

# Arribatec

*"We serve you solutions that  
brings you up and forward by  
innovative use of technology"*

Company Presentation  
August 2020



# Disclaimer and important information

THIS PRESENTATION AND ITS CONTENTS ARE CONFIDENTIAL AND NOT FOR DISTRIBUTION OR RELEASE, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA (INCLUDING ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES OF AMERICA AND THE DISTRICT OF COLUMBIA) (THE "UNITED STATES"), AUSTRALIA, CANADA, THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA OR JAPAN, OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. THIS PRESENTATION IS NOT AN OFFER OR INVITATION TO BUY OR SELL SECURITIES IN ANY JURISDICTION.

The information in this presentation (the "**Presentation**") has been prepared by Arribatec AS (the "**Company**" or "**Arribatec**"). The receipt of this Presentation is personal and the Presentation and the information set out herein may not be shared with any other party than the intended recipient.

The Presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof, and may contain certain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect Arribatec's current expectations and assumptions as to future events and circumstances that may not prove accurate. The forward-looking statements contained in this Presentation (including assumptions, opinions and views of Arribatec or opinions cited from third party sources) are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. Neither Arribatec, the Manager or any such person's officers or employees provide any assurance that the assumptions underlying such forward-looking statements are free from errors, nor do any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments described herein. Neither Arribatec nor the Manager assume any obligation, except as required by law, to update or correct any information included in this Presentation. This Presentation is for informational purposes only and does not constitute an offer to sell any financial instruments or any rights related to the Company. This Presentation is not a prospectus, disclosure document or offering document and does not purport to be complete.

No liability whatsoever is accepted as to any errors, omissions or misstatements contained herein and, accordingly, none of Arribatec, the Manager or any such person's officers or employees accept any liability whatsoever arising directly or indirectly from the use of this Presentation.

This Presentation has not been reviewed or approved by any regulatory authority or stock exchange. The distribution of this Presentation or other documentation into jurisdictions other than Norway may be restricted by law. Persons into whose possession this Presentation comes should inform themselves about and observe any such restrictions, and should be aware that any failure to comply with such restrictions may constitute a violation of the securities laws of the relevant jurisdiction. This Presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire any securities offered by any person in any jurisdiction in which such an offer or solicitation is unlawful. Neither this Presentation nor anything contained herein shall form the basis of any contract or commitment whatsoever. This Presentation is not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia), Canada, Australia or Japan, except in accordance with applicable exemptions from applicable securities legislation. This Presentation does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States.

The contents of this Presentation shall not be construed as legal, business or tax advice. Each reader of this Presentation should consult its own legal, business or tax advisor as to legal, business or tax advice. If you are in doubt about the contents of this Presentation, you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser. This Presentation shall be governed by Norwegian law. Any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of the Norwegian courts with Oslo District Court as legal venue.

# AGENDA



**01**

Introduction

4-9

**02**

Solutions and services

10-16

**03**

Historical financials

17-19

**04**

Appendix

20-29

# Introduction

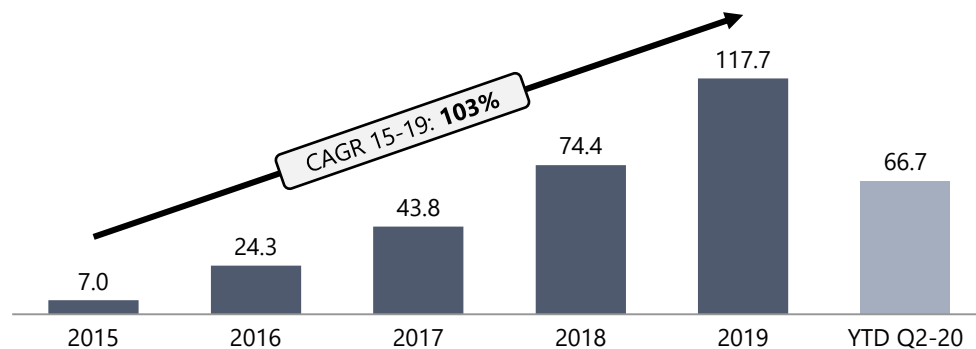


# Arribatec at a glance

## Brief introduction to Arribatec

- Arribatec is a Software & Consulting company headquartered in Oslo with a global «playground»
- Founded in 2015 by CEO Per Ronny Stav and former colleagues from Unit4
- Delivering next generation Postmodern ERP – Solution as a Service (SolaaS)
- Strong partners combined with own IP offering – official global partner of Unit4 which enables Arribatec to sell the Unit4 ERP software together with associated services and solutions globally
- Currently employs 110+ people across offices in 8 countries
- Broad customer base serving over 200+ large entities spread over 20 countries and various industries, both private and public sector
- Experienced management team in place with proven international track record
- Revenue of NOK 117.7m and EBIT of NOK 5.5m in 2019
- Strong and profitable growth, with an attractive and growing recurring revenue base – 31% recurring revenue share in H1-20, up from 11% in 2019 and growing

## Revenue development (NOKm)

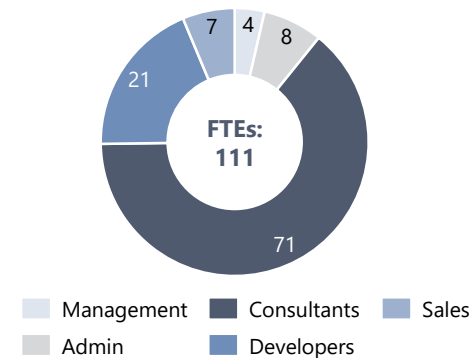


## Geographical presence

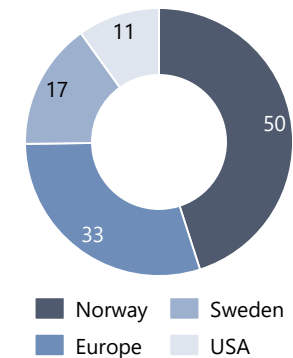


## 111 FTEs – consultants make up the majority of the workforce

### FTEs by function



### FTEs by country



# Growth story with significant traction





# Management Team & Key Employees

Current management team in Arribatec will be the key component in the combined company following the acquisition by Hiddn. The company is currently in process of hiring a new CFO

## Per Ronny Stav | Group CEO



Relevant Experience



Founder of Arribatec with 25 years in the business software industry. Extensive executive management experience combined with strategic global business development.

Growth-focus leadership with proven record of transforming customer needs into business solutions.

Expertise spanning architecture & design, integrations, engagement management and digital transformations

## Trude Halvorsen | CEO Americas



Relevant Experience



Experienced Executive with a demonstrated history of working in the computer software industry. Skilled in Business Process, Budgeting, Analytical Skills, Fixed Assets, and Requirements Analysis. Strong professional with a CPA focused in Accounting from University of California, Berkeley.

Previously VP at Agilyx North America and VP of Information & Financial Systems at Renewable Energy Systems Americas. 24+ years with Unit4

## Mariette Larsson | Director Sweden



Relevant Experience



Strategic and business minded manager with passion for customer needs and business development. Proven record of delivering sustainable and profitable growth to private and public sector.

Previous experience as Segment Lead ERP & CRM and Sales Manager at Microsoft Sweden. 13 years' experience from Unit4 as Director Strategic Business Development

## Joar Aarenes | Director ERP Norway



Relevant Experience



20 years experience working with ERP, from both supplier and customer side.

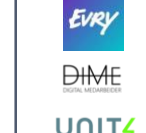
Dedicated solution architect and manager with a strong focus on delivering customer success and satisfaction.

Previous experience as Principal consultant at Unit4, Solution architect at UNOPS, Head of administration at Glittrklinikken and financial consultant for Oslo Kommune

## Jhonny Sharma | Director Operational Excellence



Relevant Experience



25 years IT industry experience in Norway and internationally. Proven track record of building strong and global teams delivering value and client satisfaction.

Managing business critical projects with focus on turning challenges into actionable solutions. A diverse IT perspective with hands-on experience in strategy & business development, project management, ERP, BI, IT operations, GDPR, risk and compliance.

## Lars H. Olsen Director BI & Analytics



Relevant Experience



With 24 years IT industry experience, as manager and board member in fast growing IT company's,

Managing with focus on customer satisfaction and growth. Delivering mission-critical insights too billion dollar size companies. Leading teams thru times of M&A, always with the growth in mind. Expertise range from Industrial- IT too Analytics, BI and CPM. Experience from successful IT start-up's and M&A

## Anders Hauan Director R&D



Relevant Experience



Passionate technocrat and developer with extensive experience from developing globally scalable ERP systems.

Previous experience as Chief system architect at the Eika Group, CTO positions at both Unit4 and Agresso R&D.

MSc. Industrial Mathematics NTNU + Master of Technology Management NTNU/MIT

## Terje Angeltveit | Director Sales & Business Development



Relevant Experience



Enthusiastic, professional and dedicated senior business leader with a strong commercial approach. Experienced sales leader, managing highly skilled employees, also located remotely. Able to communicate and discuss business processes and business value at CxO-level with prospects, customers and partners – both at strategic and operational level. Strong marketing, sales and management skills.

## Tom Vandezande | Director Int. Business Development



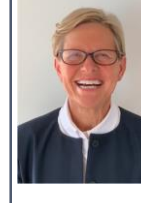
Relevant Experience



Strategic thinker with a constant drive for adding value to businesses in executing their strategies. Many years as a manager and leader in the Consulting and IT industry - thrived as a trusted advisor and proven successful because of constant focus on value for (international) clients, their CxO's and shareholders.

15+ years of international experience in Business transformation, ERP and growth-, consolidation- and operational excellence-initiatives.

## Else Thoresen Director Group HR



Relevant Experience



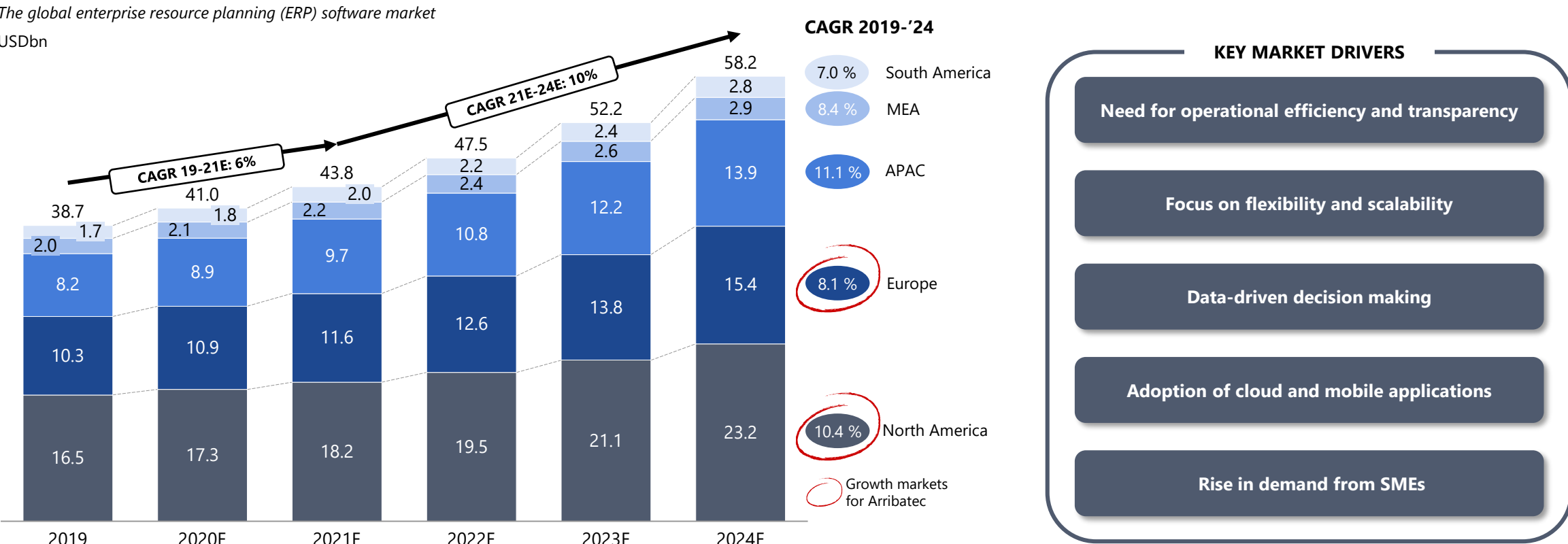
Professional leader with broad experience from the strategic HR & Organization Development area.

Proven track record leading global teams during 17 years in various leadership roles Internationally.

SVP HR and International Operations at Kværner, HR Director at REC Silicon, and several leadership positions with SAS in Norway and abroad.

# Addressable markets with significant size and growth

The global ERP software market is estimated to reach USD 58bn by 2024 with strong growth momentum



The ERP software market is only one of Arribatec’s addressable markets – other markets include the global system integration market, which is expected to reach USD 585.5bn by 2025



# Solutions and services



# Overview of Arribatec's services and solutions

## CONSULTING

- Consulting services related to the product lines and services offered
- Most related to system implementation and system integrations
- ERP, BI & Analytics, Cloud

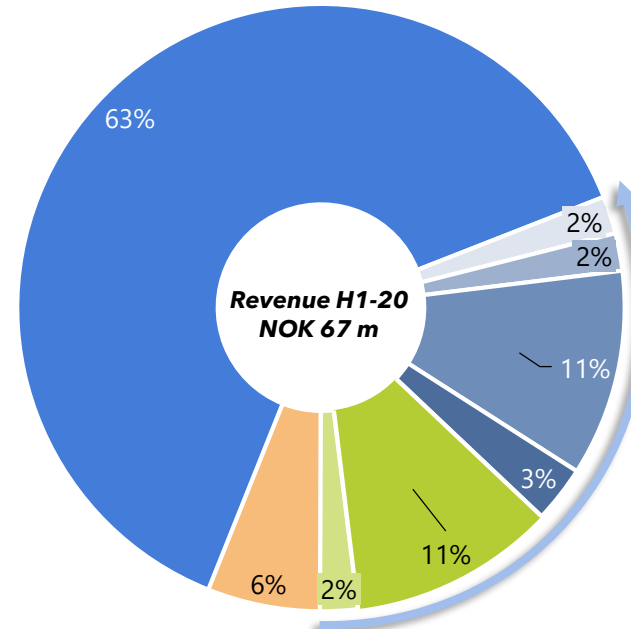
## LICENSES

- Traditional software licenses sold for on-premise installations
- On-off revenue, but with an element of long-term recurring annual revenue (maintenance)

## MAINTENANCE

- Annual payable maintenance related to the licenses sold
- This gives the customers rights to future releases and Arribatec future additional consulting services related to system upgrades and on-going support

→ 31% recurring revenue share in H1-20 – up from 11% in 2019 and growing. Targeting ~50% recurring revenue by 2023



## SOLUTION AS A SERVICE (SolaaS)

- SolaaS is the same as SaaS, but the system configuration and integration are included in the monthly customer OPEX cost and no CAPEX investment required on the customer side

## APPLICATION MANAGEMENT

- Proactive system monitoring of the entire infrastructure, applications and integrations
- Big data analysis resulting in higher operational SLA

## SUPPORT

- Fixed fee for delivering on an SLA and secure access to system support and relevant competence when required

## MANAGED SERVICES

- Services delivered on a fixed price and minimum commitment from customers on a long-term contract. Additional work above the agreed level are considered normal consulting services

## SOFTWARE AS A SERVICE (SaaS)

- Software (ERP etc.) delivered as a service, but where the system is implemented and integrated with a CAPEX investment for the customer

The new global partner agreement with Unit4 signed in January 2020, allows us to sell their ERP software, which is instrumental to be able to provide SaaS and SolaaS with Unit4 ERP as the ERP Platform. With over 200 reference customers globally, we have a commercial platform to attract new customers and offer our SolaaS offering with Unit4 ERP

# Arribatec's key focus area is Solution as a Service

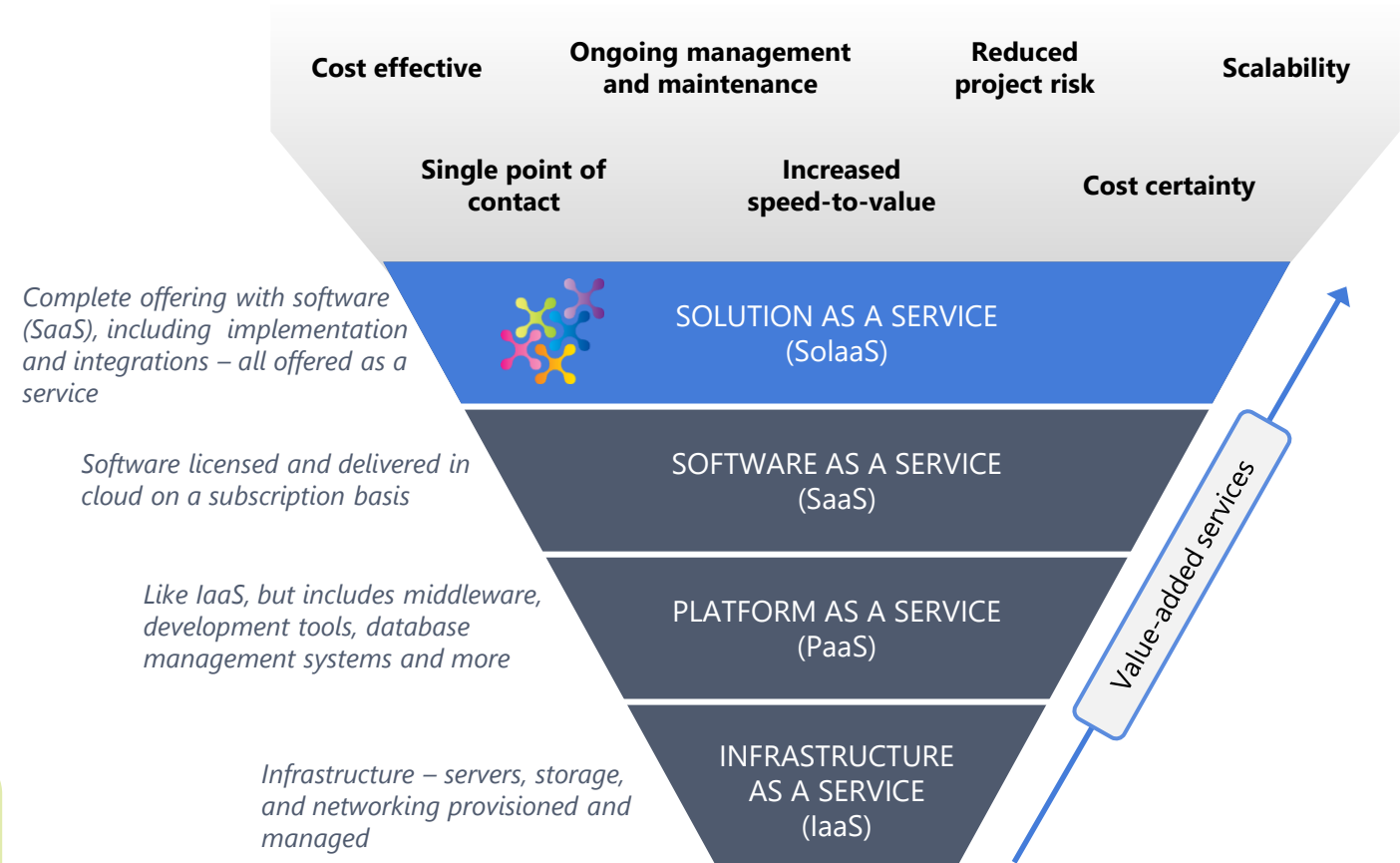
## Solution as a Service (SolaaS)

- Through a combination of internally developed software, strong partnerships and talented people, Arribatec offers a complete solution to its customers comprising relevant services to turn software into solutions
- Solution as a Service is a new approach to cloud computing that delivers all aspects of an IT solution implemented, integrated and offered as a service
- SolaaS is supporting customers to deliver on a Postmodern ERP Cloud strategy
- Arribatec consider this new and innovative way of selling and deploying ERP to be the "Next Generation" Postmodern ERP<sup>1</sup>
- Fast – predictable – efficient – scalable!

### <sup>1</sup>Gartner's definition of Postmodern ERP

Technology strategy that automates and links administrative and operational business capabilities (such as finance, HR, purchasing, manufacturing and distribution) with appropriate levels of integration that balance the benefits of vendor-delivered integration against business flexibility and agility.

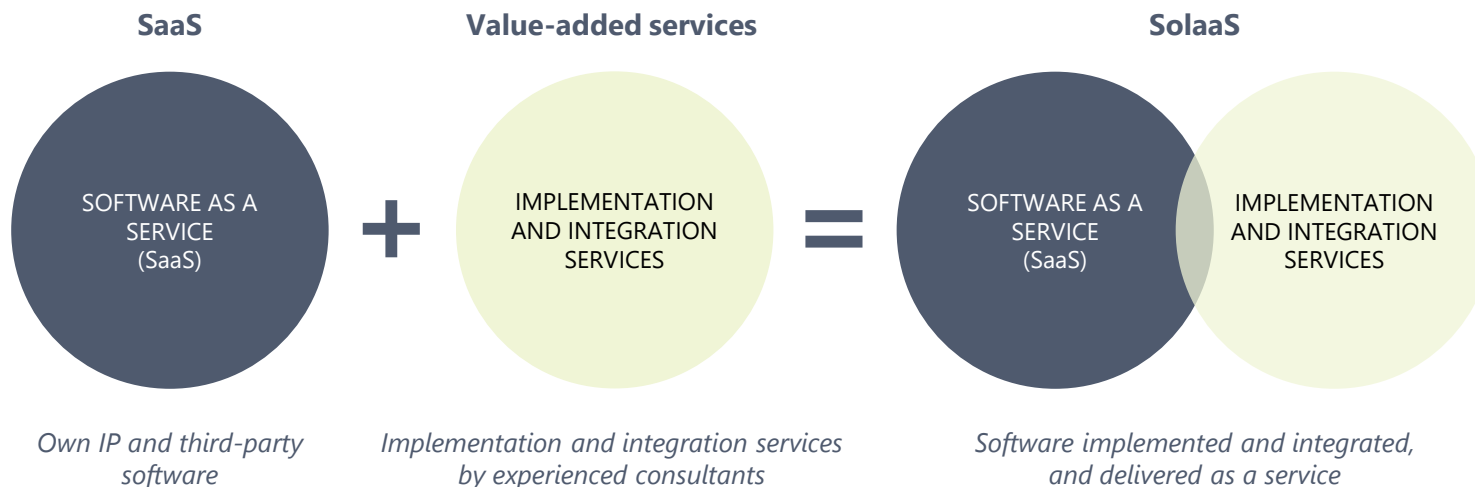
## Value proposition for customers



SaaS is typically software deployed in Cloud and paid on a recurring OPEX basis, while SolaaS includes services to implement and integrate the software delivered in SaaS. These add-on services are included in the SolaaS recurring revenue, hence OPEX only

# Software as a Service vs. Solution as a Service

- SaaS is the most known abbreviation in the IT & Software market and means Software as a Service, while SolaaS is the abbreviation for Solution as a Service
- Buying a business software, such as an ERP system, is useless and worthless before it is implemented to fit the company's business, culture and processes
- During the implementation and eventually integrations, companies like Arribatec turns a Software into a Solution
- The quality of the Solution relies a lot on the Software itself, but also a lot on the service providers Software competence, capabilities to understand the customers business and their experience from the industry
- It is not given that everybody can implement, integrate and turn any Software into a well functional Solution



## Solution as a Service

"By capitalizing on our system-, integration-, domain-, and industry competence we're turning Software into Solutions. The willingness to pay and the value creation is tightly linked to the added value put into the process of transferring the Software into a Solution. To be able to maximize and secure full control in the entire service delivery to the customer you need to control and manage the entire value chain illustrated in the "funnel" on page 11 (IaaS, PaaS and SaaS)

SolaaS is actually SaaS, but where you add implementation and integration services and hence transforming a Software into a Solution

# Customer case study (SaaS vs. SolaaS)



## AXACTOR

- Axactor is a Nordic-based, next-generation debt management company, with operations in six European countries and € 376 million revenue 2019
- Partner with Intility who delivers the entire cloud infrastructure (IaaS, PaaS)

### Customer objective

- Needed a financial backbone system to support international growth
- Common reporting structure across all systems and entities to support operational management

### Arribatec solution

- Implemented Unit4 ERP with an ERP centric business model
- Integrated with country specific collection systems, Portfolio Management and IFRS

## SolaaS Implementation

- Arribatec Research Management Solution
- Arribatec Integration Engine
- System Implementation – Arribatec Methodology
- Arribatec Application & Integration Monitoring - Splunk
- Support
- Managed Services
- Unit4 ERP

-- all implemented & integrated --



**Consortium of 13 Norwegian research institutes**

### Customer objective

- Need for an ERP platform to support their focus on maximizing research for grants given
- Costly to invest and implement independently

### Arribatec solution

- Offered a complete solution combining ERP with own Research Management Solution - implemented and integrated "one-version" for all the institutes

Fiscal support in all countries

Standardized reporting throughout the entire group  
Stock Exchange IFRS

Compliance & Portfolio

## Internal Technology + Product Partnerships



## 5 years contract length

Scalable – same solution for large and smaller institutes. Allowing the institutes to collaborate and invest jointly

Delivering the entire stack incl. IaaS & PaaS





# Large and diversified customer base

## Private sector

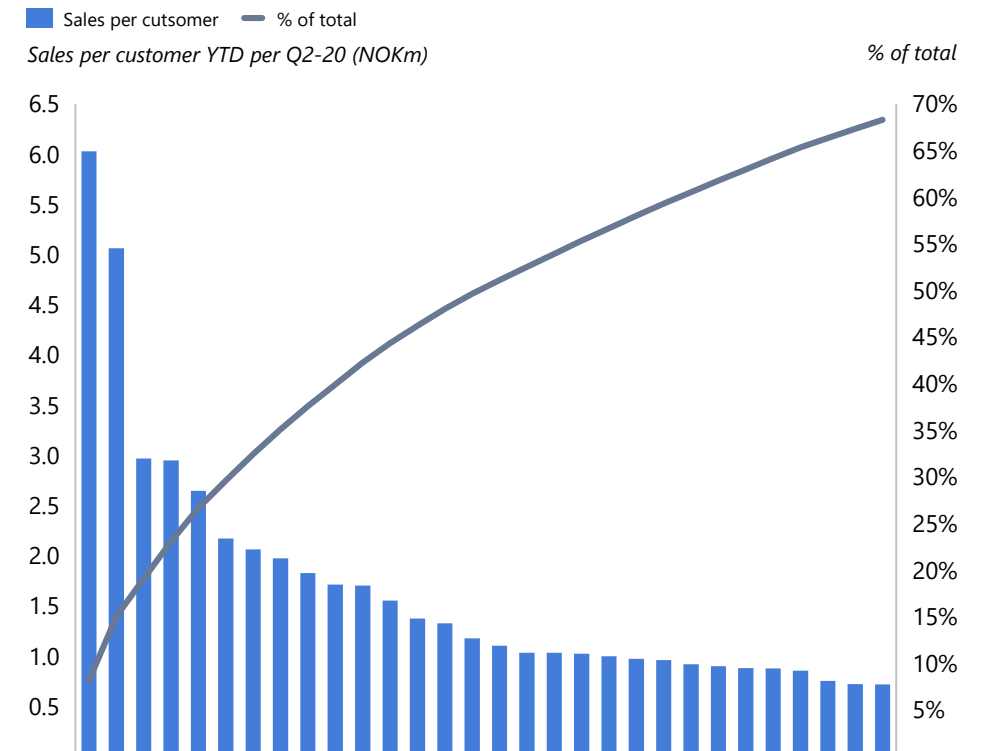


## Public sector



## Diversified revenue streams

Top 30 customer contracts by size



Arribatec has built a large customer base comprising of 200+ public and private sector customers across a wide spectre of industries globally – in 5 years only.

# Growth strategy



## M&A

- IaaS opportunities in order to provide a fully integrated in-house SolaaS offering
- Software opportunities in various markets which can be integrated with Arribatec's software and or our ERP partners
- Acquisition of related software companies in target countries & industries



## Geographical expansion

- Focus on North America and Europe
- European office expansion to Germany, France, and the UK (organically and M&A)
- Establish several local offices across the US (organically)
- Other regions subject to M&A



## Product development

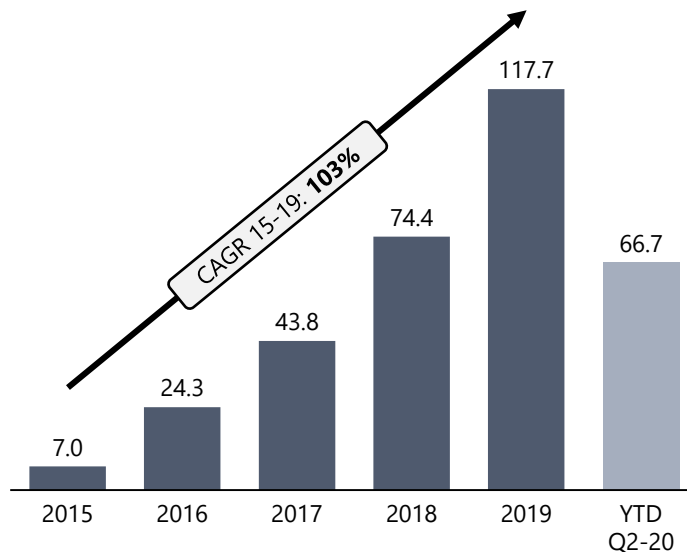
- Build SolaaS solutions specifically designed for selected strategic verticals/industries
- Expand integration and platform technology offering
- Follow new software opportunities which will drive organic expansion into new markets such as hospitality / Certify
- Arribatec Digital Platform & Arribatec Instipro (Research Management)

# Historical financials

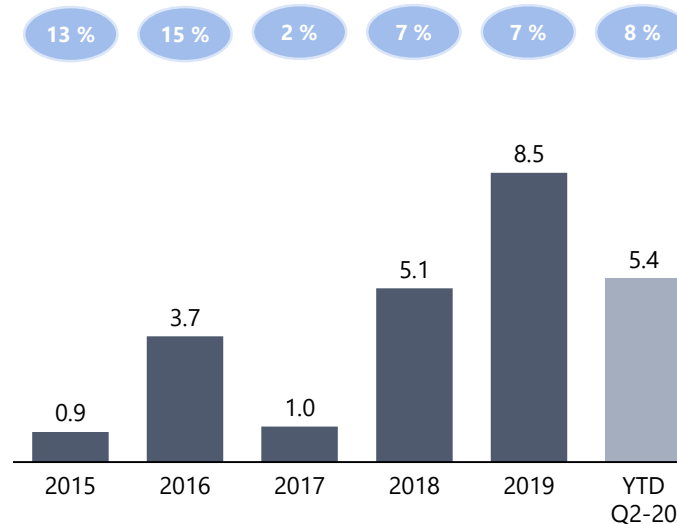


# Strong and profitable growth since establishment

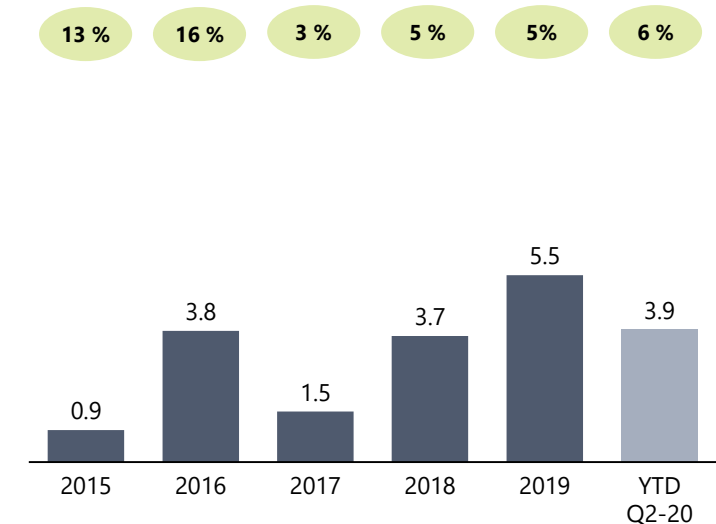
## Revenue (NOKm)



## EBITDA (NOKm) and margin



## EBIT (NOKm) and margin



- The focus has been on organic top-line growth, and the recent acquisitions of Certify and Instidata are expected to turn profitable from 2020
- Growth in revenue driven by a growing customer base and a continuously expanded service and solution offering
- Arribatec's unparalleled focus on quality and competence has resulted in a highly satisfied customer base – significant growth potential from driving customer development and expanding service and solution offering together with the customers
- International partnerships and a management team with a wide industry network has paved the way for international expansion – Arribatec is currently present in 8 countries with intentions to expand further
- Positive operating cash flow generation has fuelled growth with limited need of external funding to date – no external investors and only a minor line of credit used
- The coming years, more focus will be on combining organic growth and further international expansion with targeted M&A. Capitalizing on our platform and management capabilities

# Income statement and balance sheet

## Consolidated Income statement

NOKm	2018	2019	H1-2020
Operating revenue	74.4	117.7	66.7
Cost of goods sold	4.8	8.2	5.2
<b>Gross profit</b>	<b>69.6</b>	<b>109.5</b>	<b>61.5</b>
Wages and other personnel costs	54.4	83.4	47.1
Depreciation	1.4	3.0	1.5
Other operating costs	10.2	17.6	8.9
<b>Total operating costs</b>	<b>66.0</b>	<b>112.2</b>	<b>57.5</b>
<b>Operating profit</b>	<b>3.7</b>	<b>5.5</b>	<b>4.0</b>
Net financial expenses	0.2	0.9	1.2
<b>Profit before tax</b>	<b>3.5</b>	<b>4.6</b>	<b>3.8</b>
Tax	0.4	0.4	
<b>Net profit</b>	<b>3.1</b>	<b>4.2</b>	

## Consolidated Balance sheet

NOKm	2018	2019	Q2-2020
Total intangibles	11.0	18.2	23.6
Inventory and equipment	1.3	1.6	1.4
Other long-term receivables	0.2	0.4	0.0
Financial Assets	3.1		5.4
<b>Total non-current assets</b>	<b>15.6</b>	<b>20.2</b>	<b>30.4</b>
Receivables	11.7	27.2	21.0
Other short-term assets	6.4	5.6	8.8
Cash and equivalents	2.4	6.1	5.4
<b>Total current assets</b>	<b>20.5</b>	<b>38.9</b>	<b>35.2</b>
<b>Total assets</b>	<b>36.1</b>	<b>59.1</b>	<b>65.6</b>
<b>Equity</b>	<b>14.2</b>	<b>20.8</b>	<b>24.1</b>
<b>Long-term liabilities</b>	<b>2.2</b>	<b>2.0</b>	<b>2.7</b>
Accounts payable	2.5	5.7	8.2
Taxes payable	0.2	1.2	0.4
Other short-term debt	16.9	29.4	30.2
<b>Current liabilities</b>	<b>19.7</b>	<b>36.3</b>	<b>38.8</b>
<b>Total equity and liabilities</b>	<b>36.1</b>	<b>59.1</b>	<b>65.6</b>

# Appendix





# Overview of Arribatec' s own Platforms & Software

		Description	Example
Platforms		Arribatec Digital platform creates the digital backbone of an enterprise, by connecting your teams, knowledge and tools. Common UI/UX, single-access independent of systems & solutions in your system landscape	Arribatec Digital Platform with it's process modeller allows you to model your business process across systems and provides the end-user with one unique platform to perform it's daily duties. Also serving as a master data management system
		AIE is an integral part of the Arribatec Digital Platform - to support our product and integration strategy - facilitate integrations in different environments, systems on different technological platforms and different integration possibilities (REST, SOAP...)	This is an integration platform between the ERP system and other best-of-breed solutions. It processes, transforms and pushes data between different systems with full tracking and monitoring
		Based on Splunk – The Data-to-Everything Platform are bringing data to every question, decision and action. We monitor, analyse and deliver the best operational SLA	Build extensive solutions monitoring the entire cloud infrastructure, application layer and the data flow between systems. Improving operational excellence and trust in systems & data Arribatec deliver, but also as a stand-alone service
		Infrastructure as a Service (IaaS) and Platform (PaaS) as the "backbone" to be able to deliver SaaS and SolaaS. By adding the ERP, integration platform etc; business value and margin increases	Serving as the backbone infrastructure for our SaaS and SolaaS delivery combined with the rest of the applications deployed on the infrastructure
Software Solutions		This solution a is best-of-breed project management for the research industry. Managing projects, funding sources and how the grants are managed – money and time is the core of this product	Research institutes wants to control and secure their grants and how they are managed in a controlled and optimal way. Arribatec Instipro deliver the system to support this vision and related processes
		Arribatec Certify is the tool for daily management of the entire Housekeeping Department. With the Certify product you can transparently model and document your entire cleanliness process throughout the entire property	A hotel must comply with the stricter COVID-19 regulations and thus needs a solution to translate manual procedures to a system giving them full transparency and document "Certify"
		A solution designed to support your engagement with your customers by providing a holistic value-based 360 view of everything going on with your customer	Driving customer engagement through different processes from opportunity management, through contracts formalization, project delivery, support and customer development

# Overview of Arribatec's Third Party Solutions

		Description	Example
Platforms	UNIT4 ERP	UNIT4 Business World, is an ERP Platform for People-centric organizations. Arribatec is an official global partner of UNIT4, where it implements and integrates UNIT4 ERP along with an extensive service offering. Arribatec is the biggest partner with the largest customer base and broadest geographical footprint in the entire ecosystem	All companies globally with more than 100 employees needs an ERP system and Arribatec with it's competent and experienced team of architects, system- and integration consultants combined with extensive competence related to local fiscal requirements offers unique and scalable solutions for its customers
	XLEDGER ERP	Xledger a complete born in the cloud ERP, intelligent and powerful ERP system. Arribatec licenses Xledger' s ERP system and sells it to clients a long with its implementation, integration and support services – as for now primarily in the Swedish market	Xledger is a standard multi-tenant ERP with rich standard functionality, but with less flexibility to implement sophisticated solutions compared to Unit4 ERP. So, it fits better smaller and medium sized companies willing to adjust their way of working to a standard system
	RAMBASE ERP	Rambase is a born in the cloud ERP for Manufacturing, Wholesales and Auction. Get ready for your digital expansion with the Rambase platform technology – ERP platform	If you are a manufacturer, a wholesaler or auctioneer and maybe having internet as your selling platform, Rambase connects with the front-end e-commerce platform and manages the entire flow of data and articles in shops and or warehouses
	BUSINESS INTELLIGENCE	Power BI is a powerful collection of tools and services which facilitates the acquisition of data, data modeling, visualizations and reports. Arribatec licenses Power BI from Microsoft and sells it to clients with associated implementation, integration and support services	Building powerful reports and dashboard of any kind and distributing them to decision makers in all levels of your organization – through a web browser or even a mobile device
	HYPERGENE CPM	This product combines Performance Management, Budgeting & Forecasting, BI & Analytics and Output Management in one solution makes it a unique solution most companies can benefit from implementing	In Hypergene, strategic goals are linked to operational plans and tangible results. Business plans, goals and KPIs are all defined in an intuitive interface. Commitments and activities are communicated and followed up in a way that encourages transparency, adherence and responsibility throughout the organization

# Unit4 and Arribatec Global partner agreement

- Unit4 is a software company that designs and delivers enterprise software and ERP applications and related professional services
- It was founded in 1980, listed on the Amsterdam Stock Exchange in 1998, and merged with the Norwegian ERP software house Agresso Group in 2000 and are currently owned by the PE-fund Advent International
- The company is headquartered in Utrecht, Netherlands, has over 3,200 employees world-wide across 26 countries in Europe, North America, Asia and Africa and generated over EUR 500M in revenue in 2019
- The Unit4 products are especially suited for people-centric organizations within both the public and private sector

## Partnership agreement with Arribatec

- Arribatec one of selected few global Elite Partner of Unit4, where Arribatec's core ERP competence is around Unit4 ERP
- Arribatec typically purchases a license of Unit4's ERP system, and re-sells it to a client with implementation, integration, and customer services included – SolaaS in practice
- The relationship with Unit4 allows Arribatec access to Unit4's customer base globally, due to Arribatec's system- and integration expertise
- Mutually beneficial partnership – supporting and helping each other to grow vertically and geographically
- Arribatec supports many of the Unit4 customers globally, with success and are rated Five Star Consulting Partner with Unit4 Partner Raven Intel



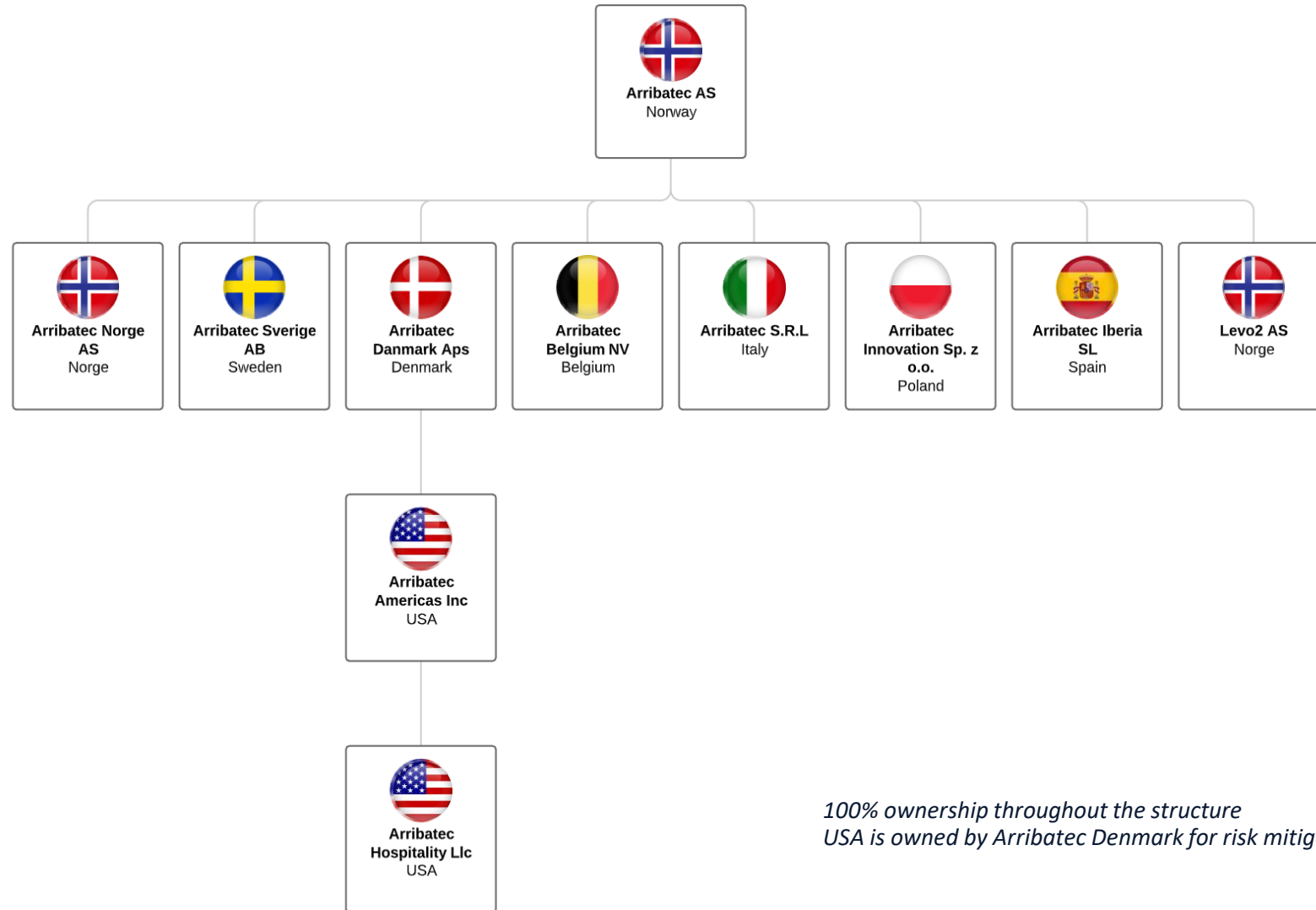
//

We're focused on extending our partner ecosystem to meet demand we're seeing for people-centric applications. Arribatec have over 100 employees focusing on Unit4 Business World with a high experienced team of consultants with extensive experience implementing and supporting Unit4 ERP globally. Their depth of expertise combined with their international experience makes them an ideal partner

- Beata Wright, Global Head of Partner Ecosystems, Unit4

//

# Corporate structure



*100% ownership throughout the structure  
USA is owned by Arribatec Denmark for risk mitigating purposes*

# Risk factors (1/5)

Investing in the Company and the Group involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out in this section before making an investment decision in respect of the shares in the Company (the "Shares"). The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company or that the Company currently deems immaterial, may also impair the Company's business operations and adversely affect the price of the Company's Shares. If any of the following risks materialize, individually or together with other circumstances, the Company's business, prospects, financial position, cash flow and operating results could be materially and adversely affected, which in turn could lead to a decline in the value of the Shares and the loss of all or part of an investment in the Shares.

A prospective investor should consider carefully the factors set forth below, and elsewhere in this document, and should consult his or her own expert advisors as to the suitability of an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of an investment in the Shares.

The information herein is presented as of the date hereof and is subject to change, completion or amendment without notice.

All forward-looking statements included in this document are based on information available to the Company on the date hereof, and the Company assumes no obligation to update any such forward-looking statements. Forward-looking statements will however be updated if required by applicable law or regulation. Investors are cautioned that any forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties and that actual results may differ materially from those included within the forward-looking statements as a result of various factors. Factors that could cause or contribute to such differences include, but are not limited to, those described in this documents.

The order in which the below risks are presented is not intended to provide an indication of the likelihood of their occurrence nor their severity or significance.

## **RISKS RELATED TO THE IMPLEMENTATION OF THE GROUP'S STRATEGY**

### **The Group's results of operations could be negatively affected if the Group cannot adapt, expand and develop its services in response to changes in technology or customer demand**

The market for the services offered by the Group is characterized by rapid technological changes, frequent new product introductions, technology enhancements, increasingly sophisticated customer requirements and evolving industry standards. The Group's future success depends on its ability to continue to provide high quality consulting services and to develop, market and implement services and solutions that are attractive, timely and cost-efficient for its existing and new customers. If the Group fails to keep up with technological changes or to convince customers of the value of its services, intellectual property and solutions in light of new technologies or new offerings by competitors, the Group's business, results of operations, financial condition, cash flow and/or prospects could be materially and adversely affected.

### **Any inability to manage the Group's growth could disrupt the Group's business and reduce the Group's profitability**

The future growth of the Group will depend on the successful implementation of its business strategy. The Group's ability to achieve its business and financial objectives is subject to a variety of factors, many of which are beyond the Group's control. Any failure to manage growth effectively and integrate new personnel and consultants on a timely basis could have material adverse effect on the Group's business, operating results and financial condition.

### **The markets in which the Group competes are highly competitive, and the Group might not be able to compete effectively**

The Group operates in a highly competitive and rapidly changing global marketplace and competes with a variety of organizations that offer similar services to those the Group offers, such as [large multinational IT services providers; offshore IT service providers in lower-cost locations; providers of cloud services and solutions; accounting and management consulting firms; and niche service providers and local competitors]. In addition, existing vertically integrated companies that provide hardware, software or equipment and services, or those formed through industry consolidation, may be able to provide a more attractive integrated offering, particularly where services are standardized. If the Group is unable to compete successfully, the Group could lose market share and customers to competitors, which could adversely affect the Group's business, results of operations, financial condition, cash flows and/or prospects.

### **Acquisitions, investments and other strategic transactions could result in operating difficulties and other negative consequences**

The Company does not exclude the possibility that it will make acquisitions or enter into other strategic transactions going forward [(other than the Transaction described in this Presentation)]. Such transactions involve significant challenges and risks, including that the transaction fails to advance the Company's business strategy, that the Company does not realize a satisfactory return on its investment, that it acquires unknown liabilities, or that it experiences difficulties in the integration of business systems and technologies, the integration and retention of new employees, or in the maintenance of key business and customer relationships in the existing businesses it acquires, or diversion of Management's attention from the Company's other businesses. Such events may harm the Company's operating results or financial condition.

# Risk factors (2/5)

## RISK RELATING TO OPERATIONAL ACTIVITIES

### **The Group's success depends upon its management team and highly skilled IT professionals and the Group's ability to hire, attract, motivate, retain and train these personnel**

The Group's success to date has depended to a significant extent upon, and the Group's future success will also depend upon, the Group's ability to attract and retain members of its management team who are able to challenge today's technology and implement the Group's business strategy, and thereby further develop the Group's business. Further, the Group must attract, train and retain appropriate numbers of highly qualified IT professionals with diverse skills, including project managers, consultants, IT engineers and other senior technical personnel, in order to serve customer needs and grow the Group's business. If the Group is unable to do so, the Group's ability to develop new business and effectively lead the Group's current projects could be jeopardized. Additionally, and although the Group seeks to diversify its interactions with its customers and ensure that no customer relationship is managed by one employee only, the loss of key employees could negatively affect the Group's ability to maintain and renew existing customer relationships.

### **The Group has been granted various licenses and authorizations, and a disadvantageous amendment or termination of any license agreement or authorization may have an adverse or even destructive effect on the Company's operations**

The Group is using third party technology and various licenses and authorizations to produce, develop, publish and distribute its products, for instance from [Microsoft and other software vendors], which is essential for the Group in order to conduct its business in a profitable, even sustainable, manner. Any termination, non-renewal or renewal on disadvantageous terms and conditions, variation of fee structures or other contractual limitations in such reseller agreements, licenses or authorizations, could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

### **The Group could be subject to liabilities if the Group's strategic partners, software vendors, service providers or subcontractors do not perform their obligations or deliver their project contributions on time or at all**

The Group's ability to serve its customers and deliver and implement the Group's services and solutions in a timely manner depends on the ability of the Group's strategic partners, software vendors, service providers and subcontractors to perform their obligations and deliver their products and services in a timely manner and in accordance with contractual and project requirements. Changes in the pricing, incentives or other terms of the Group's agreements with its strategic partners, software vendors, service providers or subcontractors, or their failure to implement their services and deliverables in a correct and/or timely manner, could materially adversely affect the Group's ability to perform and subject the Group to additional liabilities, which could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

### **The Group's business and business strategy are tied to its intellectual property rights; however, no assurances can be given as to the adequacy of the protection of the Group's intellectual property rights**

The Group operates in a business segment that makes it dependable on copyright, trademark, industrial design, trade secret and other related laws and confidentiality procedures and contractual provisions to protect, maintain and enforce its proprietary technology and IP rights and will rely on such in all jurisdictions it will operate in, in the future. The Group's failure to process, obtain or maintain adequate protection of its IP rights for any reason in foreign jurisdictions, as well as in Norway, may have a material adverse effect on the Group's business, results of operations and financial condition.

### **The Group has received objections to the Group's registration of "Arribatec" as a global trademark from a third party. The Group expects that the situation is likely to be corrected through execution of a co-existence agreement with the third party, but there can be no assurance that its efforts to negotiate the same is successful**

The Group has received formal objections against its registration of "Arribatec" as a global trademark. While the Group is in discussion with the third party concerning a co-existence agreement which would enable the global protection of "Arribatec", there can currently be no assurance that an agreement will be ultimately entered into. The Group believes that its mark "Arribatec" is sufficiently distinct globally to be registered in the absence of co-existence agreement, but in the unlikely event of continued obstacles, it may need to re-consider its trademark.

### **The Group is exposed to the risk of breaching international sanctions and anti-bribery/anti-corruption laws, any of which may have a negative impact to the Group's reputation and financial condition**

The Company is exposed towards risk relating to international sanctions, in particular sanctions on trade and import/export, anti-bribery/anti-corruption laws through its operations in and trade across multiple jurisdictions. Furthermore, sanctions imposed on certain countries, companies or individuals by international and regional bodies (e.g. the World Trade Organization, United Nations, the United States, the European Union etc.) and Great Britain could materially adversely affect the Group's ability to establish its operations in or trade with those sanctioned countries or companies and/or individuals linked with such countries. Any of these events may result in loss of revenues, increased costs or decreased cash flows.



# Risk factors (3/5)

**Collection, storage and use of consumer information means that the Group is subject to data privacy regulations, licenses etc. within all jurisdictions the Group operates, and any misapprehension of regulatory duties and obligations may harm the Group's business**

The Company receives, stores and processes personal information and other user data. There are numerous laws around the world regarding privacy and the storing, sharing, use, processing, disclosure and protection of personal information and other user data on the internet platforms. The Group's (and its products') geographical presence determines which jurisdictions' data privacy laws it must comply with. Furthermore, the rate of privacy law-making is accelerating globally, and the interpretation and application of consumer protection and data privacy laws in Norway, Europe (such as GDPR), the United States and the rest of the world are often uncertain, contradictory and in flux. It is possible that these laws are interpreted or applied in a manner that is adverse to the Group or otherwise inconsistent with the Group's practices, which could result in litigation, potential legal liability or oblige the Group to change its practices in a manner adverse to its business. As a result, the Group's reputation may be harmed, substantial costs may incur and consumers, customers and/or revenues may be lost.

**Any system failures could harm the Group's ability to provide its services and solutions, damage the Group's reputation or otherwise adversely affect the Group's business**

Certain of the IP-tools offered by the Group to its customers is hosted by the Group on the Group's servers, meaning that the Group must maintain continuous data center operations, including network, storage and server operations. Any significant disruption in operations and any major system failure could compromise the Group's ability to deliver services according to the Group's contracts or to complete projects for its customers on a timely basis (which could trigger penalty and/or damages payments by the Group), resulting in the loss of customers or curtailed operations, any of which could materially affect the Group's operating revenue and profitability.

**The Group may not be sufficiently prepared to manage cyber threats that have the potential to significantly disrupt the Group and its customers' services**

The Group and the Group's customers may become subject to attacks from cybercriminals and the sophistication and scope of cyber-attacks has developed such that cyber-attacks occur on a nearly daily basis. IT security breaches could lead to shutdowns or disruptions of the Group's systems and potential unauthorized disclosure of confidential information or data, including personal data. The Group may be required to expend significant capital or other resources to protect against the threat of security breaches or to alleviate problems caused by such breaches. The theft or unauthorized use or publication of the Group's, or the Group's customers', confidential information or other proprietary business information as a result of an IT security incident could adversely affect the Group's competitive position and reputation.

**Undetected errors or defects in the Group's products or in any third party products**

The Group's products, software or solutions, as well as hardware, software and services provided by strategic partners, software vendors and channel partners, could contain errors or defects that could adversely affect the performance of the products, software or solutions and negatively impact the demand therefor. Any such errors or defects could result in adverse client reactions and negative publicity, because many of the Group's clients and potential clients are highly sensitive to defects in the products, software or solutions they use. Any defects or errors in the Group's products, software or solutions could result in the loss of orders or a delay in the receipt of orders and could result in reduced operating revenue. Any claim brought against the Group could be expensive to defend and require the expenditure of significant resources, regardless of the result.

## RISK RELATING TO CUSTOMER RELATIONSHIPS AND THIRD PARTIES

**The Group's success depends on its ability to retain customers and procure additional work from existing clients, and any failure to do so may have a material adverse effect on the Group's business, financial condition and prospects.**

Several of the Group's customer contracts are long-term, but the contracts can usually be terminated by the customers without cause. The Group also enters into framework agreements, which typically relate to system development and consulting engagements. The Group's customers generally have no financial commitment or minimum spending requirement thereunder. Moreover, the Group's contracts generally do not give the Group a right to be the exclusive supplier of services and solutions to its customers. Consequently, the Group's results of operations in subsequent periods could be materially lower than expected.

**Any failure in a customer's infrastructure or applications as a result, or alleged result, of the Group's consulting services' failure could result in a claim for substantial damages against the Group or result in significant reputational harm, and the Group's liability insurance coverage may not cover all potential losses**

Many of the Group's engagements involve projects and services that are critical to the operations of the Group's customers' businesses and provide benefits that are difficult to quantify. Any failure in an infrastructure component or application that the Group designed, built, operates or supports, or operated or supported in the past, could result in a claim for substantial damages against the Group and significant reputational harm, regardless of the Group's responsibility for the failure. Although the Group has product liability insurance coverage and IT consulting insurance coverage, there can be no assurance that any such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

# Risk factors (4/5)

## RISKS RELATING TO FINANCING AND ACCOUNTS

### **The Company's revenues, operating results and working capital may fluctuate significantly which could cause the Company to fail to meet or exceed the expectations of the market**

The Company's results of operation and working capital are likely to fluctuate significantly in the future on a quarterly basis and on an annual basis due to a number of factors, many of which are beyond the Company's control. This problem is particularly acute for the Company because of the novelty and dynamics of the industry and markets in which the Company operates. Therefore, period-to-period comparisons of the Company's results of operations may not be meaningful, and investors should not rely on them as indications of the Company's future performance.

### **The Company conducts its business in currencies other than its functional reporting currency, making its results of operations, financial position and future prospect vulnerable for currency fluctuations**

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

### **Interest rate fluctuations could affect the Group's cash flow and financial condition**

The Group faces interest rate risk from borrowings and deposits with a floating rate, to which it has a certain exposure. The Group has entered into certain hedging arrangements designed to fix or limit risk on a portion of these rates, but in the future such arrangements may not be available on commercially reasonable terms. If interest rates were to rise significantly the Group's interest expense would correspondingly increase, thus reducing free cash flow. Accordingly, fluctuations in interest rates could negatively affect the Group's business, results of operations, financial position and future prospects.

## RISK RELATING TO INTERNATIONAL AND MACROECONOMIC DEVELOPMENTS

### **New markets and international sales pose additional risks to the Group's operations and if the Group is unsuccessful in sufficiently mitigating these risks, they may have an adverse material effect on the Group's business and operations**

The Group has expanded its geographical markets. The Group is subject to risks inherent in international business activities including the burdens of complying with a wide variety of foreign laws and regulations, import restrictions, tariffs and other trade barriers, difficulties in managing international operations and political and economic instability. Moreover if for any reason exchange or price controls on other restriction on conversion of foreign currencies were to be imposed, the Group's business could be adversely affected.

### **The distribution of the Group's technology and applications across a wide variety of jurisdictions exposes the Group to risks inherent to operating internationally and in regions with political tension and/or surveillance of digital technology, any of which may negatively affect the Group's results of operations**

The Group currently has presence in multiple countries and it cannot be excluded that the Group will expand its geographical presence in the future. Any political involvement or local restrictions of the Group's operations may negatively affect the Group's results of operations in that jurisdiction, but also its overall financial performance.

### **The Group operates in competitive markets, and the Group might not be able to compete efficiently.**

The market for the Group's software and services is competitive and rapidly changing. Certain features of the Group's current platform compete in the corresponding technologies market. Other large established companies have in the past and may in the future also make investments in such tools. In addition, as the Group introduce new products and services, and with the introduction of new technologies and market entrants, it expects competition to intensify in the future. Further, many actual and potential competitors benefit from competitive advantages, such as greater name recognition, longer operating histories, more varied products and services, larger marketing budgets, more established marketing relationships, third-party integration, greater accessibility across devices or applications, access to larger user bases, major distribution agreements with hardware manufacturers and resellers, and greater financial, technical and other resources. Some competitors may make acquisitions or enter into strategic relationships to offer a broader range of products and services than that of the Group. These combinations may make it more difficult for the Group to compete effectively. The Group expect these trends to continue as competitors attempt to strengthen or maintain their market positions.

# Risk factors (5/5)

Demand for the Group's [platform] is also price sensitive. Many factors, including the Group's marketing, user acquisition and technology costs, and current and future competitors' pricing and marketing strategies, can significantly affect our pricing strategies. Certain competitors offer, or may in the future offer, lower-priced or free products or services that compete with our platform or may bundle and offer a broader range of products and services. Similarly, certain competitors may use marketing strategies that enable them to acquire customers at a lower cost than that of the Group. Furthermore, third parties could build products similar that of the Group which rely on any of the Group's software. Even if such products do not include all the features and functionality that Group's platform provides, the Group could face pricing pressure from these third parties to the extent that users find such alternative products to be sufficient to meet their video communications needs. There can be no assurance that the Group will not be forced to engage in price-cutting initiatives or other discounts or to increase its marketing and other expenses to attract and retain customers in response to competitive pressures, either of which would harm its business.

**The Group is exposed to risks relating to volatile, negative or uncertain economic or political conditions.**

Global macroeconomic conditions affect the Group's customers' businesses, which may have a consequential effect on their IT spending and demand for the Group's solutions and services. Economic volatility and uncertainty is particularly challenging because many of the projects the Group undertakes for customers require major investment by them, which customers are less willing to make in uncertain economic conditions. Volatile, negative or uncertain economic conditions in the Group's customers' markets, have undermined, and could in the future undermine, business confidence and cause the Group's customers to reduce or defer their spending on new initiatives and technologies, or may result in customers reducing, delaying or eliminating spending under existing contracts with the Group or putting pressure on the Group's pricing. In addition, international, national or local political volatility, have negatively impacted, and could in the future negatively impact, the Group and its employees. Volatile, negative or uncertain economic or political conditions may adversely impact the Group's customers or the Group's employees and could therefore negatively affect the Group's business, results of operations, financial condition, cash flow and/or prospects.

## RISKS RELATED TO THE SHARES AND THE TRANSACTION

**Following the Transaction, there may not be an active and liquid market for the Shares and the price of the Shares may fluctuate significantly.**

An investment in the Shares is associated with a high degree of risk and the price of the Shares may not develop favorably. Prior to the private placement, there has been no public market for the Shares. Following the Listing, an active or liquid trading market for the Shares may not develop or be sustained, and the Shares may not be resold at or above the subscription price. If such market fails to develop or be sustained, it could have a negative impact on the price of the Shares. Investors may not be in a position to sell their shares quickly, at the market price or at all if there is no active trading in the Shares.

The share prices of publicly-traded companies can be highly volatile and, after the private placement and the subsequent Transaction, the price of the Shares could fluctuate substantially due to various factors, some of which could be specific to the Group and its operations, and some of which could be related to the industry in which the Group operates or equity markets generally. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Group's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the strategy described in this Presentation, as well as the evaluation of the related risks, changes in general economic conditions, changes in consumer preferences, an increase in market interest rates, changes in shareholders and other factors. As a result of these and other factors, the Shares may trade at prices significantly below the subscription price. Market volatility and volume fluctuations have affected and continue to affect the market prices of securities issued by many companies, including companies in the technology market and companies which operate within the financial industry, and may occur without regard to the operating performance of such companies. The market price of the Shares may decline, and the Shares may trade at prices significantly below the subscription price, regardless of the Group's actual operating performance, and there can be no assurances as to the liquidity of any market for the Shares, investors' ability to sell their Shares or the prices at which investors would be able to sell their Shares.

One of the factors that could also influence the price of the Shares is its annual dividend yield, as compared to yields on other financial instruments. Thus, an increase in market interest rates will result in higher yields on other financial instruments, which could adversely affect the price of the Shares.

**Should the conditions under the share exchange agreement not be satisfied in a timely manner or at all, subscribers of the Company's Shares may not receive the consideration shares in Hiddn on the date described in this Presentation or at all.**

Subsequent to the private placement in Arribatec, a certain share exchange agreement between the A-Shareholders, Arribatec and Hiddn Solutions ASA must be completed for the purposes of providing the subscribers of the Shares with considerations shares in Hiddn Solutions ASA.

Under the share exchange agreement, a number of conditions must be satisfied for the transaction to successfully close. However, there can be no assurances that all conditions for closing the transaction will be satisfied on time or at all. As such, subscribers of the Shares in Arribatec is exposed to the risk of not receiving the consideration shares in Hiddn Solutions AS in the manner described in this Presentation or at all.





# Thanks for your attention!

We take you from  
"Best Practice Visions to Next Practice Delivered"

ARRIBATEC 