings used in diluted EPS | 45 501 | 18 583 |
| | | |
| No. Of shares outstanding as at 1 Jan | 75 009 678 | 50 909 678 |
| Share issue during the year | 1 000 000 | 24 100 000 |
| | | |
| Share issue december 20 | | |
| No. Of shares outstanding as at 31 Dec | 76 009 678 | 75 009 678 |
| **Weigthed average number of shares outstanding through the year used in basic EPS** | **75 511 533** | **57 895 432** |
| | | |
| *Potential shares relating to:* | | |
| *Emplyee share options* | 923 925 | 112 336 |
| | | |
| **Weighted average number of shares used in diluted EPS** | 76 435 458 | 58 007 768 |
| | | |
| Basic earnings per shares (in NOK) | 0,603 | 0,321 |
| Diluted earnings per shares (in NOK) | 0,595 | 0,320 |

## Note 11 Intangible assets

| *(All figures in NOK 1 000)* | R&D / Patents | Goodwill | Customer relations | Webshop | Total Intangible Assets |
|---|---|---|---|---|---|
| **Cost as of 31.12.2019** | 77 096 | | | 371 | 77 467 |
| Additions | 14 038 | | | - | 14 038 |
| **Cost as of 31.12.2020** | 91 134 | - | | 371 | 91 505 |
| Additions | 12126 | | | 378 | 12 505 |
| Additions business combinations | | 60 419 | 25 939 | | 86 358 |
| Foreign currency effects | | 2 641 | 1 134 | | 3 775 |
| **Cost as of 31.12.2021** | 103 260 | 63 061 | 27 073 | 749 | 194 143 |
| | | | | | |
| **Accumulated amortisation and impairments as of 31.12.2019** | 40 839 | - | | - | 40 839 |
| Amortisation charge | 4 151 | - | | - | 4 151 |
| Disposals | - | | | | - |
| Foreign currency effects | - | | | | - |
| **Accumulated amortisation and impairments as of 31.12.2020** | 44 990 | - | - | - | 44 990 |
| Amortisation charge | 5 320 | - | 2 660 | | 7 980 |
| Disposals | | | | | - |
| Foreign currency effects | | | 47 | | 47 |
| **Accumulated amortisation and impairments as of 31.12.2021** | 50 310 | - | 2 707 | - | 53 017 |
| | | | | | |
| **Carrying amount as of 31.12.2019** | **36 257** | **-** | | **371** | **36 627** |
| **Carrying amount as of 31.12.2020** | **46 143** | **-** | | **371** | **46 514** |
| **Carrying amount as of 31.12.2021** | **52 950** | **63 061** | **24 366** | **749** | **141 125** |
| | | | | | |
| Expected economic life | 0-10 years | Indefinte | 5 years | | |
| Amortization plan | Linear | | Linear | | |

Intangible assets relate to capitalized development and the purchase of customer relationships. The amortization period is based on the best estimate for useful life for the assets.

The goodwill and customer relationships are allocated to the Novavolt CGU for the impairment test.

| **Goodwill assets by segment or CGU as** | **Goodwill** | | **Total** |
|---|---|---|---|
| **Novavolt** | **63 061** | | **63 061** |
| **Total as of 31.12.21** | **63 061** | **-** | **63 061** |

**Impairment test of goodwill and intangible assets**

Goodwill is allocated to the Group's cash flow generating units as shown above. The recoverable amount of the cash-generating units is calculated based on the value of the asset for the business (value of use).

The impairment tests are based budgets for next year with a projection based on long-term strategic plans. Management has set budgeted figures for 2022 based on previous performance and expectations for market developments. Growth rates for the period 2023 - 2026 are in accordance with management's long-term plan and are used as projections of budgeted figures for 2022. After 2022, 2% perpetual growth is based on cash flows in the year 2025. The discount rate used is after tax and reflects specific risks to the relevant operating segment/CGU.

**Impairment test of Novavolt CGU**
The Novavolt CGU consist of all operations in the Novavolt AG and is identical to the Novavolt segment. The impairment test shows that the calculated value in use estimated usage value is higher than the carrying amount. In the calculation, is based on a model with budgeted/projected cash flows for a period of five years with residual value after year five. The cash flows estimate includes estimated annual growth in revenues based on business plan from the acquisition, which is reduced to a 2.0% perpetual growth from year 6. A WACC of 11,7% after tax is used for the value in use calculation.

**Sensitivity**

The management do not believe that any reasonable change in a key assumption would cause the CGU's recoverable amount to fall below the carrying amount.

## Note 12 Property, plant and equipment

| *(All figures in NOK 1 000)* | **Total Equipment** |
|---|---|
| **Cost as of. 31.12.2019** | 2 633 |
| Additions | 1 260 |
| Disposals | - |
| Foreign currency effects | - |
| **Cost as of 31.12.2020** | 3 893 |
| Additions | 4 468 |
| Additions business combinations | 53 |
| Disposals | - |
| Foreign currency effects | - |
| **Cost as of 31.12.2021** | 8 415 |
| | |
| **Accumulated depreciation and impairments as of 31.1** | 966 |
| Depreciation | 681 |
| Impairments | - |
| Foreign currency effects | - |
| **Accumulated depreciation and impairments as of 31.1** | 1 647 |
| Depreciation | 1 497 |
| Impairments | 211 |
| Disposals | |
| Foreign currency effects | - |
| **Accumulated depreciation and impairments as of 31.1** | 3 355 |
| | |
| **Carrying amount as of 31.12.2019** | **1 671** |
| **Carrying amount as of 31.12.2020** | **2 246** |
| **Carrying amount as of 31.12.2021** | **5 061** |
| | |
| Economic life | 0 - 10 year |
| Depreciation method | Linear |

## Note 13 Right of use assets and lease liabilities

| Right of use assets | Veichles | Land and buildings | Other | Total |
|---|---|---|---|---|
| At 1 January 2020 | | 2 776 | | 2 776 |
| Additions | | | | 0 |
| Disposals | | | | |
| Amortisation | | -1 388 | | -1 388 |
| Foreign currency effects | | | | |
| **At 31 December 2020** | **0** | **1 388** | **0** | **1 388** |
| | | | | |
| At 1 January 2021 | - | 1 388 | 0 | 1 388 |
| Additions | 506 | 16 844 | | 17 350 |
| Disposals | | -1 041 | | -1 041 |
| Additions through business combinations | 674 | | | 674 |
| Amortisation | -153 | -3 051 | | -3 204 |
| Foreign currency effects | 26 | 19 | 0 | 44 |
| **At 31 December 2021** | **1 052** | **14 159** | **0** | **15 210** |
| | | | | |
| Economic life/lease term | 3-5 year | 3 - 7 year | | |
| Amortisation method | Straight line | Straight line | | |

**Lease liabilities**

| Undiscounted lease payments and year of payment | 2021 | 2020 |
|---|---|---|
| Less than 1 year | 4 245 | 1 450 |
| 1-3 years | 8 228 | 0 |
| 3-5 years | 3 420 | 0 |
| more than 5 years | 0 | 0 |
| **Total undiscounted lease payments** | **15 892** | **1 450** |

| Changes in lease liabilities | 2021 | 2020 |
|---|---|---|
| At 1 January | 1 417 | 2 776 |
| Additions | 17 940 | |
| Disposals | -1 068 | |
| Interest expenses | 436 | 91 |
| Lease payments | -3 337 | -1 450 |
| Foreign currency effects | 45 | |
| **At 31 December** | **15 432** | **1 417** |

| | 2021 | 2020 |
|---|---|---|
| Current lease liabilities | 3 813 | 1 417 |
| Non-current lease liabilities | 11 619 | |
| **Total** | **15 432** | **1 417** |

The lease contracts do not include any restrictions with regards to the Group's dividend policy or financing opportunities. In 2021 the lease of office expired (terminated 9 months before original term) and was replaced with a new lease on new offices. At initial recognition the new offices were recognised with an amount of NOK 15 568 477.

## Note 14 Inventories

| | 2021 | 2020 |
|---|---|---|
| Cost of inventories | 26 395 | 13 555 |
| Inventory obsolescence provision | -223 | -603 |
| **Total** | **26 173** | **12 952** |

## Note 15 Accounts receivables

| *(All figures in NOK 1 000)* | 2021 | 2020 |
|---|---|---|
| Accounts receivables at face value as of 31.12 | 81 429 | 31 040 |
| Less: Provision for impairment of accounts receivables | - 513 | - 259 |
| **Net accounts receivables** | **80 916** | **30 780** |

| | 2021 | 2020 |
|---|---|---|
| Receivables written off during the year | 0 | 0 |
| Collected on receivables written of in prior periods | | 0 |
| Changes in provision during the year | -253 | 0 |
| **Impairment loss during the year** | **-253** | **0** |

## Note 16 Cash and cash equivalents

The Group's cash and cash equivalents consists of bank balances and withholding tax.

| | 2021 | 2020 |
|---|---|---|
| Bank balances | 76 258 | 23 734 |
| *Including restricted funds of:* | | |
| Restricted funds for employee withholding tax | 2 103 | 1 420 |
| Employees tax liability | 2 081 | 1 398 |

## Note 17 Shareholders and shareholders information

**Share capital Zaptec AS 31.12.2021:**

| | Number of shares | Face value | Book value |
|---|---|---|---|
| Ordinary shares | 76 009 678 | 0,00625 | 475 060 |
| **Total** | **76 009 678** | | **475 060** |

**Main shareholders 31.12.2021:**

| | Number of shares | Ownership interest | Voting rights |
|---|---|---|---|
| Valinor AS | 10 000 000 | 13,16 % | 13,16 % |
| Nordnet Bank AB | 8 688 531 | 11,43 % | 11,43 % |
| State Street Bank and Trust Comp | 7 752 861 | 10,20 % | 10,20 % |
| Avanza Bank AS | 6 673 035 | 8,78 % | 8,78 % |
| Clearstream Banking S.A. | 2 865 081 | 3,77 % | 3,77 % |
| Kog Invest AS | 2 405 000 | 3,16 % | 3,16 % |
| Verdipapirfondet Norge Selektiv | 2 228 781 | 2,93 % | 2,93 % |
| Skandinaviska Enskilda Banken AB | 1 642 365 | 2,16 % | 2,16 % |
| MUST Invest AS | 1 554 726 | 2,05 % | 2,05 % |
| Verdipapirfondet DNB SMB | 1 380 206 | 1,82 % | 1,82 % |
| Østrem Invest AS | 1 300 000 | 1,71 % | 1,71 % |
| Verdipapirfondet Pareto Investment | 1 076 000 | 1,42 % | 1,42 % |
| Euroclear Bank S.A./N.V. | 1 012 705 | 1,33 % | 1,33 % |
| Verdipapirfondet Fondsfinans Norge | 960 000 | 1,26 % | 1,26 % |
| Danske Bank A/S | 810 347 | 1,07 % | 1,07 % |
| Brown Brothers Harriman & Co. | 767 825 | 1,01 % | 1,01 % |
| Zaptec AS – Treasury stock | 20 825 | 0,03 % | 0,00 % |
| Other (less than 1% ownership ) | 24 871 390 | 32,72 % | 32,73 % |
| **Total** | **76 009 678** | **100 %** | **100 %** |

**Stocks and options owned by members of the board and management:**

| **Name** | **Position** | **Numbers of shares** | **Options** |
|---|---|---|---|
| Anders Thingbø | CEO | 2 405 000 | 600 000 |
| Kurt Østrem | CFO | 1 300 000 | 300 000 |
| Stig H. Christiansen | Chairman of the board | 0 | 100 000 |
| Peter B. Hansen | Board member | 0 | 200 000 |
| Lars Helge Helvig | Deputy board member | 10 000 000 | 0 |
| Pål Selboe Valseth | Board member | 420 000 | 0 |
| Christian Rangen | Board member | 357 562 | 0 |

## Note 18 Loans and borrowings

| | 2021 | 2020 |
|---|---|---|
| Secured debt | 3 833 | 7 667 |
| Guaranties pledges as security | 2 500 | 2 500 |
| | 0 | 0 |
| **Secured in the following assets, book value:** | **0** | **0** |
| Fixed assets | 5 061 | 2 065 |
| Inventory | 22 476 | 12 605 |
| Accounts receivables | 61 451 | 23 711 |
| **Total** | **88 987** | **38 382** |

## Note 19 Other Current liabilities

| **Other current liabilities** | **2021** | **2020** | **2019** |
|---|---|---|---|
| *(All figures in NOK 1 000)* | | | |
| Public duties payable | 9 313 | 7 329 | 2 523 |
| Other short term liabilities | 12 714 | 5 187 | 8 664 |
| **Total other current liabilities** | **22 026** | **12 516** | **11 187** |

## Note 20 Notes Supporting the cash flows

| | Non-current | | Current | | |
|---|---|---|---|---|---|
| *(All figures in NOK 1 000)* | **loans and borrowings** | **Non-current Lease liabilitie** | **loans and borrowings** | **Current Lease liabilitie** | **Total** |
| At 1 January 2021 | 3 833 | - | 3 834 | 1 417 | 9 084 |
| ***Cash flows*** | | | | | |
| Downpayment of loans | | | -3 834 | | -3 834 |
| New loans | | | | | - |
| Net change in overdraft facility | | | | | - |
| Net lease payments | | | | -2 893 | -2 893 |
| ***Non-cash flows*** | | | | | |
| - Changes from business combinations | | 675 | | | 675 |
| - Termination of lease agreement | | | | -1 071 | |
| - New lease agreement | | 17 233 | | | 17 233 |
| - Reclassification short/long term | -3 833 | -6 302 | 3 833 | 6 302 | - |
| Foreign exchange effect | | | | 45 | 45 |
| **At 31 December 2021** | **0** | **11 606** | **3 833** | **3 800** | **20 310** |

| (All figures in NOK 1 000) | Non-current loans and borrowings | Non-current Lease liabilitie | Current loans and borrowings | Current Lease liabilitie | Total |
|---|---|---|---|---|---|
| At 1 January 2020 | 7 667 | 1 417 | 3 833 | 1 359 | 14 276 |
| ***Cash flows*** | | | | | |
| Downpayment of loans | - | - | -3 833 | - | -3 833 |
| New loans | | - | - | - | - |
| Net change in overdraft facility | | - | - | - | - |
| Net lease payments | - | - | - | -1 359 | -1 359 |
| ***Non-cash flows*** | | | | | |
| - Changes from business combinations | - | - | - | - | - |
| - New lease agreement | - | | - | - | - |
| - Reclassification short/long term | -3 834 | -1 417 | 3 834 | 1 417 | - |
| **At 31 December 2020** | **3 833** | **0** | **3 834** | **1 417** | **9 084** |

## Note 21 Consolidated companies

The following companies are included in the consolidated financial statements

**Parent company: Zaptec AS**

| Subsidiaries 2021 | Head office | Ownership |
|---|---|---|
| Zaptec Charger AS | Stavanger | 100 % |
| Charge365 AS | Stavanger | 100 % |
| Zaptec IP AS | Stavanger | 100 % |
| Zaptec Power AS | Stavanger | 100 % |
| Zaptec Sverige AB | Stockholm (SEK) | 100 % |
| NovaVolt AG* | Zürich (CHF) | 100 % |
| Zaptec Denmark ApS | Copenhagen (DKK) | 100 % |
| Zaptec U.K. Ltd | Broseley (GBP) | 100 % |
| Zaptec Deutchland GmbH | München( EUR) | 100 % |

The Group acquired the shares on the non- controlling interest in Zaptec Sverige AB for tNOK 7 495 in 2021.

| Subsidiaries 2020 | Head office | Ownership |
|---|---|---|
| Zaptec Charger AS | Stavanger | 100 % |
| Charge365 AS | Stavanger | 100 % |
| Zaptec IP AS | Stavanger | 100 % |
| Zaptec Power AS | Stavanger | 100 % |
| Zaptec Sverige AB | Stockholm (SEK) | 90 % |

**Note 22 Business combinations**

On 30 June 2021 the Group acquired 100% of the shares in Novavolt AG. Novavolt's activity consisted of sale and distribution of Zaptec products in Switzerland. The principal reason for this acquisition was to get control over that sale and distribution activities of Zaptec products in Switzerland.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases and income taxes):

| **Acquisitions effect on the consolidated statement of financial position** | **Carrying amount** | **Adjustment to fair value** | **Fair value** |
|---|---|---|---|
| Intangible | | 25 939 | 25 939 |
| Property, plant and equipment | 53 | | 53 |
| Inventory | 2 648 | | 2 648 |
| Other current assets | 13 810 | 0 | 13 810 |
| Cash | 11 164 | | 11 164 |
| Deferred tax asset/liability | - | -5 707 | -5 707 |
| Tax payable | - | | 0 |
| Current liabilities | - 12 551 | 0 | -12 551 |
| **Total net assets** | **15 124** | **20 232** | **35 356** |

| | |
|---|---|
| Fair value of consideration paid | |
| Cash | 29 500 |
| Equity consideration | 28 350 |
| Contingent cash consideration | 37 926 |
| Total consideration | 95 776 |
| Goodwill | 60 419 |

Acquisition related costs of tNOK 2 500 arose as a result of the transaction. These have been recognised as part of other operating expenses in the statement of comprehensive income.

The contingent consideration was linked to the performance of Novavolt for the second part of 2021. In the event of the target being achieved, the Company is obliged to issue pay an additional amount up to a maximum of tNOK 40.000. As of year-end the target triggering the maximum payment for the contingent consideration was achieved.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition
- Future growth opportunities based on marked position acquired

The goodwill recognised will not be deductible for tax purposes.

Since the acquisition date, Novavolt has contributed tNOK 65,884 to group revenues and tNOK 16,296 to group profit. If the acquisition had occurred on 1 January 2021, group revenue would have been tNOK 527,840 and group profit for the period would have been tNOK 15.487.

**Note 23 Related party transactions**

Part from transaction with key management and board members included in note 7 there are no transactions with related parties.

**Note 24 Events after the reporting date**

This annual report is a restatement of previously prepared financial statements prepared in accordance with NGAAP. The conversion to IFRS has been carried out based on the regulations in IFRS 1 and new information is taken into account in accordance with the regulations.

CEO in Zaptec AS, Anders Thingbø resigned from his position February 28th 2022, and Kurt Østrem stepped up from CFO to acting CEO until further notice.

Due to ongoing challenges with logistics and component shortage, the company's main producer of EV chargers, Westcontrol is facing a production stop throughout April month 2022. The delayed circuits are produced in Taiwan, tested in Thailand and shipped to Europe through Hongkong. Estimated delivery of the delayed circuits is late April month, with production in May. The delayed production is equivalent to sales of approximately 70 MNOK.

Zaptec regards this shortage as temporary, and expect any backlog created during the spring to be invoiced during third quarter 2022

**Note 25 Transition to IFRS**

This is the company's first consolidated financial statements presented in accordance with IFRS. The Group has previously submitted its annual financial statements for 2021 in accordance with Norwegian general accepted accounting principles (NGAAP). This is a restatement with the aim of preparing for a planned listing at the Main List on Oslo Børs.

The accounting principles described in note 2 have been used to prepare the company's consolidated financial statements for 2021, comparable figures for 2020 and an IFRS opening balance as at 1 January 2020, which is the Group's date of transition from NGAAP to IFRS.

In connection with the preparation of the IFRS opening balance sheet, the Group has made some adjustments to the accounting figures compared to those reported earlier in the Group's consolidated financial statements that were prepared according to NGAAP. The effect of the transition from NGAAP to IFRS on the Group's financial position and the Group's Consolidated statement of profit or loss and other comprehensive income is explained in greater detail in this note.
IFRS 1 "First-time adoption of IFRS" has been applied and the following exemption has been used:

- IFRS 16 has been implemented prospectively from 01.01.2020. (IFRS 1.D9)

- Cumulative translation differences are deemed to be zero as of 01.01.2020 (IFRS 1.D13).

- IFRS 2 is not applied to share based payments arrangement vested before 01.01.2020.

## Reconciliation of statement of financial positions at 1 January 2020

| Assets | Note | NGAAP | Effect of transition to IFRS | IFRS |
|---|---|---|---|---|
| *(All figures in NOK 1000)* | | | | |
| **Non-current assets** | | | | |
| Deferred tax asset | D | 10 328 | 37 | 10 365 |
| Intangible assets | | 36 627 | 0 | 36 627 |
| Property, plant and equipment | | 1 672 | 0 | 1 672 |
| Right-of-use assets | A | 0 | 2 776 | 2 776 |
| Ohter non-current assets | | 4 003 | 0 | 4 003 |
| **Total non-current assets** | | **52 630** | **2 813** | **55 443** |
| | | | | |
| **Current assets** | | | | |
| Inventories | | 16 806 | 0 | 16 806 |
| Investments | | 0 | 0 | 0 |
| Trade receivables and other receivables | | 7 502 | 0 | 7 502 |
| Other current receivables | | 2 922 | 0 | 2 922 |
| **Current assets** | | **27 231** | **0** | **27 231** |
| | | | | |
| Cash and cash equivalents | | 15 021 | 0 | 15 021 |
| **Total Cash and cash equivalents** | | **15 021** | **0** | **15 021** |
| **Total current assets** | | **42 252** | **0** | **42 252** |
| **Total assets** | | **94 882** | **2 813** | **97 695** |
| | | | | |
| **Equity and liabilities** | | | | |
| **Equity** | | | | |
| Share capital | | 318 | 0 | 318 |
| Treasury shares | | -5 | 0 | -5 |
| Share premium | | 95 008 | 0 | 95 008 |
| Other reserves | | -42 097 | -132 | -42 229 |
| **Total equity** | | **53 224** | **-132** | **53 092** |
| **Liabilities** | | | | |
| Deferred tax | | | | |
| Loans and borrowings | B | 11 500 | -3 833 | 7 667 |
| Lease liabilities | A | 0 | 1 417 | 1 417 |
| Other non-current liabilities | C | 0 | 169 | 169 |
| **Total non-current liabilities** | | **11 500** | **-2 247** | **9 253** |
| **Current liabilities** | | | | |
| Loans and borrowings | B | 0 | 3 833 | 3 833 |
| Trade payables | | 18 972 | 0 | 18 972 |
| Current lease liabilities | A | 0 | 1 359 | 1 359 |
| Other current liabilities | | 11 187 | 0 | 11 187 |
| **Total Current liabilities** | | **30 158** | **5 192** | **35 350** |
| **Total liabilities** | | **41 658** | **2 945** | **44 603** |
| **Total equity and liabilities** | | **94 882** | **2 813** | **97 695** |

## Reconciliation of statement of financial positions at 31 December 2020

| Assets | Note | NGAAP | Effect of transition to IFRS | IFRS |
|---|---|---|---|---|
| *(All figures in NOK 1000)* | | | | |
| **Non-current assets** | | | | |
| Deferred tax asset | D | 15 689 | 705 | 16 394 |
| Intangible assets | | 46 514 | 0 | 46 514 |
| Property, plant and equipment | | 2 246 | 0 | 2 246 |
| Right-of-use assets | A | 0 | 1 388 | 1 388 |
| Ohter non-current assets | | 82 | 0 | 82 |
| **Total non-current assets** | | **64 531** | **2 093** | **66 624** |
| **Current assets** | | | | |
| Inventories | | 12 952 | 0 | 12 952 |
| Investments | | 221 012 | 0 | 221 012 |
| Trade receivables and other receivables | | 30 780 | 0 | 30 780 |
| Other current receivables | | 8 854 | 0 | 8 854 |
| **Current assets** | | **273 598** | **0** | **273 598** |
| Cash and cash equivalents | | 23 734 | 0 | 23 734 |
| **Total Cash and cash equivalents** | | **23 734** | **0** | **23 734** |
| **Total current assets** | | **297 332** | **0** | **297 332** |
| **Total assets** | | **361 863** | **2 093** | **363 956** |
| Equity and liabilities | | | | |
| **Equity** | | | | |
| Share capital | | 469 | 0 | 469 |
| Treasury shares | | 0 | 0 | 0 |
| Share premium | | 323 993 | 0 | 323 993 |
| Other paid in equity | | 6 287 | -3 356 | 2 931 |
| Foreign exchange reserve | | 0 | 118 | 118 |
| Other reserves | | -22 679 | 739 | -21 940 |
| Non-controlling interest | | 85 | 0 | 85 |
| **Total equity** | | **308 155** | **-2 499** | **305 656** |
| **Liabilities** | | | | |
| Deferred tax | | | | |
| Loans and borrowings | B | 7 667 | -3 834 | 3 833 |
| Lease liabilities | | | 0 | 0 |
| Other non-current liabilities | C | 886 | 3 176 | 4 062 |
| **Total non-current liabilities** | | **8 553** | **-658** | **7 895** |
| **Current liabilities** | | | | |
| Loans and borrowings | B | 0 | 3 834 | 3 834 |
| Trade payables | | 32 639 | 0 | 32 639 |
| Current lease liabilities | A | 0 | 1 417 | 1 417 |
| Other current liabilities | | 12 516 | 0 | 12 516 |
| **Total Current liabilities** | | **45 155** | **5 250** | **50 405** |
| **Total liabilities** | | **53 708** | **4 592** | **58 300** |
| **Total equity and liabilities** | | **361 863** | **2 093** | **363 956** |

## Reconciliation of statement of comprehensive income for 2020

| | Note | NGAAP | Effect of transition to IFRS | IFRS |
|---|---|---|---|---|
| *(All figures in NOK 1000)* | | | | |
| Revenues from contracts with customers | | 219 755 | 0 | 219 755 |
| Other operating income | | 0 | 0 | 0 |
| **Total operating income** | | **219 755** | **0** | **219 755** |
| **Operating expenses** | | | | |
| Cost of goods sold | | 137 106 | 0 | 137 106 |
| Employee benefit expenses | C | 43 977 | -353 | 43 624 |
| Depreciation and amortisation expense | A | 4 833 | 1 388 | 6 221 |
| Other operating expenses | A | 21 797 | -1 450 | 20 347 |
| **Total operating expenses** | | **207 713** | **-415** | **207 298** |
| **Operating result** | | **12 042** | **415** | **12 456** |
| **Finance income and expense** | | | | |
| Finance income | | 4 726 | 0 | 4 726 |
| Finance expense | A | 4 395 | 91 | 4 486 |
| **Net finance income and expense** | | **331** | **-91** | **240** |
| **Profit before tax** | | **12 373** | **324** | **12 697** |
| Tax expense | D | -5 361 | -668 | -6 029 |
| **Profit** | | **17 734** | **992** | **18 725** |
| ***Other comprehensive Income*** | | | | |
| *Items which will or may be reclassified to profit and loss* | | | | |
| Exchange gains arising on translation of foreign operations | | 0 | 63 | 63 |
| **Other comprehensive income** | | **0** | **63** | **63** |
| **Total comprehensive income for the year** | | **-** | **63** | **63** |

### Notes to the reconciliation of transition to IFRS for 2020

### A Right of use assets and lease liabilities

Under previous gaap lease payments on operating lease contracts was expensed over the lease period. In accordance with IFRS 16 a lease liability and at right of use assets should be recognized for all leases, except for short term leases and small value leases. Based on this regulation group has recognized a right of use asset of tNOK 2 975 and a corresponding lease liability in the IFRS opening balance as of 01.01.2020. As of 31.12.2020 a right of use asset of tNOK 1 397 and lease liability of 1 421 is included in the financial position.

In the statement of comprehensive income for 2020 lease payment expensed under local gaap are reversed with tNOK 1 450. Depreciation of right of use assets are expensed with tNOK 1 397 and interest expense on the lease liability is expensed with tNOK 77.

**B Reclassification of current liabilities**

Under local gaap debt is classified based on the intention at initial recognition, reclassification to current is not required. Under IFRS liabilities due during the next 12 months should be classified as current.

**C Share based payment (corrections of an error)**

Under NGAAP share based payments arrangements were expenses over vesting period based on the intrinsic value of the granted options at the reporting date. Under IFRS this approach should only be applied in very limited circumstances. In accordance with IFRS 2 equity settled option arrangements should be measured as fair value at the grant date. The fair value of the options granted should then be expensed over the vesting period. Details on the valuation of options granted are included in note 7. The correction resulted in a significant reduction of the expense as the intrinsic value as of year-end was significantly higher than the fair value of options at grant date.

In the statement of comprehensive income, the amount expensed under NGAAP tNOK 6 287 are reversed and replaced with an amount of tNOK 2 591. Provision for social security of tNOK 886originally expensed are replaced with an amount of tNOK 3 893. The provision for social security includes provision for options already vested before 01.01.2020 not included in Local gaap.

In the IFRS opening balance sheet as of 01.01.2020 a provision social security related to the already vested options has been include with an amount of tNOK 169. As of 31.12.2020 the provision for social security has been increased from tNOK 886 to tNOK 4 062.

**D Deferred tax**

Deferred tax has been adjusted to reflect the changes in temporary differences from the effect of transition to IFRS.

## Reconciliation of statement of financial positions at 31 December 2021

| *(All figures in NOK 1 000)* | | NGAAP | Effect of transition to IFRS | IFRS |
|---|---|---|---|---|
| **Assets** | | | | |
| Deferred tax asset | D | 5 169 | 299 | 5 468 |
| Intangible assets | E | 136 647 | 4 478 | 141 125 |
| Property, plant and equipment | | 5 061 | 0 | 5 061 |
| Right-of-use assets | A | 0 | 15 210 | 15 210 |
| Ohter non-current assets | | 192 | -83 | 109 |
| **Total non-current assets** | | **147 069** | **19 904** | **166 973** |
| **Current assets** | | | | |
| Inventories | | 26 173 | 0 | 26 173 |
| Investments | | 183 500 | 0 | 183 500 |
| Trade receivables and other receivables | | 80 916 | 0 | 80 916 |
| Other current receivables | | 28 605 | 0 | 28 605 |
| **Current assets** | | **319 193** | **0** | **319 193** |
| Cash and cash equivalents | | 76 258 | 0 | 76 258 |
| **Total Cash and cash equivalents** | | **76 258** | **0** | **76 258** |
| **Total current assets** | | **395 451** | **0** | **395 451** |
| **Total assets** | | **542 520** | **19 904** | **562 424** |
| **Equity** | | | | |
| Share capital | | 475 | 0 | 475 |
| Treasury shares | | 0 | 0 | 0 |
| Share premium | | 355 362 | 0 | 355 362 |
| Not registered capital increase | | 3 825 | 0 | 3 825 |
| Other paid in equity | | 47 540 | -36 213 | 11 328 |
| Foreign exchange reserve | | 0 | 4 024 | 4 024 |
| Other reserves | | -11 783 | 31 284 | 19 500 |
| **Total equity** | | **395 419** | **-905** | **394 514** |
| **Non current liabilities** | | | | |
| Deferred tax | D | 0 | 5 360 | 5 360 |
| Loans and borrowings | B | 3 833 | -3 833 | 0 |
| Lease liabilities | A | 0 | 11 619 | 11 619 |
| Other non-current liabilities | C | 5 851 | 1 054 | 6 905 |
| **Total non-current liabilities** | | **9 684** | **14 200** | **23 884** |
| **Current liabilities** | | | | |
| Loans and borrowings | B | 0 | 3 833 | 3 833 |
| Trade payables | | 66 142 | 0 | 66 142 |
| Current lease liabilities | A | 0 | 3 813 | 3 813 |
| Cintingent consideration | E | 40 000 | -1 037 | 38 963 |
| Income tax payable | | 9 248 | 0 | 9 248 |
| Other current liabilities | | 22 026 | 0 | 22 026 |
| **Total Current liabilities** | | **137 417** | **6 609** | **144 026** |
| **Total liabilities** | | **147 101** | **20 809** | **167 910** |
| **Total equity and liabilities** | | **542 520** | **19 905** | **562 424** |

## Reconciliation of statement of comprehensive income for 2021

| *(All figures in NOK 1 000)* | Notes | 2021 NGAAP | | Effect of transition to IFRS | 2021 IFRS |
|---|---|---|---|---|---|
| Revenues from contracts with customers | | 488 972 | | 0 | 488 972 |
| Other operating income | | 0 | | 27 | 27 |
| **Total operating income** | | **488 972** | | **27** | **488 999** |
| **Operating expenses** | | | | | - |
| Cost of goods sold | | 273 843 | | 0 | 273 843 |
| Employee benefit expenses | C | 112 948 | - | 34 976 | 77 973 |
| Depreciation and amortisation expense | A,B | 15 624 | - | 2 734 | 12 890 |
| Other operating expenses | A,B,C | 62 628 | - | 837 | 61 791 |
| **Total operating expenses** | | **465 044** | **-** | **38 547** | **426 497** |
| **Operating result** | | **23 928** | | **38 574** | **62 502** |
| **Finance income and expense** | | | | | |
| Finance income | | 5 115 | | 0 | 5 115 |
| Finance expense | A | 3 510 | | 1 473 | 4 983 |
| **Net finance income and expense** | | 1 605 | - | 1 473 | 133 |
| **Profit before tax** | | 25 533 | | 37 101 | 62 635 |
| Tax expense | **D** | **17 313** | **-** | **179** | **17 134** |
| **Profit** | | **8 221** | | **37 280** | **45 501** |
| ***Other comprehensive Income*** | | | | | |
| *Items which will or may be reclassified to profit and loss* | | | | | |
| Exchange gains arising on translation of foreign operations | | 0 | | 3 905 | 3 905 |
| **Other comprehensive income** | | **0** | | **3 905** | **3 905** |
| **Total comprehensive income for the year** | | **8 221** | | **41 186** | **49 406** |

## Notes to the reconciliation of IFRS and local gaap 2021

### A Right of use assets and lease liabilities

In the statement of comprehensive income for 2021 lease payment expensed under local gaap are reversed with tNOK 3 337. Depreciation of right of use assets are expensed with tNOK 3 201 and interest expense on the lease liability is expensed with tNOK 444. As of 31.12.2021 a right of use asset of tNOK 15 210 and lease liability of tNOK 15 432 is included in the financial position.

**B Business combination and goodwill**

Based on the requirements of IFRS 3 a new purchased price allocation has been performed. For details see note 22. Goodwill is not amortized under IFRS so the amortization charge relating to goodwill of tNOK 8 599 has been reversed. Intangible asset identified under the purchase price allocation other than goodwill has been amortized with tNOK 2 660. In addition, transaction cost of tNOK 2 500 is expensed under IFRS. According the NGAAP transaction cost should be include in goodwill.

**C Share based payment (corrections of an error)**

In the statement of comprehensive income, the amount expensed under local gaap tNOK 41 253 are reversed and replaced with an amount of tNOK 8 399. Provision for social security of tNOK 4 964 originally expensed are replaced with an amount of tNOK 2 842. The correction resulted in a significant reduction of the expense as the intrinsic value as of year-end was significantly higher than the fair value of options at grant date.

As of 31.12.2021 the provision for social security has been increased from tNOK 5 851 to tNOK 6 905.

**D Deferred tax**

Deferred tax has been adjusted to reflect the changes in temporary differences from the effect of transition to IFRS.

**Consolidated statement of cash flows**

The transition to IFRS change the presentation of certain items in the consolidated statement of cash flows. The changes are presented below.

| | 2021 | 2020 |
|---|---|---|
| **A Changes in cash flows from operating activities** | | |
| Interest of debts and borrowings presented under financing activities | 205 | 385 |
| Lease payment presented under financing activities | 3 338 | 1 450 |
| Transaction cost presented under operating activities | - 2 500 | |
| | 1 043 | 1 835 |
| **B Changes in cash flows from investing activities** | | |
| Purchase of shares from non-controlling interest presented under financing activities | 7 495 | |
| Transaction cost presented under operating activities | 2 500 | |
| | 9 995 | |
| **C Changes in cash flows from financing activities** | | |
| Interest of debts and borrowings presented under financing activities | - 205 | - 385 |
| Lease payment presented under financing activities | - 3 338 | - 1 450 |
| Purchase of shares from non-controlling interest presented under financing activities | - 7 495 | |
| | - 11 038 | - 1 835 |

The transition to IFRS has resulted in the following changes in the consolidated statement of cash flows:

**A Changes in cash flows from operating activities**

| | | |
|---|---|---|
| Interest of debts and borrowings presented under financing activities | | 205 |
| Lease payment presented under financing activities | | 3 338 |
| Transaction cost presented under operating activities | - | 2 500 |
| | | 1 043 |

**B Changes in cash flows from investing activities**

| | | |
|---|---|---|
| Purchase of shares from non-controlling interest presented under financing activities | | 7 495 |
| Transaction cost presented under operating activities | | 2 500 |
| | | 9 995 |

**C Changes in cash flows from financing activities**

| | | |
|---|---|---|
| Interest of debts and borrowings presented under financing activities | - | 205 |
| Lease payment presented under financing activities | - | 3 338 |
| Purchase of shares from non-controlling interest presented under financing activities | - | 7 495 |
| | - | 11 038 |

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*"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."*

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