

Arribatec.

\ First half/Quarterly report . Q2 - 2021



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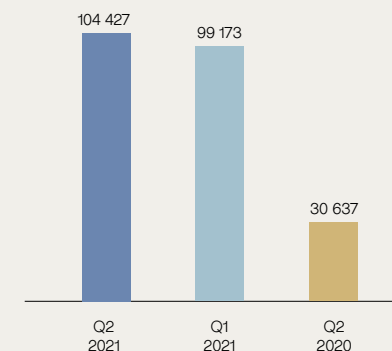
Highlights

Arribatec Group delivers a total revenue of NOK 104.4m for the second quarter of 2021, a growth of 241% compared to the same quarter last year of NOK 30.6m. The Company reports an EBITDA for the quarter of NOK 1.8m which is 1.2m below the same quarter previous year, and an adjusted EBITDA of 2.2m. Recognized Recurring Revenue (RR) increased by NOK 32.8m compared to the same period last year, to NOK 37.8m for the second quarter of 2021. The cash balance at the end of the quarter was NOK 78.6m. The "old" Arribatec organization delivered organic growth of 36%, and all acquisitions, on a stand-alone basis, are also showing good growth compared to last year.

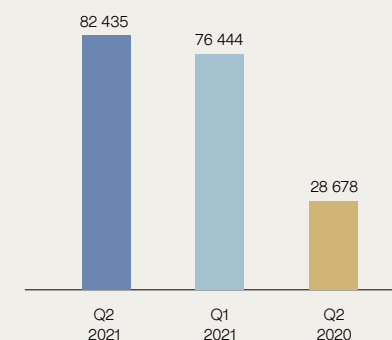
Key consolidated figures and ratios

		Q2 2021	Q1 2021	YTD 2021	Q2 2020	Full year 2020
Revenue	TNOK	104 427	99 173	203 599	30 637	154 024
Gross profit	TNOK	82 435	76 444	158 879	28 678	136 415
EBITDA	TNOK	1 783	9 845	11 628	3 015	(45 259)
Adjusted EBITDA	TNOK	2 231	10 334	12 565	3 015	14 877
Operating profit/(loss), EBIT	TNOK	(6 215)	3 036	(3 179)	1 813	(52 499)
Net profit/(loss)	TNOK	(7 088)	606	(6 482)	1 292	(55 620)
Revenue growth y/y for the quarter/full year	%	240.9 %	176.7 %	206.2 %	na	35.5 %
Gross profit margin	%	78.9 %	77.1 %	78.0 %	93.6 %	88.6 %
EBITDA margin	%	1.7 %	9.9 %	5.7 %	9.8 %	-29.4 %
Adjusted EBITDA margin	%	2.1 %	10.4 %	6.2 %	9.8 %	9.7 %
Earnings per share	NOK	(0.016)	0.001	(0.015)	0.014	(0.182)
Cash at end of period	TNOK	78 586	91 525	78 586	18 945	188 270
Equity	TNOK	349 266	356 725	349 266	25 451	316 214
Equity ratio	%	67.3 %	68.0 %	67.3 %	25.6 %	76.9 %
Price per share at end of reporting period	NOK	1.708	1.830	1.708	1.358	2.040
FTEs	Number	311	290	311	105	171
Number of outstanding shares at beginning of reporting period	Number	440 112 929	418 583 331	418 583 331	89 908 757	16 077 403
New shares issued	Number	15 000 000	21 529 598	36 529 598	0	402 505 928
Number of outstanding shares at the end of reporting period	Number	455 112 929	440 112 929	455 112 929	89 908 757	418 583 331
Average number of shares	Number	449 508 533	408 112 328	440 303 519	89 908 757	305 239 615

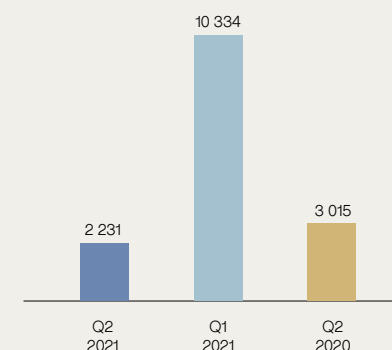
Revenue



Gross profit



Adjusted EBITDA



\ Operation and sales .

With six new companies acquired and absorbed over the last nine months, Arribatec has added new products, services and solutions to the Arribatec Group portfolio. In addition, new customer segments and geographical areas have been added to the operational reach of Arribatec's services globally. Over the last two quarters, the Company has spent significant time and effort on realigning the entire Arribatec Group's management organization into the following five business areas for a results-driven roadmap. Business Areas (BAs) are described below.

Business Services (BizS)

BA Business Services (BizS) delivers integrated & scalable solutions with ERP as the core engine in a customer's business landscape. Arribatec implements, customizes, supports, and integrates the core ERP system with other best-of-breed solutions that customers may already have in use. Whether customers require advice or services regarding their current systems or want to explore innovative solutions, our consultants and developers assist and drive the process from analysis to delivery.

Enterprise Architecture & Business Process Management (EA-BPM)

BA (EA-BPM) helps customers derive value from complexity and uncertainty. Enterprise architecture (EA) makes business complexity manageable by structuring and aligning strategy, organization, processes, information, applications, and technology. Our EA reveals dependencies, change impact, and opportunities to drive business decisions.

Business Process Management (BPM) enables agility, resource management, and business excellence which empower organizations to adapt rapidly to unpredictable market changes. BPM simplifies, maps & communicates relationships between processes, applications, and infrastructure to understand how processes impact strategic objectives and implement improvements.

BPM helps organizations gain better visibility into inefficiencies and maintain a competitive advantage through flexibility and responsiveness to a changing competitive landscape.

Cloud (Cloud)

BA Cloud (Cloud) provides cost-effective and flexible public and private cloud solutions to improve customer's day-to-day operations and productivity globally. This BA will manage and maintain the workplace and IT infrastructure to safeguard uptime and secure business and data.

Marine (Marine)

BA Marine's (Marine) primary product offering is the proprietary software InfoSHIP. A web-based software enabling fleet control and efficiency enhancements to a broad range of vessel types and technical processes. InfoSHIP supports companies with marine operations, bringing ship owners high-fidelity control of their vessels. BA Marine's software products and solutions enable ship owners and managers to plan and schedule maintenance activities, monitor vessel performance both technically and economically while always maintaining fleet-wide control.

Hospitality (Hspt)

BA Hospitality (Hspt) delivers two proprietary solutions to customers world-wide:

Arribatec Certify is a daily management tool for Housekeeping Departments – digitalized cleanliness- and inspection processes for rooms and public areas. Stand-alone or integrated with the customer's PMS (Property Management System) solution – Opera or others.

Fácil is a digital solution for self-service check-ins, including the world's first holographic kiosk offering your guest a one-of-a-kind hotel experience. The Holo Kiosk is integrated into your property's existing systems and is available to order today.

Sales and revenue

During Q2, the Group has continued the ongoing work to streamline the internal work processes and enhance production systems to increase efficiency and reduce unit cost over time. As part of this initiative, we have set up a shared service center in Poland which will be providing back-office services to most of the Arribatec entities in Continental Europe. Additionally, the global sales organization is adjusting the sales process to ensure the Group takes full advantage of all cross-selling opportunities that now are apparent between all acquired companies and the existing Arribatec organization. The purpose of the changes is to further fuel organic growth, and we expect to see the full effect from these initiatives in early 2022.

During the second quarter, Arribatec signed multiple agreements within the Group's core segments. BA Marine won a five-year software contract with a substantial European-based cruise ship owner- and operator. The total contract value is EUR 2.7m plus additional fees for all services delivered. BA EA-BPM secured several new contracts with a combined value of NOK 40m.

The majority of the new agreements are within the technology-, finance-, and Oil&Gas industry.

BA Hospitality recorded revenue for the first time this quarter. While the revenue number of this quarter is small, it is significant, as it marks the start of a new phase for Arribatec Hospitality. Certify and Facil, the two primary service offerings and their respective product line-up, have been proved ready for the market, and the customers are enthusiastic. During the quarter, BA Hospitality conducted a webinar for the Singapore Hotel Association members, where 60 hotels participated. The ensuing interest from the hotels shows that the ability to document the cleaning process- and procedures (the Certify product), coupled with the possibility for contactless check-in/out (the Facil product), is in high demand now that Arribatec start to see the tail end of the pandemic.

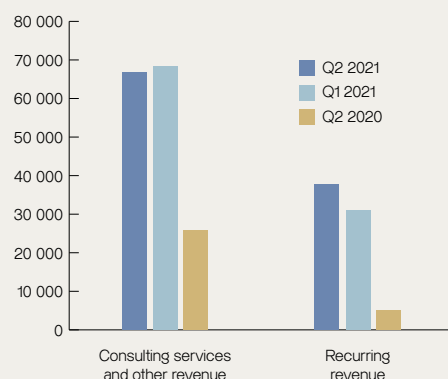
During the quarter, overall activity in the Group's main markets was somewhat lower than the first quarter this year mainly due to several public holidays in April and May. The estimated lost revenue due to holidays in Q2 is approximately NOK 7m.

Arribatec Group's Q2 Y/Y revenue growth was 241% and was at the end of Q2 reported at NOK 104.4m. Recurring revenue (RR) accounted for NOK 37.8m or 36% of total revenue, where Region Norway delivered 82% of the total. Compared to the same quarter last year, RR increased by NOK 32.9m. Consulting services accounted for NOK 59.8m of the total revenue, where Region Norway had NOK 36.0m, Europe NOK 19.4m, and Americas NOK 4.4m.

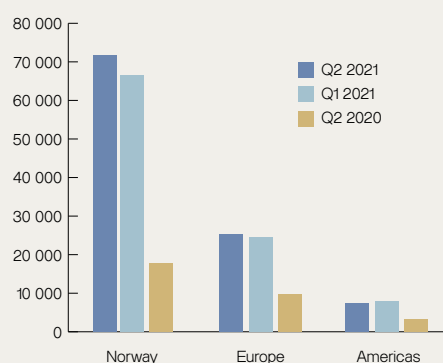
The six acquired companies delivered NOK 62.9m or 60% of the total revenue of Q2. Thus, the "old" Arribatec organization accounted for NOK 41.5m, a 36% growth compared to the same period last year. All acquired companies each account for full three months of activities in Q2.

For the first half of 2021, Arribatec Group had total revenue of NOK 203.6m, a 206% increase compared to the first half of 2020. Accumulated revenue per end of June 2021 from recurring revenue contracts is NOK 68.7m, corresponding to NOK 9.6m last year. Revenue from consulting services for the first half of 2021 is NOK 120.5m, a 124% increase compared to the first six months of last year.

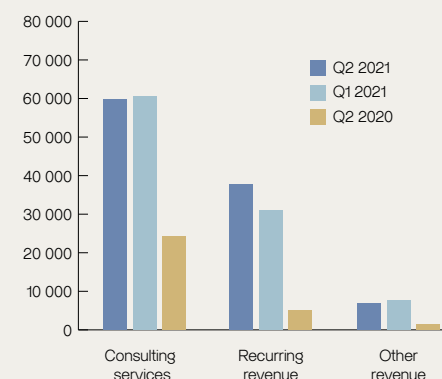
Development revenue



Revenue per region



Revenue per service line



\ Financial review .

EBITDA for the second quarter amounted to NOK 1.8m, which is NOK 1.2m below the same quarter last year. EBITDA margin for the quarter was 1.7%. For the first half of 2021, Arribatec Group had an EBITDA of NOK 11.6m, a 59% increase compared to the first half of 2020. EBITDA adjusted for M&A-related expenses was NOK 2.2m, thus a margin of 2.1% for the quarter. The corresponding number for the first half of 2021 was NOK 12.6m, which gave a margin of 6.2% for the first half 2021.

Depreciation and amortization (D&A) amounted to NOK 14.8m for the first half 2021 compared to NOK 2.1m in first half 2020. The corresponding number for Q2 2021 was NOK 8.0m, compared to NOK 1.2 in Q2 2020. The two main components of the D&A are amortizations of intangible assets from acquired companies, internally developed software, and depreciation of fixed assets as well as depreciation of right of use assets such as office lease contracts calculated according to IFRS 16.

Finance, tax & net result

Net finance was NOK -0.4m and calculated tax expense for the period is NOK -0.4m leaving a net loss after tax of NOK 7.1m for the quarter. For the first half of 2021, Arribatec Group has recorded an accumulated net loss of NOK 6.5m compared to a profit of NOK 3.6m for the same period last year.

The balance sheet

The development in the balance sheet from year end 2020 to 30.06.2021 is mainly impacted by the three acquisitions made in 2021. Total assets of the Group at the end of first half was NOK 519.0m compared to 411.1m at the end of the year 2020.

Non-current intangible assets at the end of the period accounted for NOK 286.8m. Intangible assets consist of goodwill of NOK 187.9m which stems from the six acquisitions done by Arribatec since the reverse takeover of Hiddn Solutions ASA in Q4 2020. Additionally, NOK 33.9m of the purchase price paid for the six companies has been allocated as the value of the customer relations in those same companies. Finally, technical and custom-made software accounts for NOK 56.6m of the intangible assets. Total intangible assets at the end of Q2 last year were NOK 20.0m.



Revenue

+241%

NOK 104.4m vs 30.6m



Current assets of NOK 195.4m consist of trade receivables of 70.3m, while the cash balance at the end of the quarter was NOK 78.6m. Other receivables and contract assets add up to NOK 46.6m. Total current assets at the end of Q2 last year was NOK 62.0m.

Non-current liabilities at the end of the second quarter are NOK 69.6m, of which 26.8m is drawdowns on smaller revolving credit facilities in Norway and Italy. Lease liabilities related to office and equipment with a remaining lease period above 12 months calculated under IFRS 16 accounted for NOK 11.8m, while deferred tax and provisions totaled 30.3m. Non-current provisions of NOK 17.2m mainly relates to severance payments in the acquired IB Group. Total non-current liabilities at the end of Q2 last year was NOK 11.2m.

Current liabilities amounted to NOK 100.2m at the end of the second quarter of 2021. Other Current liabilities account for 54.4m, and this item mainly includes accruals for employee tax and VAT. The total amount of current liabilities at the end of Q2 last year was NOK 62.7m.

At the end of the quarter, total equity was NOK 349.3m, giving an equity ratio of 67.3%. During the quarter, Arribatec issued 15,000,000 shares which the Company transferred as consideration shares to the sellers of Qualisoft that was acquired during Q1 2021. At the end of the second quarter of 2021, Arribatec had a total of 455,112,929 shares outstanding.

Cash flow and liquidity

Arribatec's cash flow from operating activities in Q2 was negative with NOK 11.3m, which compares to a positive 15.4m in the second quarter of 2020. Net change in accounts receivables and payables had a negative impact of NOK 10.3m while a change in other current accounts reduced cash from operation by another NOK 2.7m (mainly employee tax and accrued vacation pay). Net cash flow from investing activities was NOK 6.1m, and of this, 5.7m is capitalized development costs and purchased software. Net cash flow from financing was positive by NOK 5.8m. Arribatec Italy received state guaranteed COVID loans from two local Italian

banks. The loans come without covenants and have an average term of six years. The average interest on the new loans is 1.6%. Half of the proceeds from the state loans have been used to repay higher interest loans. At the end of the second quarter, Arribatec had NOK 78.6m in cash and cash equivalents.

Outlook

During Q3, the Group will continue the ongoing work to streamline the internal work processes and enhance production systems to increase efficiency and reduce unit cost over time. Additionally, the Group will be focusing on improving organic growth through cross-selling across the entire Arribatec platform.

We expect the vacation period in the third quarter to impact consulting revenue negatively and that the overall financial performance will be comparable to the second quarter. However, we foresee that as recurring revenue continues to grow relatively to total revenue, it should reduce the seasonal impact over time.

The Group sees increasing demand for Arribatec Marine's solution, InfoShip. BA Marine signed a significant agreement last quarter, and in addition, finalized several pilot projects and a new release with substantial system enhancements. The BA Marine has now built a large pipeline, and the requests emanate from several different maritime industry segments. Also, Arribatec's first SolaaS customer within the maritime sector has been formalized, proving the strategic ideas behind delivering ERP with the maritime vertical solutions. Due to COVID has been difficult to roll out the own maritime solutions efficiently as it requires some physical installations on the ships. This is causing a delay in the billing and hence the recognition of the revenue. The current and expected new contracts will take up to two years to roll out taken the current situation into account.

Arribatec sees an increased demand for enterprise architecture and business process management solutions (BA EA&BPM), as we are extending BA EA-BPM's domestic business to other Arribatec operations internationally in line with Arribatec's strategy. With several new contracts signed during first half of 2021, BA



EA-BPM enters Q3 with a solid backlog. For this reason, the BA has during Q2 hired ten new consultants, and the recruiting drive continues into Q3 to meet the increased demand.

The earlier announced acquisitions of Integra Associates in the UK and Spanish-based Grupo Hodei are progressing, and we aim to finalize these transactions during Q3. When they close, the acquisitions will give Arribatec additional products and a geographically wider footprint. Additionally, it could add more than NOK 80-100 million to the Group's annual revenue and provide growth in recurring revenue.

Arribatec Group will continue to look for M&A opportunities that can give access to new and complementary solutions, increase the Group's geographical footprint, or enhance the presence in the Group's verticals.

Other activities

The annual general meeting conducted on June 29 resolved to change the name of the Company to Arribatec Group ASA.

Subsequent events after reporting date

An EGM for Arribatec Group ASA approved in July 2021 the merger plan with Arribatec AS.



\ Responsibility statement .

We confirm that, to the best of our knowledge, the condensed set of financial statements for the period 1 January to 30 June 2021, which have been prepared in accordance with IAS 34 as adopted by EU, gives a true and fair view of the Company and the Group's consolidated assets, liabilities, financial position and results of operations, and that the management report includes a fair review of important events during the period and their effects on the condensed set of financial statements for the first half year 2021, together with a description of the principal risks and uncertainties for the remaining months of the financial year as well as material transactions with related parties for the period.

Oslo, 26 August 2021



Martin Nes
Chairman of the board



Øystein Stray Spetsten
Board member



Yvonne Litsheim Sandvold
Board member



Kristin Hellebust
Board member



Henrik Lie-Nielsen
Board member



Per Ronny Stav
CEO

A circular inset on the left side of the page shows a silhouette of a person in profile, looking out of a window. The person's hand is resting on a surface, possibly a desk. The background outside the window is blurred, showing some foliage.

\ Condensed consolidated financial statements & notes .

\ Condensed consolidated statements of profit and loss .

NOK thousand	Note	For the quarter end		YTD		Full year 2020
		30 June 2021	30 June 2020	30 June 2021	30 June 2020	
Revenue	3	104 427	30 637	203 599	66 482	154 024
Materials, software and services		(21 992)	(1 959)	(44 720)	(5 772)	(17 609)
Gross profit		82 435	28 678	158 879	60 710	136 415
Salary and personnel costs		(61 663)	(22 695)	(118 226)	(46 959)	(99 143)
Costs from reverse takeover		0	0	0	0	(56 822)
Other operating expenses		(18 989)	(2 968)	(29 025)	(6 442)	(25 710)
Total operating expenses		(80 652)	(25 663)	(147 251)	(53 401)	(181 674)
EBITDA		1 783	3 015	11 628	7 308	(45 259)
Depreciations and amortizations		(7 998)	(1 202)	(14 807)	(2 131)	(7 240)
Operating profit (EBIT)		(6 215)	1 813	(3 179)	5 178	(52 499)
Financial income	4	(66)	344	1 130	364	1 247
Financial expense	4	(342)	(477)	(1 999)	(837)	(2 945)
Profit/(loss) before tax		(6 622)	1 680	(4 047)	4 705	(54 197)
Tax expense		(465)	(388)	(2 435)	(1 086)	(1 424)
Profit after tax attributable to equity holders of the parent company		(7 088)	1 292	(6 482)	3 619	(55 620)
Earnings per share: basic	10	(0,02)	0,01	(0,01)	0,04	(0,18)
Earnings per share: diluted	10	(0,02)	0,01	(0,01)	0,04	(0,18)

\ Condensed consolidated statements of comprehensive income .

<i>NOK thousand</i>	For the quarter end		YTD		Full year 2020
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	
Net profit/(loss) for the period	(7 088)	1 292	(6 482)	3 619	(55 620)
Items that may be classified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	(405)	15	(1 417)	30	60
Total comprehensive income for the period	(7 493)	1 307	(7 899)	3 649	(55 561)
Attributable to:					
Equity holders of the parent company	(7 493)	1 307	(7 899)	3 649	(55 561)

\ Condensed consolidated statements of financial position .

		For the quarter end	
<i>NOK thousand</i>	Note	30 June 2021	31 Dec 2020
ASSETS			
Non-current assets			
Property, Plant and equipment		5 178	3 258
Right-of-use assets	6	18 796	20 768
Goodwill	6	187 942	93 827
Customer relations	6	33 924	13 145
Other Intangible assets	6	64 893	18 310
Other non-current assets		11 774	945
Deferred tax assets		1 075	2 436
Total non-current assets		323 583	152 689
Current assets			
Trade receivables		70 283	32 956
Other receivables		2 159	22 090
Contract assets		19 638	12 387
Other current assets		24 778	2 746
Cash and cash equivalents		78 586	188 270
Total current assets		195 444	258 448
TOTAL ASSETS		519 027	411 137

NOK thousand	Note	For the quarter end	
		30 June 2021	31 Dec 2020
EQUITY AND LIABILITIES			
Equity			
Paid in capital			
Issued capital	9	127 432	117 203
Other paid in capital		225 232	194 510
Total paid in capital		352 663	311 713
Other equity			
Exchange differences		(1 409)	8
Other equity		(1 989)	4 493
Total other equity		(3 398)	4 501
Total equity		349 266	316 214
Non-current liabilities			
Interest bearing loans	7	26 772	1 344
Lease liabilities	6	11 807	15 500
Other non-current financial liabilities		716	0
Deferred tax liabilities		13 071	0
Provisions		17 187	0
Total non-current liabilities		69 554	16 843
Current liabilities			
Short term financial liabilities	7	4 033	7 046
Current lease liabilities	6	8 233	7 125
Accounts payable and other current liabilities		14 162	23 966
Contract liabilities		20 029	1 283
Current tax payable		3 368	3 596
Other current liabilities		50 382	35 064
Total current liabilities		100 208	78 080
Total liabilities		169 762	94 923
TOTAL EQUITY AND LIABILITIES		519 027	411 137

\ Condensed Consolidated statements of changes in shareholders' equity .

	Equity related to the shareholders of the parent company					Total Equity
	Restricted Share capital	Treasury shares	Other paid in capital	Exchange differences	Retained earnings and profit for the year	
<i>NOK thousand</i>						
Closing balance on 31 December 2019	2 589	-312	16 286	(52)	3 291	21 802
Balance on 1 January 2020	2 589	-312	16 286	(52)	3 291	21 802
Result of the period					3 619	3 619
Comprehensive income for the period				30		30
Total comprehensive result for the period	0	0	0	30	3 619	3 649
Closing balance on 30 June 2020	2 589	-312	16 286	-22	6 910	25 451
Balance on 1 January 2020	2 589	(312)	16 286	(52)	3 291	21 802
Result of the period					(55 620)	(55 620)
Comprehensive income for the period				60		60
Total comprehensive result for the period	0	0	0	60	(55 620)	(55 561)
Treasury shares acquired		(276)				(276)
Other equity transactions			(834)			(834)
Issue of share capital in Arribatec AS	847		83 824			84 670
Reverse take over reclassification of Arribatec AS	(3 436)	588	2 848			0
Reverse take over Arribatec Solutions ASA	91 204		(64 614)		56 822	83 412
Capital Increase employees offer, Nov	2 800		6 600			9 400
Capital increase repair issue, Nov	9 199		21 684			30 884
Capital increase, Private placement Dec	14 000		96 000			110 000
Cost of share issue			(12 891)			(12 891)
Share consideration relating business combinations – shares to be issued in 2021			45 607			45 607
Closing balance on 31 December 2020	117 203	0	194 510	8	4 493	316 214
Balance on 1 January 2021	117 203	0	194 510	8	4 493	316 214
Result of the period					(6 482)	(6 482)
Comprehensive income for the period				(1 417)		(1 417)
Total comprehensive result for the period	0	0	0	(1 417)	(6 482)	(7 899)
Share consideration relating to business combination 2020 (Facil, Microsky and Innit)			(45 607)			(45 607)
Capital increase related to business combinations	10 228		66 129			76 357
Share consideration relating business combinations in 2021 – shares to be issued during 2021			10 200			10 200
Closing balance on 30 June 2021	127 432	0	225 232	(1 409)	(1 989)	349 265

\ Condensed consolidated statements of cash flows .

NOK thousand	Note	For the quarter end		YTD		Full year 2020
		30 June 2021	30 June 2020	30 June 2021	30 June 2020	
Operating activities						
Profit/(Loss) before tax		(6 622)	1 680	(4 047)	4 705	(55 620)
Taxes paid		0	0	(982)	0	(1 196)
Adjustments for:						
- Calculated cost from reverse takeover		0	0	0	0	56 822
- Finance income and expense	4	416	133	877	473	1 698
- (Increase)/decrease in trade receivables		(3 243)	9 939	(10 836)	1 214	1 328
- (Decrease)/increase in trade payables		(7 105)	(1 902)	(18 548)	2 664	6 089
- Depreciation and amortization	5, 6	7 999	1 202	14 807	2 131	7 240
Change in other current accounts		(2 731)	4 330	1 332	7 179	(17 369)
Net cash flows operating activities		(11 287)	15 382	(17 397)	18 366	(1 009)
Investing activities						
Cash received through business combination	7	0	0	20 712	0	34 741
Cash consideration Investment in subsidiaries	8	0	0	(101 472)	0	(59 942)
Capitalized development costs and tangible assets	5	(5 702)	(3 696)	(13 245)	(7 266)	(12 548)
Interest received		(398)	0	0	0	236
Net cash flows investing activities		(6 098)	(3 696)	(94 005)	(7 266)	(37 514)
Financing activities						
Net proceeds from borrowings		15 793	0	15 793	0	5 472
Change in overdrafts		(7 950)	(1 910)	(9 383)	1 924	(3 821)
Repayment of debt		470	0	0	0	(1 179)
Interest paid		(299)	(170)	(844)	(199)	(755)
Calculated interest lease liabilities		280	0	0	0	0
Installments lease liabilities		(2 418)	0	(2 418)	0	0
Other changes in equity		0	0	0	0	(1 110)
Proceeds from shares issued		0	0	0	0	234 954
Share issue costs		0	0	0	0	(12 891)
Net cash flows financing activities		5 876	(2 080)	3 147	1 725	220 671
Net change in cash and cash equivalents		(11 509)	9 606	(108 254)	12 825	182 149
Cash and cash equivalents at the beginning of period		91 525	9 340	188 270	6 121	6 121
Currency translation		(1 430)	0	(1 430)	0	0
Cash and cash equivalents at end of period		78 586	18 945	78 586	18 945	188 270

\ Notes to the condensed consolidated interim financial statements .

Note 1 Basis for the preparation

The Parent Company Arribatec Solutions ASA (Company) is a company domiciled in Norway. These condensed consolidated interim financial statements ("interim financial statements") comprise the Company and its subsidiaries (together referred to as "the Group"). This interim financial statements are unaudited and it is prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU. The accounting policies adopted are consistent with those used in the annual financial statements for the year ended on 31 December 2020. Changes to IFRSs which have been effective from 1 January 2021 have had no material impact on the Group's financial statements. All presented figures in this interim report have been rounded and consequently, the sum of individual figures can deviate from the presented total.

Note 2 Risk and uncertainties

The Arribatec Group are exposed to a number of risks, including foreign currency exchange risk, liquidity risk, interest rate risk and credit risk. For further details relating to these risks and how the Group manage these risks, please see Note 3 in the consolidated annual financial statement for 2020. Though the IT software industries has been less impacted by the Covid 19 pandemic the Group follow up the macroeconomic uncertainties within its markets and also to secure the safety and health of employees during the pandemic to ensure deliveries to the customers. The risks described in the annual report of 2020 is unchanged.



Note 3 Revenue per geography and service

For the quarter end 30 June 2021

<i>NOK thousand</i>	Consulting services	Recurring Revenue	One-time revenue	Total
Norway	35 972	30 868	4 784	71 624
Europe	19 391	4 067	1 922	25 380
Americas	4 446	2 842	133	7 422
Total revenue	59 809	37 778	6 840	104 427

For the quarter end 30 June 2020

<i>NOK thousand</i>	Consulting services	Recurring Revenue	One-time revenue	Total
Norway	11 554	4 566	1 522	17 642
Europe	9 393	378	0	9 772
Americas	3 223	0	0	3 223
Total revenue	24 170	4 944	1 522	30 637

YTD 30 June 2021

<i>NOK thousand</i>	Consulting services	Recurring Revenue	One-time revenue	Total
Norway	69 773	57 663	10 749	138 186
Europe	39 224	7 110	3 675	50 009
Americas	11 464	3 927	14	15 405
Total revenue	120 461	68 700	14 438	203 599

YTD 30 June 2020

<i>NOK thousand</i>	Consulting services	Recurring Revenue	One-time revenue	Total
Norway	26 555	8 918	3 025	38 498
Europe	20 112	677	0	20 790
Americas	7 028	0	166	7 195
Total revenue	53 695	9 595	3 192	66 482

Full year 2020

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

Note 4 Financial items

	For the quarter end		YTD		Full year
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	
<i>NOK thousand</i>					
Finance income					
Interest income	(308)	0	90	0	236
Foreign exchange gains (realized)	(61)	344	384	364	892
Other financial income	303	0	656	0	119
Total financial income	(66)	344	1 130	364	1 247
Finance expenses					
Interest on debts and borrowings	(121)	(170)	(844)	(199)	(754)
Interest expense on lease liabilities	(264)	(191)	(543)	(389)	(953)
Foreign exchange losses (realized)	129	(117)	0	(247)	(1 117)
Net foreign exchange losses (unrealized)	85	0	(265)	0	0
Other financial expenses	(171)	1	(346)	(2)	(120)
Total financial expenses	(342)	(477)	(1 999)	(837)	(2 945)
Net financial items	(408)	(133)	(869)	(473)	(1 698)

Note 5 Intangible assets

YTD 30 June 2021

<i>NOK Thousand</i>	Custom software	Customer relations	Technical software	Other intangible assets	Goodwill	Total
Cost at 1 January 2021	12 568	15 529	1 000	10 018	93 827	132 942
Additions	335	0	0	590	0	925
Additions - internally developed	8 526	0	0	0	0	8 526
From business combinations ¹	1 116	24 363	42 167	0	94 183	161 828
Reclassifications	(700)	700	0	0	0	0
Translation difference	(15)	(273)	(278)	283	(67)	(350)
Cost at 30 June 2021	21 829	40 319	42 889	10 891	187 942	303 869
Accumulated amortizations at 1 January 2021	(1 807)	(3 084)	(667)	(2 102)	0	(7 660)
Amortization	(5 679)	(3 311)	(5)	(454)	0	(9 450)
Accumulated amortization at 30 June 2021	(7 486)	(6 395)	(672)	(2 557)	0	(17 110)
Carrying amount at 30 June 2021	14 343	33 924	42 217	8 334	187 942	286 759

Useful life	5-10 yrs	5 yrs	5 yrs	5-10 yrs	Infinite
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1. Ref. Note 8, business combinations.

YTD 30 June 2020

<i>NOK Thousand</i>	Custom software	Customer relations	Technical software	Other intangible assets	Goodwill	Total
Cost at 1 January 2020	3 799	7 000	1 000	4 264	2 577	18 639
Additions	0	0	0	1 269	0	1 269
Additions - internally developed	5 160	0	0	0	0	5 160
From business combinations	0	0	0	0	0	0
Less government grants	(740)	0	0	0	0	(740)
Cost at 30 June 2020	8 218	7 000	1 000	5 533	2 577	24 328
Accumulated amortizations at 1 January 2020	(191)	(700)	(167)	(1 022)	0	(2 080)
Amortization	(808)	(700)	(250)	(540)	0	(2 298)
Accumulated amortization at 30 June 2020	(999)	(1 400)	(417)	(1 562)	0	(4 378)
Carrying amount at 30 June 2020	7 219	5 600	583	3 971	2 577	19 950

Useful life	5-10 yrs	5 yrs	5 yrs	5-10 yrs	Infinite
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Note 6 Leased assets

Right-of-use assets

<i>NOK thousand</i>	Buildings	Office equipment	Vehicles	Total
Right-of-use assets per 1 January 2021	15 867	4 757	143	20 768
Addition of right-of-use assets	1 956	0	591	2 547
Depreciation in the period	(3 175)	(1 010)	(172)	(4 357)
Reclassification	(30)	30	0	0
Translation difference	(162)	0	0	(162)
Carrying amount of right-of-use assets 30 June 2021	14 456	3 778	562	18 796
Remaining lease term	1-5 years	1-3 years	1-4 years	
Depreciation method	Linear	Linear	Linear	

Lease liabilities

<i>NOK thousand</i>	YTD 30 June 2021
Undiscounted lease liabilities and maturity of cash outflow	
< 1 year	9 207
1-2 years	7 388
2-3 years	4 483
3-4 years	769
Total undiscounted lease liabilities, end of period	21 848
Discount element	(1 807)
Total discounted lease liabilities, end of period	20 040

Note 7 Interest bearing debt

<i>NOK thousand</i>	Credit facilities	Other borrowings	Total
Balance at 1 Jan 2021	6 364	2 025	8 389
Acquisition of subsidiaries	4 904	11 323	16 227
Proceeds from loans and borrowings	0	15 793	15 793
Repayment of loans and borrowings	(8 281)	(1 102)	(9 383)
Total changes in financial cashflow	(8 281)	14 691	6 410
Translation difference	(67)	(154)	(221)
Total Borrowings at end of period	2 920	27 885	30 805

<i>NOK thousand</i>						Amount in NOK	
Debt financial institutions	Type	Currency	Facility limit	Interest rate	Year of maturity	30 June 2021	31 Dec 2020
DNB	Revolving credit facility	NOK	7 000	6.15 %	2021	800	5 018
DNB	Secured bank loan	NOK		4.65 %	2023	0	336
DNB	Revolving credit facility	NOK	6 000	4.50 %	2021	0	1 346
DNB	Secured bank loan	NOK		4.50 %	2025	178	445
DLL	Leasing & finance company	NOK		4.50 %	2024	579	682
The Norwegian Research Council	Governmental	NOK		3.35 %	2022	562	562
Bank Intesa, Italy	Factoring	EUR		2.70 %	2021	2 467	0
Bank Carige, Italy	Factoring	EUR		3.00 %	2021	187	0
Bank Intesa, Italy	Secured bank facilities	EUR		EURIBOR+1.95%-2.40%	2027	10 040	0
Bank Progetto, Italy	Secured bank loan	EUR		EURIBOR+5%	2025	8 350	0
Bank Carige, Italy	Secured bank loan	EUR		1.30 %	2027	7 642	0
Total						30 805	8 389

Note 8 Business combinations – Preliminary PPA

	2021			2020		
	Maksit	Qualisoft	IB Group	Microsky	Facil	Innit
Date of acquisition	18.2.2021	23.02.2021	20.12.2021	11.11.2020	05.11.2020	03.11.2020
Acquired part of Company	100 %	100 %	100 %	100 %	100 %	100 %
Purchase price	35 987	85 605	20 830	11 160	24 846	69 543
Whereof Cash consideration	25 787	54 855	20 830	1 500	0	58 442
Whereof Share consideration	10 200	30 750	0	9 660	24 846	11 101
Fair value of assets and liabilities on acquisition						
Non-current assets						
Property, plant and equipment	101	457	1 116	271	4	1 543
Goodwill	22 541	66 361	5 025	9 931	24 416	57 157
Customer Relationship	9 234	15 128		511	0	8 018
Software			43 280	0	0	0
Other intangible fixed assets			22 033	0	0	3 513
Deferred tax assets				0	51	0
Other long term assets				0	0	267
Total non-current assets	31 876	81 946	71 453	10 713	24 471	70 498
Current assets						
Trade receivables	3 675	21 856	961	1 861	0	8 087
Other current assets	263	7 218	1 405	1 034	63	6 631
Contract assets (earned, not invoiced)		656	744	1	0	651
Cash & cash equivalents	7 331	10 937	2 443	2 463	360	4 816
Total current assets	11 269	40 667	5 552	5 359	423	20 185
Total Assets	43 145	122 613	77 005	16 072	24 894	90 683
Non-current liabilities						
Long term interest bearing debt			11 941	0	0	534
Deferred tax liabilities	2 032	3 328	7 122	112	0	1 782
Other long-term liabilities & provisions			13 986	0	0	0
Total non-current liabilities	2 032	3 328	33 049	112	0	2 316
Current liabilities						
Trade payables	613	1 871	6 260	1 533	0	3 888
Tax liabilities	520		0	50	0	474
Current Contract liabilities (deferred revenue)	0	10 942	733	2	0	0
Other short term liabilities	3 621	20 867	16 135	3 215	48	14 180
Accrued expenses and prepaid income	372			0	0	283
Total current liabilities	5 126	33 680	23 128	4 800	48	18 825
Total Net assets	35 987	85 605	20 829	11 160	24 846	69 542
Net Sales full year 2020	18 626	67 716		17 454	376	77 729
Profit /Loss full year 2020	3 690	6 587		497	-167	2 067
Net Sales year 2020 (Arribatec)				3 530	218	19 165
Profit /Loss year 2020 (Arribatec)				308	16	1 230

Note 9 Issued shares, share capital and shareholder information

	Number of shares	Share Capital (NOK)
At 1 January 2020	16 077 403	16 077 403
Capital issue, Jan	7 164 688	7 164 688
Capital issue, Mar	41 666 666	41 666 666
Capital issue, Mar	25 000 000	25 000 000
Capital decrease, Nov		-64 734 305
New shares, Oct	235 819 574	66 029 481
Share issue, repair offer, Nov	32 855 000	9 199 400
Share issue, employee offer, Nov	10 000 000	2 800 000
Share issue, private placement, Dec	50 000 000	14 000 000
At 1 January 2021	418 583 331	117 203 333
Capital issue in relation to acq. of Facil, Jan	12 423 200	3 478 496
Capital issue in relation to acq. of Microsky, Feb	3 499 998	979 999
Capital issue in relation to acq. of Innit, Mar	5 606 400	1 569 792
Capital issue in relation to acq. of Qualisoft, May	15 000 000	4 200 000
At 30 June 2021	455 112 929	127 431 620

20 largest shareholders at 30 June 2021	Holding	Stake
Tycoon Industrier AS	116 554 032	25.6%
Arriba Invest AS	80 607 565	17.7%
Dallas Asset Management AS	24 598 694	5.4%
Tvenge	21 000 000	4.6%
SRK Consulting AS	17 121 277	3.8%
Tigerstaden AS	10 000 000	2.2%
Lani Invest AS	8 588 647	1.9%
Datum AS	8 542 908	1.9%
Hanekamb Invest AS	7 553 463	1.7%
Danske Bank A/S	5 658 186	1.2%
LOS AS	5 518 001	1.2%
Cantavit Holding AS	3 875 000	0.9%
AWR AS	3 875 000	0.9%
Muhlbradt Eiendom AS	3 520 000	0.8%
Finance Resources GJ AS	3 079 574	0.7%
Qualisoft Holding AS	3 039 785	0.7%
Espen R. Grouff AS	3 034 286	0.7%
WKUP AS	2 959 574	0.7%
Nordnet Bank AB	2 688 070	0.6%
Nordnet Livsforsikring AS	2 653 625	0.6%
Total 20 largest shareholders	334 467 687	73.5%
Other shareholders	120 645 242	26.5%
Total	455 112 929	100.0%

Shares held by related parties	Holding	Stake	
Tycoon Industrier AS	116 554 032	25.6%	Related to Øystein S. Spetalen, Member of the Board in Arribatec Group ASA
Arriba Invest AS	80 607 565	17.7%	Related to Per Ronny Stav, CEO of Arribatec Group ASA
Hanekamb Invest AS	7 553 463	1.7%	Related to Martin Næs, Chairman of the Board in Arribatec Group ASA
Finance Resources GJ AS	3 079 574	0.7%	Related to Geir Johansen, CFO of Arribatec Group ASA
WKUP AS	2 959 574	0.7%	Related to Jhonny Sharma, COO of Arribatec Group ASA
Reaktor Returns AS	1 738 830	0.4%	Related to Henrik Lie-Nielsen, Member of the Board in Arribatec Group ASA

Note 10 Earnings per share

	Quarter ended		Year to date		Full year
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	
<i>NOK</i>					
Net profit/(loss) to equity holders	(7 087 745)	1 291 903	(6 482 235)	3 618 798	(55 620 279)
Total	(7 087 745)	1 291 903	(6 482 235)	3 618 798	(55 620 279)
Number of shares (in thousands)					
Weighted average number of ordinary shares	449 508 533	89 908 757	440 303 519	89 908 757	305 239 615
Effects of dilution, weighted average	135 394 531	0	134 210 025	0	129 663 617
Weighted average number of shares, adjusted for the effects of dilution	584 903 064	89 908 757	574 513 544	89 908 757	434 903 232
Basic earnings per share	(0.02)	0.01	(0.01)	0.04	(0.18)
Diluted earnings per share ¹	(0.02)	0.01	(0.01)	0.04	(0.18)

1. If Net loss, EPS per Basic and Diluted share will be equal.

Effects of dilution	Quarter ended		Year to date		Full year
	2021	2020	2021	2020	
Redemption shares to minority shareholders of Arribatec AS	124 790 135	0	124 790 135	0	129 663 617
Share consideration outstanding Qualisoft	5 604 396	0	5 801 105	0	0
Share consideration outstanding Maksit	5 000 000	0	3 618 785	0	0

Note 11 Transactions with related parties

	For the quarter end		Year to date		Full year
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	
<i>NOK thousand</i>					
Transactions with related parties					
Ferncliff AS - Fee for CEO and CFO for hire ¹	0	0	562	0	1 290
Ferncliff AS - Fee related to capital increase ¹	0	0	0	0	3 400
Total Related parties transactions	0	0	562	0	4 690

1. Approved by the General meeting in Arribatec Group ASA 20 November 2020. Related to Tycoon Industriér AS, ref Note 9.

\ Terms and abbreviations and APMs .

Terms and abbreviations

ARR	Annual Recurring Revenue derived from sale of services and solutions through subscription models
BoD	Board of Directors
CGU	Cash Generating Unit
DKK	Danish Krone
EBIT	Operating profit, Earning Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPS	Earnings Per Share
EUR	Euro
FTE	Full Time Equivalent
IFRS	International Financial Reporting Standards
NOK	Norwegian Krone
Opex	Operating expenses

RTO	Reverse Take Over
RR	Recurring Revenue, revenue derived from sale of services and solutions through subscription models this reporting period
SEK	Swedish Krone
SaaS	Software as a service
Solaas	Solution as a service
UAE	United Arab Emirates
USD	US Dollar
VIU	Value In Use
WACC	Weighted Average Cost of Capital
WAEP	Weighted Average Exercise Price
M&A	Mergers and Acquisitions
M&A	Mergers and Acquisitions

APM / KPI definition

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

	For the quarter end		YTD		Full year 2020
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	
<i>NOK thousand</i>					
EBITDA	1 783	3 015	11 628	7 308	-45 259
Cost from reverse take over	0	0	0	0	56 822
M&A cost	448	0	937	0	3 314
Adjusted EBITDA	2 231	3 015	12 565	7 308	14 877

\ Financial calendar 2021 .

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11 Nov 2021

