Arribatec

Annual report 2023

A pioneering consulting company with expertise in technology for integrated business solutions .

Our mission is to leverage technology to streamline and declutter non-essential systems and processes. In doing so, we enhance our clients' outcomes and deliver peace of mind for those at the helm.

By streamlining and clarifying, we provide a better overview and contribute to stability and dependability in the daily working environment. This enables our clients to spend their time and effort on more productive activities that drive value creation.

This is how we simplify complexity.

Contents.

Highlights 4

Arribatec at a glance 4

Key figures 5

Letter from the CEO 6

Our business 8

Arribatec vision and values 8

ESG report 9

Board of Directors report 21

Board of Directors 21

Responsibility Statement 22

The Board of Directors' Report 23

Shareholder information 29

Financial statements 31

The Group 32

Parent company 78

Auditor's report 95

Corporate Governance 100

APMs, terms and abbreviations 105

Arribatec at a glance .

Our results

Recurring of total revenue
37%

Organic growth
13.5%

Number of clients
1 760

Our people

Employees
341

Average age
41 years

Nationalities
25

Overall job satisfaction score
72%

More about us

- Listed on Oslo Stock Exchange
- 60+ Software and solution offerings
- Key partnerships:
  Unit4, QualiWare, Hypergene, RamBase, Microsoft, CatalystOne, Pagero, PowerBI, Prophix, SEMINE
- Appr. 40% business outside of Norway
- 15 offices around the globe
- 35% women, 65% men
- Main industries:
  Governmental, Higher education, Research, Health, Energy and oil & Gas, Bank & Finance, Shipping, Hospitality, Engineering and construction, Non-profits

Key figures .

Revenue
573 MNOK

Gross profit
440 MNOK

Revenue growth y/y
13.5%

EBITDA margin
4.3%

Key consolidated figures and ratios		Full year 2023	Full year 2022
Revenue	TNOK	572 981	504 968
Gross profit	TNOK	440 308	389 934
EBITDA	TNOK	24 463	(34 107)
Adjusted EBITDA	TNOK	24 463	(25 090)
Operating profit/(loss), EBIT	TNOK	(23 844)	(90 339)
Net profit/(loss)	TNOK	(23 416)	(83 393)
Revenue growth y/y for the year	%	13.5%	22.0%
Gross profit margin	%	76.8%	77.2%
EBITDA margin	%	4.3%	(6.8%)
Adjusted EBITDA margin	%	4.3%	(5.0%)
Earnings per share	NOK	(0.33)	(0.13)
Cash at end of period	TNOK	39 371	40 449
Equity	TNOK	262 463	281 927
Equity ratio	%	52.3%	54.7%
Price per share at end of reporting period	NOK	4 650	0 369
FTEs, employed	Number	329	353
No. of outstanding shares, beg. of period[1]	Number	690 573 217	584 903 064
New shares issued[1]	Number	514 887	105 670 153
No. of outstanding shares, end of period[1]	Number	69 572 206	690 573 217
Average number of shares, year to date	Number	69 057 322	658 988 513

[1] Reversed share split (10:1) in Q1 2023

Letter from the CEO

A year of building common structures .

I want to begin this letter by expressing my sincere appreciation to all our employees in the Arribatec Group. The resilience and determination that everyone has demonstrated during 2023 have helped the company sustain growth and secure new and significant contracts. I'm amazed by what we accomplish together with our customers, and I'm very proud of all the positive feedback we have received from them on the work we are doing. We repeatedly see that the positive impacts we create from good customer outcomes help us win new projects from existing and new customers across the Arribatec universe.

As Arribatec reached its eighth year in 2023, we noticed that our company kept developing and growing. We saw more collaboration and coordination among our five business areas, which made our project delivery more dynamic and opened new opportunities for our staff to get involved in different and interesting projects. Our shared values of Responsibility, Integrity, Service-mindedness, and Empowerment, or RISE for short, motivate us to help each other in our daily work and create a work environment that encourages cooperation and unity. We succeed together, and we learn together. This way of working together allows us to grow personally and provide value for our customers, partners, and owners.

We passed several significant financial milestones in the last year. Arribatec had a positive EBITDA of 25 million for the year and a revenue of 573 million, which is almost 14% higher than last year. Also important, all our five Business Areas had positive EBITDA in the final quarter. This shows us that the hard work we have done in the previous years to merge and improve our business model has paid off. We believe we have built a strong foundation that can support our future growth.

Our operation was influenced significantly, both positively and negatively, by strategic changes that our software partners made in 2023. For the parts of our business that felt the impact directly, we have chosen to be less reliant on single dominant partners and to have more flexibility with various systems and software solutions in our portfolio. To be less reliant, we are forming new partnership agreements with more software owners and plan to have a wider range of skills in our organisation. This will allow us to provide even more customised solutions to the individual client's needs while reducing the impact of partner decisions in the future. The new alliances have not only broadened our reach but have also improved our offerings, enabling us to transform even more complex challenges into simple solutions, improving our clients' outcomes and providing confidence for those at the helm.

As we approached the end of 2023, we began to revise our strategy for the next three years, from 2024 to 2026. We have established challenging objectives for what we want to accomplish in this period, both in terms of customer and market outcomes, as well as financial and operational performance. Environmental, Social, and Governance (ESG) factors are now embedded in our business model and in our decision-making process. This includes adopting sustainable practices throughout our operations, complying with new regulatory demands, and preparing to assist our clients with their ESG journey. In the past year, we have made donations to various charities selected by our employees, purchased supplies from disability organisations and sponsored initiatives that promote health internally and externally. These activities will persist in the coming year, in addition to the influence of ESG on our business decisions. These efforts embody our RISE values and our "positive impact" mentality.

Looking beyond 2023, we see that helping our customers build strong governance- compliance- and management systems is essential for the future. The energy sector will have a major impact on how our societies will evolve. Developing renewable energy sources and modernising and expanding the distribution grid are vital, and the need for a reliable energy supply is more evident than ever. A significant part of Arribatec's activities is related to the broader energy sector - and we think that we can contribute to improving our customers' performance and compliance with the regulations they follow. Other sectors that Arribatec works with, such as the public sector, professional service firms, civil engineering, manufacturing, higher education, transportation and hospitality, all aim to become more data-driven, automated and digitally proficient. We will always stand ready to help, support and advise, and as a pioneering consulting company, we will keep exploring new possibilities and finding simple solutions for complex problems in the coming years.

Sincerely,

Geir Johansen
CEO of Arribatec Group

Arribatec vision and values .

"We simplify complexity".

At Arribatec, we are pioneers in transforming complex challenges into simple solutions. Our job is to create order from chaos. And in doing so, we enhance our clients' outcomes and guarantee peace of mind for those at the helm. We provide a better overview and contribute to stability and dependability in the daily working environment. This enables our clients to spend their time and effort on more productive activities that drive value creation. Our ambition is to simplify complexity.

Responsibility

We take responsibility

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

Integrity

We act with integrity

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

Service-minded

We are service-minded

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

Empower

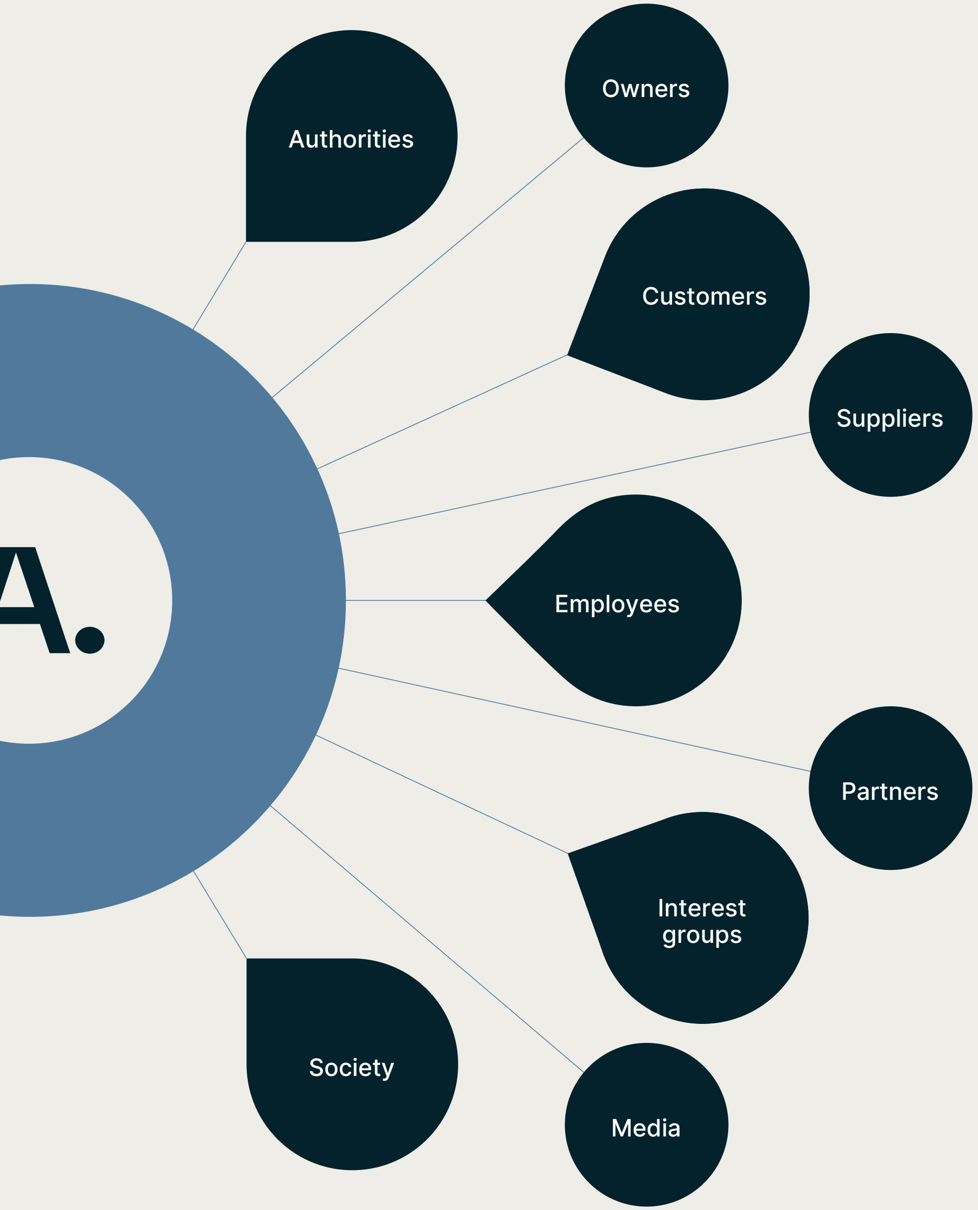
We empower those around us

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

The values are recognised as the **RISE** culture in Arribatec.

Environment, Social and Governance .

This chapter offers an insight into Arribatec's Environmental, Social, and Governance (ESG) endeavours and achievements throughout 2023, in addition to the upcoming plans. The ESG standards and regulations are dynamically evolving alongside global shifts, necessitating proactive responses to emerging challenges. Arribatec remains committed to meet these challenges with actions and compliance and by leading the way for others through our vision statement "we simplify complexity".



The ESG efforts shall not only benefit the environment and society but also contribute to the financial performance and long-term success. Arribatec has used 2023 to further integrate the ESG practices into ways of working. Arribatec aim to minimize the environmental footprint, foster a diverse and inclusive workplace culture, and maintain high ethical standards.

Arribatec are data-driven and aim to provide transparency and accountability to the stakeholders to share our ESG-performance and ambitions.

> For ESG to have an effect in our company and the society at large we have incorporated this into our business so it's no longer something we do on the side of things, but a part of how we are making decisions.

Geir Johansen, CEO

Our ESG strategy statement

At Arribatec, we take ownership of the complete service we provide and are responsible for our impact on the environment, society, and the economy throughout our value chain. ESG is incorporated into our business strategy and processes and reflected in our values. We strive to manifest our values and show our commitment to ESG in everything we do. We consider ESG and our values to be mutually reinforcing.

We take responsibility for reducing our environmental footprint and caring for our employees and clients. We act with integrity in all business practices and internal processes. We are service-minded in offering our clients the best products and competence and our employees the best development opportunities. We empower our employees, clients, and business partners to act in the planet's and society's best interests.

Arribatec has eight priority areas within ESG based on the materiality assessment. The priority areas guide the operational decision-making, as well as the product and service offerings. The priority areas are listed below:

Environment

- Our aim is to become carbon neutral by 2030.
- We aim to ensure 100% reuse and recycling rate of electronic waste by 2026.

Social

- We have a strong focus on ESG competence building among our employees and across the group.
- Our employees are our main asset. We want our employees to thrive at work and we aim to be recognised as an employer by choice, placing our people at the heart of everything we do.
- We aim for our employees to find meaning in what they do and to develop their skills and abilities.

Governance

- We aim to influence and support our business partners and clients to maintain high standards of ESG.
- Ethical business conduct is at the highest priority in Arribatec. We have zero tolerance for corruption and unethical behaviour.
- We aim to ensure high-level protection of our customer and employee data.

The ESG reporting is currently based on the GRI standard. However, Arribatec is preparing for the European Sustainability Reporting Standards (ESRS) and EU taxonomy that will become applicable in 2025. Conducting an EU taxonomy eligibility assessment and double materiality assessment will be the first step. Based on the assessments, a roadmap will be created to ensure alignment and reporting in 2025.

UN's Sustainable Development Goals

Arribatec acknowledge the significance of all the UN's Sustainable Development Goals but have pinpointed those that align most effectively with our stakeholders and where we can make the most positive impact.

ESG performance

Arribatec adopted structured reporting following the GRI standard in 2022, which continued into the 2023 reporting cycle. However, with upcoming regulatory changes, Arribatec will transition to using the European Sustainability Reporting Standards (ESRS) for its 2024 reporting. The following sections will elaborate on the work and performance within the three ESG categories.

The following sections will elaborate on the work and performance within the three ESG categories.

Environment

Climate change is one of the most pressing challenges of our era. As a multinational organisation with projects in close to 30 countries, Arribatec is dedicated to fulfilling the responsibility of addressing climate change and minimising emissions intensity.

Energy

The operations produce the following emissions based on the GHG emission standard; scope 1 and 2. Arribatec has ESG reporters located at every office with the key responsibility of reporting annually on all metrics and driving positive environmental change initiatives.

Arribatec has a goal to "reduce the emission from direct activities by 30% by 2024 compared to baseline in 2023". Since Arribatec does not own any of the buildings they operate from they are challenging the building owners to put in place efforts that can help reduce the energy usage. However, Arribatec sees a clear variation across locations in maturity and willingness to do the necessary changes. Arribatec will continue to challenge and believe this will lead to a positive change.

Scope 1 emissions:

3.9 tonnes CO_2e

Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by Arribatec (e.g., Arribatec vehicles).

The scope 1 emissions have increased by 40% compared to 2022, primarily due to a significant increase in the activities where cars are part of the operation, resulting in considerably more driving. Two cars have already been replaced with electric vehicles, while the remaining two diesel cars are next in line for replacement.

Scope 1 emissions are related to the two diesel cars Arribatec use in their project deliveries. The diesel cars are used when the distance and load require it, while the two electric cars (that is part of the Scope 2 emission) is used for shorter deliveries.

Scope 2 emissions:

225.8 tonnes CO_2e

Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Although scope 2 emissions physically occur at the facility where they are generated, they are accounted for in Arribatec's GHG inventory because they are a result of the organisation's energy use.

The scope 2 emissions have risen by 34% since 2022. Arribatec is collaborating with building owners on initiatives aimed at reducing emissions. Additionally, internal measures are being implemented to decrease emissions within Arribatec's designated office area.

Some of the efforts to reduce Scope 2 emissions at the Arribatec main office include implementing night temperature reduction, adjusting air volume during vacancy periods, and using demand-controlled ventilation. Climate screens are integrated to minimise cooling needs and lighting systems have been upgraded to energy-efficient LEDs with presence detection. The Arribatec main office has also implemented over 20 fractions for proper waste management. The building's sorting rate for 2023 is 63.1%. Waste management is an initiative Arribatec is working to establish in all offices.

Energy consumption through own operations

kWh	
Electricity renewable	174 939
Electricity non-renewable	470 675

Arribatec has identified the sources of energy consumption, pinpointing areas for improvement to reduce emissions and achieve carbon neutrality. Heating constitutes the primary energy usage in most locations. Arribatec is committed to increasing the use of renewable electricity. Consequently, all data centres are powered by green electricity, and supplier selection prioritises environmental performance.

Circular economy

Arribatec aims to reuse and recycle 100% of all electronic waste by 2026. This commitment extends not only to internal electronics but also to items delivered to the clients. Arribatec has designated equipment disposal closets at the largest office sites to facilitate the convenient return of any electronic waste. In 2023, the following number of electronic units went through the circular economy process:

Reused units	33
Recycled units	72
Products in process	17

Social

Arribatec firmly believes that the company's core strength resides in the dedicated efforts of its employees. They work tirelessly to expand the business and empower Arribatec to assist clients in overcoming challenges and pursuing new opportunities. In essence, employees serve as the driving force behind the company, making it imperative to consistently prioritise their needs and aspirations to sustain ongoing growth. Arribatec's key strategic driver is personal growth, recognising that investing in the development and well-being of employees is essential for both their success and the success of the company.

The social impact of Arribatec extends beyond our work with employees and clients. Arribatec endeavour to create a positive difference in communities and the world through charitable initiatives, sponsorships, volunteer work, and the behaviour and actions of our employees during client assignments.

Corporate Social Responsibility

Arribatec is committed to be a good corporate citizen and demonstrate integrity and high ethical standards in all its business.

Arribatec's Board of Directors has implemented guidelines for Ethical and Corporate Social Responsibility. The purpose of these guidelines is to create a sound corporate culture and to preserve the integrity of Arribatec by helping employees to promote standards of good business practice. Arribatec's guidelines on Ethical and Social Responsibilities applies to all employees of the Group and to anyone who holds a position of trust in the Group, including members of the boards and consultants acting on behalf of the Group.

The principles and standards provided therein aim to provide guidance to Arribatec's people for a common platform and to support Arribatec's vision, core values and principles. These guidelines are instrumental for Arribatec's approach to human rights, fair working environment and equal rights, health and safety, environment, business ethics and anti-corruption.

The Group regularly reviews the guidelines and will continue its ongoing efforts to educate the organisation on the prevailing standards and principles. Arribatec's Ethical and Corporate Social Responsibility Guideline is publicly available on Arribatec's website.

Human rights

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

Working environment

The Group has business contacts of different nationalities and cultures and has built an international mindset for years. Employees are encouraged to treat each other and business contacts with respect and act according to local laws and regulations, as well as to pay attention to local values and norms for social conduct. The Group does not tolerate derogatory treatment of any employee. The Board of Directors and Management seeks to create a working environment that is pleasant, stimulating, safe and beneficial to all employees.

The Group's working environment complies with applicable rules and regulations and the Board of Directors has not found reason to implement any special measures in this respect.

Going forward, Arribatec commits to actively continue its work for a safe and nurturing working environment in accordance with applicable rules and regulations.

Equal rights
Arribatec does not accept discrimination on the grounds of race, colour, gender, sexual orientation, age, disability, language, religion, legitimate political or other opinions, national or social origin, property, birth or other status. The Group's facilities are equally well equipped for females and males. The Company complies with Norwegian legal requirements with respect to gender representation in the Board of Directors.

The Board of Directors will continue its efforts to ensure that the principle of equal treatment is carried out in accordance with the adopted policy. Both recruitment of new personnel and professional development for the Group's existing employees will be based on qualifications, achievements and equal opportunities.

Health and Safety
Health and safety are indispensable components of all the Group's activities. All hazards and risks to health and safety must be mitigated when identified. Generally, Arribatec's business involves low risk in the day-to-day activities, without the use of chemicals, heavy machinery or equipment that can cause damage or injuries. Delivery of Arribatec's services and solutions is sometimes done in cooperation with business partners, all of whom shall have a good reputation and standing.

Environment
The Group's operations shall always be in accordance with applicable environmental legislation. Arribatec's guidelines on Social and Corporate Responsibility provide that the Group shall always strive for improvements that may reduce its environmental impact. Arribatec does not own or operate manufacturing facilities. Arribatec seeks to limit its resource consumption, prevent unnecessary environmental pollution, including optimising transportation of goods, and manage waste in an environment-friendly and resource-efficient manner.

Business ethics and anti-corruption
The Group's operations depend on the trust of contractual parties, authorities, shareholders, employees and society in general. In order to gain trust, the Group is dependent upon professionalism, expertise and high ethical standards in all aspects of the Group's work. This applies to the way the Group operates and the conduct of everyone associated with the Group. All employees are expected to behave with care, integrity and professionalism and abstain from actions that may weaken confidence in the Group.

The Group's Ethical Guidelines and Corporate Social Responsibility Guidelines contain guidelines on ethical behaviour in business relations and are applicable to all employees in the Group. These guidelines clearly state that Arribatec has a zero-tolerance policy for any form of corruption or bribery and encourages reporting of suspected misconduct.

The Group's guidelines explicitly govern conflict of interests, gifts and money laundering. No employee may receive benefits for themselves or for others from the Group's business contacts if such benefits are based on the employment relationship. Correspondingly, no one shall give such benefits to the Group's business contacts. Business courtesies of modest value, conforming to normal social customs and not intended for influence, are not considered bribes.

All gifts with an estimated value of more than NOK 1 000 must be reported to the Group's CFO, who will assess whether the relevant gift can be received on a case-by-case basis. Arribatec has to date not been accused of or involved in, any cases pertaining to any form of corruption or bribery. Arribatec encourages each employee to report on possible censurable incidents.

Arribatec's employees have an obligation to report on criminal activity and on incidents that could endanger life or health. Raising awareness of Arribatec's existing guidelines has been the Group's main action regarding business ethics and anti-corruption, and the Group will continue such work going forward. Neither the Board of Directors nor management are aware of any breach of the Group's ethical code of conduct.

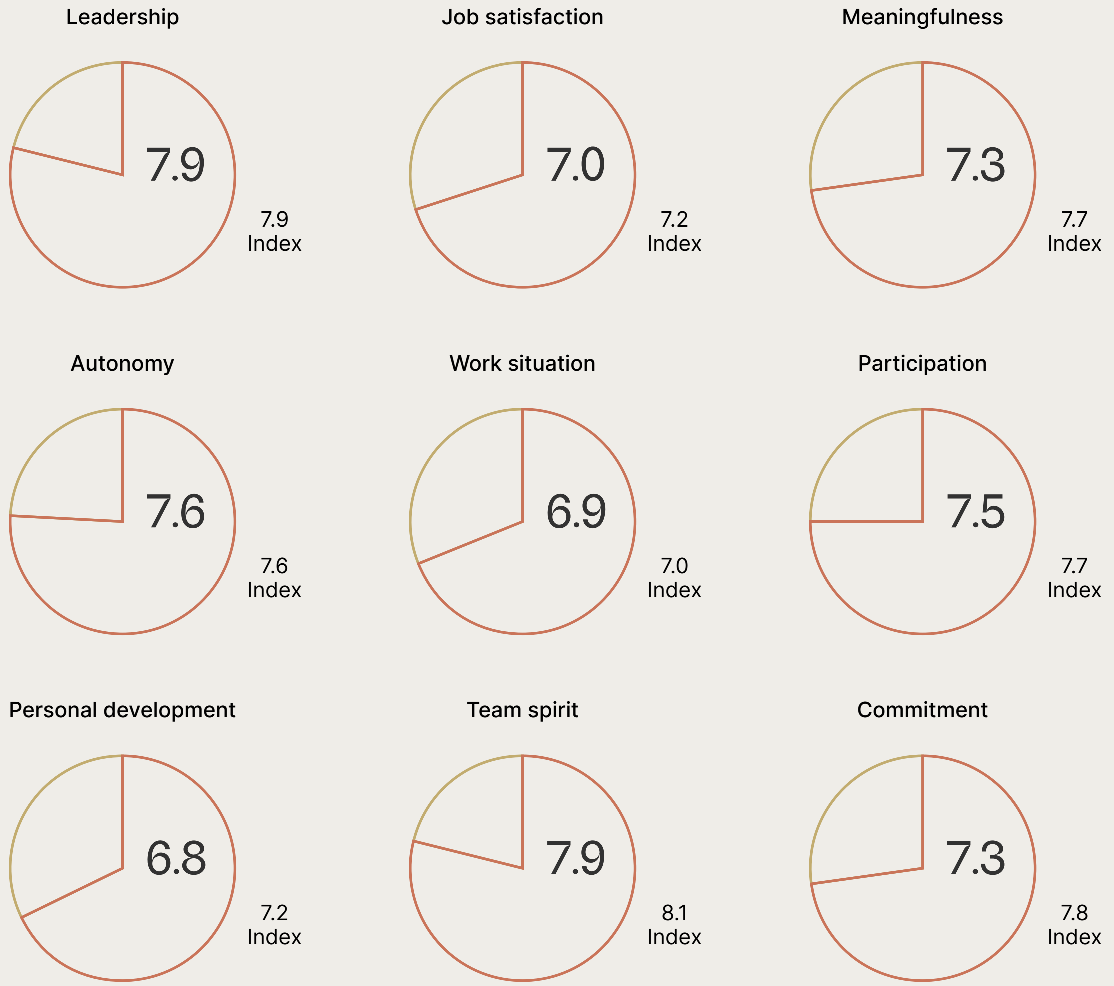
Work force highlights
Work environment
Arribatec uses an artificial-driven survey every week to monitor, evaluate and act on some key factors that influence the overall job satisfaction among the employees, supported

by Winningtemp. The weekly survey helps the company to create a positive and efficient work environment, by hearing and getting input from the employees and responding to their feedback. This is a helpful way of getting feedback that helps the company to identify areas for improvement and ongoing growth. One of the strategic objectives for Arribatec is to score at or above industry index (source Winningtemp) in all parameters. Arribatec has achieved targets for some parameters but is slightly behind on others, seeing a decrease of 0.2 of the overall satisfaction score compared to 2022 (7.4 vs. 7.2). Even though not meeting all parameters, Arribatec is pleased with the scoring, considering the significant consolidation activities we have gone through. Furthermore, the implementation of the pulse survey across all Arribatec departments has resulted in an average participation rate of 78%, representing a 17% increase from 2022.

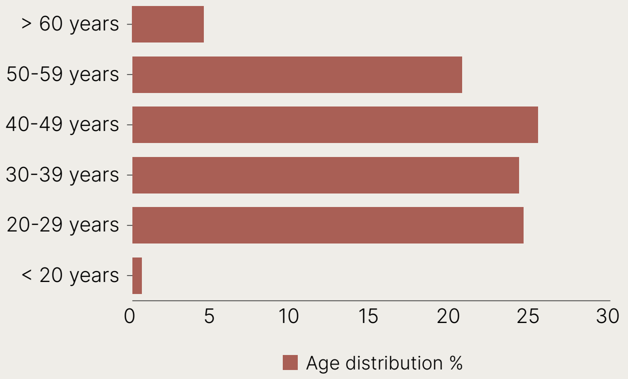
Diversity highlights

The company is founded based on senior high-level competence providing the market with the most in depth expertise within its domains, which is reflected in the age distribution. The average age in Arribatec is 41 years (same for male and female employees). The youngest employees are apprentices, while the largest age group is between 40-49 years. Arribatec value age diversity and are committed to maintaining a broad range of ages within the workforce, as it creates a more productive and conducive work environment.

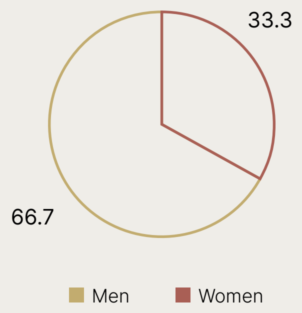
Total 7.2 (business industry index 7.5). Score out of 10.



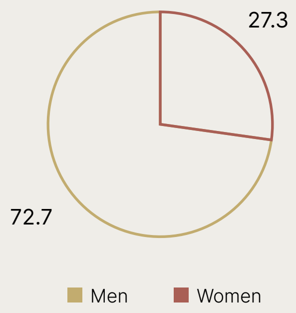
Age distribution %



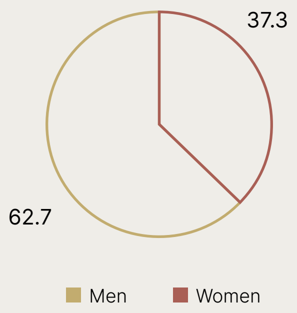
Top management
Per cent



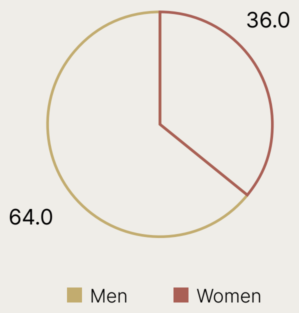
Mid management
Per cent



Employees (non-management employee)
Per cent



In total
Per cent



Personal growth

Working at Arribatec is intended to facilitate both professional and personal development. One of the strategic drivers at Arribatec is to attract and retain talent including fostering personal growth. A key initiative in ensuring Arribatec delivers on this commitment has been the establishment of a comprehensive Arribatec Job Architecture including position mapping. Ultimately engaging the entire company, we implemented our Job Architecture similar with the Mercer Methodology principals and skills categories, plus leveraged our internal tooling competence by developing a Human Resources Transformation Dashboard (Power BI Management Dashboard) to create reports to measure what matters. This has made our endeavours much more cost efficient and effective.The Arribatec Job Architecture is a strategic framework aimed at aligning positions, responsibilities, and mandates defined in corresponding role descriptions. The job architecture categorizes and defines positions plus levels to ensure they are in line with, and serve Arribatec's strategic objectives, and has been developed to promote transparency, consistency, and fairness in the job structures. Furthermore, to streamline and ensure equity in job structures, address pay disparities, facilitate talent management and performance, raise the quality of planned recruitments, and succession planning.For Arribatec it has been a necessary, rewarding, and pivoting journey. Partly to enable more qualified follow ups of required legislation in the country and/or legal entity the employee belongs to, but also to create a shared understanding of our desired culture and leadership traits. As an organisation that is going through the typical phases of a post-merger, the Arribatec Job Architecture has helped us create a necessary identity exercise, focusing on our goals and aspirations, and the skills we need in the organisation to achieve them. In addition, to enhance the role descriptions and maintain the dedication to personal growth, Arribatec has planned and initiated a competence mapping process. This process will continue in 2024 to provide comprehensive insights, fostering a clear understanding of the development needs of each employee and the company as well as support new recruitments.

ESG-competence development

Enhancing ESG performance significantly relies on cultivating ESG competency, making it a key priority for Arribatec. Arribatec believes that as employees gain a better understanding of ESG and its potential for positive impact, the likelihood of significant changes increases, both within the company, with clients, and across the society at large. In 2023, over 50% of the employees completed the ESG training, with the aim for all employees to complete the training by 2024.

The gender diversity

The current workforce at Arribatec has a higher proportion of men than women. This discrepancy is not intentional but rather a consequence of the companies acquired in recent years and the limited availability of women in certain areas of expertise where Arribatec operates. Arribatec believes in the effectiveness of diverse teams and is therefore encouraged by the gradual improvement in the gender ratio compared to 2022, as well as the fact that the workforce includes individuals from 25 different nationalities.

Ratio of basic salary of women to men

- Top-management: 0.79
- Mid-management: 1.05
- Non-management employees: 0.85

The ratio of women's salaries to men's is lower in top management positions (C-level), higher in mid-management, and lower again for non-management positions. Arribatec regularly monitors this ratio to ensure no intentional or unintentional discrimination exists. Upon closer examination, it is apparent that the variation in the ratio is influenced by factors such as seniority, competence and skills, educational level, and job position. Additionally, historical and geographic elements play a significant role in this variation.

Sick leave and turnover

Arribatec maintains a notably low sick leave percentage, accounting for only 3.6% of total workdays, which is considered a privilege. The long-term sick leave rate stands at 1.6%, while short-term sick leave is at 2%, both well below the industry average. While various factors can impact sick leave rates, Arribatec has implemented several measures to prevent illness and injury. This includes systematic work on job descriptions and expectations, continuous development and documentation of crucial work processes, training initiatives, clearly defined authorisations, and improved recruitment processes. In the event of illness, there are clear routines for fostering and follow-up by line management. Moreover, Arribatec is also committed to preventing physical strain by providing modern office spaces and encouraging employees to come to the office. In addition, Arribatec offers flu vaccinations fruit in offices, conducts campaigns focusing on mental health, and performs regular social events. Arribatec has implemented numerous measures to maintain this low rate. These include providing flu vaccinations, offering training activities, stocking fruit in offices, revamping sick leave follow-up processes, conducting mental health campaigns, organising regular social events, and fostering a positive work environment.

However, working at Arribatec may involve long workdays and challenging tasks, potentially affecting work-life balance. To address this, a stricter system has been introduced to monitor employees' work hours and ensure a healthy balance. Additionally, Arribatec closely monitors results from the weekly pulse survey to identify any negative trends that could contribute to increased sick leave. As part of the employee benefits program, Arribatec offers health insurance.

The turnover rate at Arribatec has risen to 20.85%, a significant increase from 2022's 8.53%. As Arribatec continues to evolve and undergo changes, including assembling the right teams to achieve its goals, turnover remains a natural aspect of organisational development. While the primary goal is to retain employees for the long term, a certain level of turnover can be beneficial as it introduces new individuals with fresh energy, skills, and perspectives. In 2023, Arribatec onboarded 48 new highly skilled employees, largely in line with its growth strategy, to fill vacant positions and meet the increased workload. This ambitious growth strategy will continue into 2024. With an extensive number of applicants and the impressive skillsets they possess, Arribatec has become an attractive option for both the best young talents and experienced professionals in the market.

Society

Arribatec is privileged to have employees who care about making a positive impact on society. Arribatec has set aside 800 hours for doing voluntary work. Some of these are used for planting trees and cleaning beaches. Other examples are using disability organisations, installing beehives, arranging lottery for charity, sponsoring local organisations (e.g. cancer organisations, football, and ski clubs). Other examples are collaborating with disability organisations, setting up beehives, organising charity raffles, or supporting local organisations (e.g. cancer organisations, football, and ski clubs).

Arribatec continued its tradition by, instead of giving holiday presents to the employees, arranging surveys among the employees to decide where the donations should be given. As a result, Arribatec gave donations to Doctors without Borders, World Wildlife Foundation, World Food Program, Red Cross and Amnesty International.

Governance

As a professional service and IT company listed on Oslo Stock Exchange, Arribatec aims to maintain the highest standards of governance and accountability and to ensure that the stake-holders can have confidence in the business practices.

Arribatec not only has a responsibility to govern its own oper-ations effectively but is also expected to deliver systems and services to the clients at the same standards. The clients and stakeholders rely on Arribatec to provide secure and reliable technology solutions, and Arribatec recognise that the success depends on maintaining their trust.

Cleaning beaches for World Ocean Day.

The UK office participated in the Christmas Santa aid-walk for a local children hospice.

Bee safari at Arribatec EA & BPM's roof terrace where we have installed bee hives and planted flowers.

Authority and governance

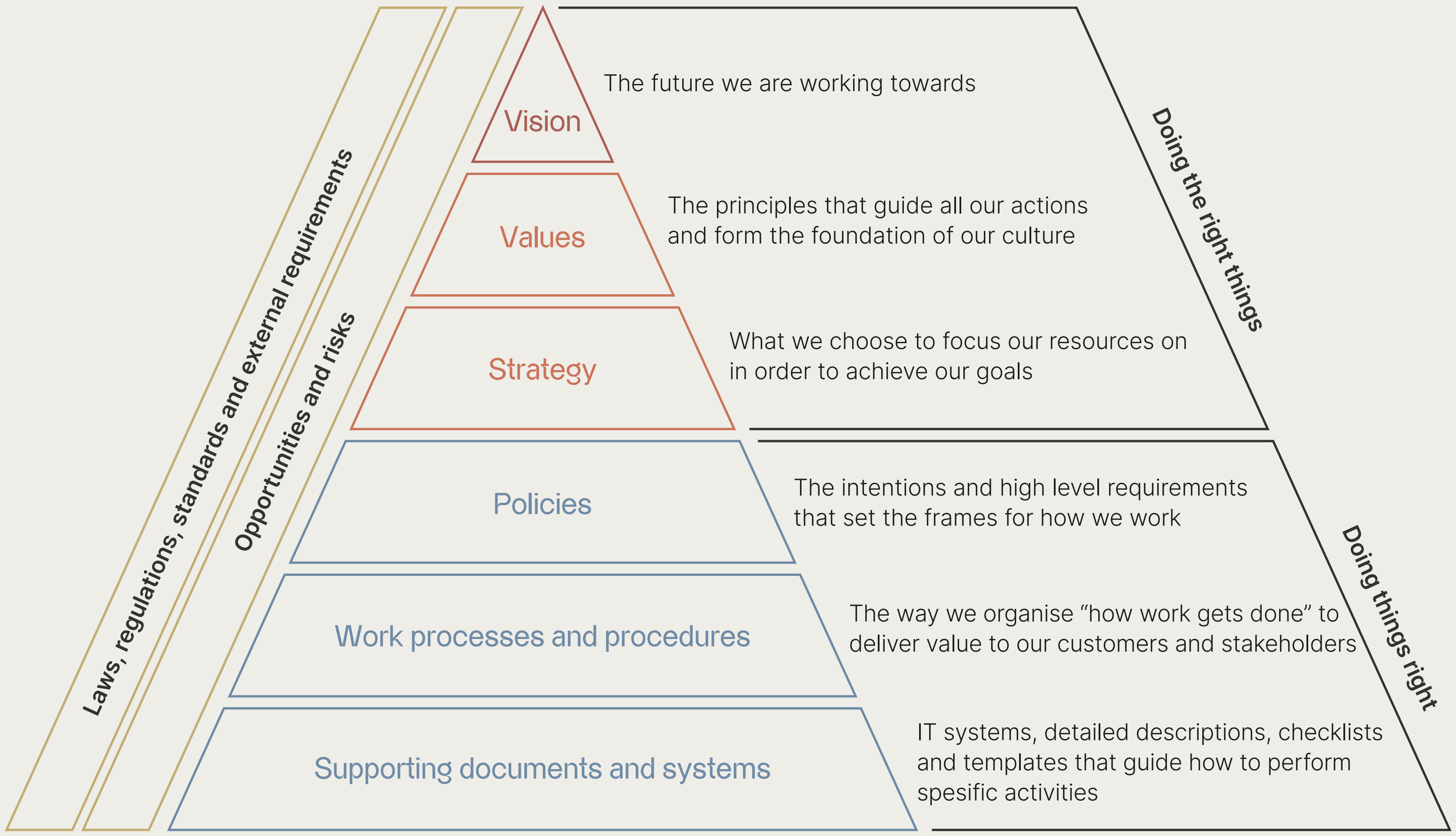
The level of authority is stated in the Delegation of authority policy and matrix that state the mandate for each level and positions in the organisation. This ensures decisions are made at the right level, involving the right personnel.

The governance hierarchy model visualizes the governance structure of Arribatec and the management system. Ensuring that we do the right things right.

Arribatec has built a robust management system that guides the company in the right direction and ensure that everyone know who does what, when and how. The management system ensure that risk is managed, and that the company operate safe, reliable, efficient, and effective. Commitment and compliance to the management system is a requirement.

Corporate governance

Arribatec is committed to maintaining the highest standards of corporate governance and transparency. The Company believe that effective corporate governance is essential for building trust and confidence among the stakeholders, including shareholders, employees, customers, suppliers, and the wider community. See Corporate Governance Statement on Arribatec's website.



Compliance

A key aspect of the management system involves detailing how Arribatec ensures compliance. The ability to achieve the growth ambitions and maintain the market position hinges entirely on the professionalism and conduct of the employees, as well as the commitment to operating with the utmost ethical standards in accordance with laws and regulations. The Arribatec values, referred to as "RISE", serve as a guiding force for the actions and form the bedrock of the compliance culture. Arribatec has built code of conduct, policies, processes and guidelines, ensuring the Company operates in compliance with applicable laws and regulations. These include areas such as information security, data privacy, anti-bribery and corruption, and environmental sustainability, in addition to other areas.

The focus on compliance, operating in accordance with laws and regulations, and upholding high ethical standards extends not only to the internal operations and own employees but also to the suppliers, partners, and clients.

The suppliers shall comply with the code of conduct, all applicable laws and regulations, contractual obligations, and the terms of the supplier code of conduct. The supplier code of conduct makes sure that every supplier fully respects human rights, does not use child labour, refrains from human trafficking, complies with employment rights in the country in which they operate, respects environmental, health and safety matters and has zero tolerance for corruption. Arribatec screens all existing and new suppliers based on these criterias. (see our Supplier code of conduct here: www.arribatec.com/investors/supplier-code-of-conduct).

Data privacy and information security

As a company that handles a significant amount of sensitive data and information from multiple clients, data privacy and information security are critical considerations. Arribatec recognises the potentially disastrous consequences of a data breach or mishandling of the clients' data, not only for the clients but also for the Company and the stakeholders.

That is why Arribatec has taken extensive measures to ensure that the Company are fully compliant with GDPR regulations and has obtained the ISO27001 certification. Adherence to these frameworks demonstrates the commitment to maintaining the highest data privacy and information security standards.

Each of the team members has integrated this focus into their work practices, and it is an integral part of the company culture. Arribatec understands the value of the client's trust and works hard to earn and maintain it. By prioritising data privacy and information security, Arribatec can ensure that the client's confidential information remains safe and secure and, by that, maintains its reputation as a reliable and trustworthy cloud and service company.

As part of the mandatory onboarding process, all new employees are required to undergo information security training. The global employee security handbook and policies are consistently enforced and regularly reviewed in information security meetings, email and intranet reminders, and relevant gatherings. Furthermore, Arribatec undergoes regular testing to ensure that the Company is not susceptible to any information security breaches.

Final word

In conclusion, Arribatec is committed to ESG and dedicated to being a part of building a sustainable future. The Company is experiencing enhanced attention to ESG and comprehensive reporting requests from all stakeholders. With the new ESG regulations and standards in place, this focus is expected to increase in the future. Arribatec supports the new standards and acknowledges that only by collaborating across the ecosystem can meaningful change occur. The Company is pleased to see ongoing progress and that the foundational elements are in place to achieve the ESG targets and ambitions in the years ahead.

Board of Directors .

Martin Nes
Chairman

Chairman Martin Nes has been CEO of Ferncliff TIH AS since 2010. He holds a law degree from the University of Oslo and also holds a Master of Laws degree from the University of Southampton, England. Prior to joining Ferncliff, he spent several years with the Norwegian law firm Wikborg Rein, working in both the Oslo and London offices, and with the international law firm Evensen & Co. Mr. Nes has extensive corporate experience and is/has been chairman and/or a member of the boards of several listed companies, including SD Standard ETC Plc, Dolphin Drilling AS, Saga Pure ASA, Standard Supply AS, Aqualis ASA, Nickel Mountain Group AB, Self-Storage Group ASA, NEL ASA, and Weifa ASA. He is a Norwegian citizen and resides in Norway. Martin Nes has served the Board of Arribatec Group ASA since February 2020. He is also the chairman of the Audit Committee of Arribatec.

Øystein Stray Spetalen
Board member

Board member Øystein Stray Spetalen is the Chairman and owner of investment firm Ferncliff II TIH AS. He is an independent investor. He has worked in the Kistefos Group as an investment manager, as a corporate advisor in different investment banks, and as a portfolio manager in Gjensidige Forsikring. Mr. Spetalen is a chartered petroleum engineer from NTNU. Mr. Spetalen is a Norwegian citizen and resides in Norway. Øystein Stray Spetalen has served the Board in Arribatec Group ASA since February 2020.

Kristin Hellebust
Board member

Board member Kristin Hellebust is the CLO (former CCO) Xplora Technologies AS and has previously served several years as CEO of Nordisk Film Shortout AS and as CEO of Storm Studios AS and as a lawyer at Advokatfirmaet Selmer DA. Ms. Hellebust currently serves on the board of several listed companies. She holds a Master of Laws degree from the University of Oslo, an Executive Master of Management program in Financial Strategy from BI Norwegian School of Management, and an Executive MBA from the Norwegian School of Economics. Kristin Hellebust has served the Board of Arribatec Group ASA since October 2020. She is a member of the Audit Committee of Arribatec.

Terje Mjøs
Board member

Board member Terje Mjøs has broad operational experience as former CEO of Visolit AS, EVRY ASA, Ergo Group AS, and Hydro IS Partner AS and as a senior advisor to Apax Partners (private equity). Previous directorships and senior management positions last five years outside the Arribatec is Solid Media Group (Chair) and Visolit group (CEO and Chair in several of their companies). Current directorships are Chair in Vali AS, Chair at Axaxtor ASA, where he also is the Chair of the remuneration committee and the investment committee. He is also a board member of Axactor Capital AS and Sparebank 1 Ringerike Hadeland. Mr. Mjøs has a Cand. Scient. Degree in Computer Science from the University of Oslo, and an MBA in Economics and Business Administration from Norwegian Business School BI.Terje Mjøs has served the Board of Arribatec Group ASA since June 2023. He is a member of the Audit Committee of Arribatec.

Linn Katrine Høie
Board member

Board member Linn Katrine Høie works as CCO in the threat-intelligence software company OpenHorizon. She is also a partner in Frøya Ventures. Linn has 20+ years of experience with Norwegian and international businesses and is an educated system architect with a master's degree in societal safety and risk management, specialized in project management. Linn expertise lies in management, strategic enterprise risk management, digitalization, strategy, and business development. She has served as a member of the Board in Arribatec since May 2022.

Responsibility Statement .

We confirm that, to the best of our knowledge, the Financial Statements 2023, which have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU, give a true and fair view of the Company's assets, liabilities, financial position, and results of operations, and that the management report includes a fair review of the information required under the Norwegian Accounting act.

Oslo 24 April 2024
The board of Arribatec Group ASA

Signed

Martin Nes chairman of the board	Øystein Stray Spetalen member of the board	Linn Katrine Høie member of the board
Kristin Hellebust member of the board	Terje Mjøs member of the board	Geir Johansen Group CEO

The Board of Directors' Report .

About Arribatec

Arribatec is positioned as a global provider of digital business solutions. Arribatec is listed on Oslo Stock exchange, with the headquarter in Oslo.

Arribatec is pioneers in transforming complex challenges into simple solutions. Our job is primarily to be of service and ensure the seamless operation of our customers' digital solutions and technological infrastructure. We develop, automate, and integrate where we can, and we develop entirely new solutions when necessary.

Our mission is to intelligently leverage technology to streamline and declutter non-essential systems and processes. In doing so, we enhance our clients' outcomes and deliver peace of mind for those at the helm.

By streamlining and clarifying, we provide a better overview and contribute to stability and dependability in the daily working environment. This enables the client to channel their time and effort to more productive activities that drive value creation.

Arribatec has built the strategy around growth, talents, deliverables, and customers. These elements are interdependent and supported by a comprehensive set of strategic objectives and roadmaps to guide our efforts.

Leaving behind 2022, which was a year of business collaboration including integration of all businesses on to uniform digitalised platforms across business areas and countries, 2023 was a year proving an organic growth of 13.5%, as well as scaling the business achieving 74% improved consolidated profit and loss.

Although most of the company's revenue still comes from Norway, Arribatec aims to become a more prominent player outside Norway. The company's focus remains on generating recurring revenue in addition to revenue through consultancy services.

Operation and Segments

Arribatec is divided into five segments (Business Areas), ref Note 3

- Enterprise Architecture and Business process management (EA&BPM)
- Cloud services
- Business Services (BizS)
- Marine
- Hospitality

The first three Business Areas (BA's) listed above are all industry agnostic, meaning the product and services delivered by the BA's, can be sold to any industry, private or public. Cooperation between EA&BPM, BizS and Cloud is natural, and they meet the needs of medium- and large-sized mature organisations. They are the three largest BA's both in terms of people and activities and they are considered as the company's horizontals.

The Business Area Hospitality had during 2023 secured contracts with chains and stand-alone hotels in both Nordics as well as in the UK and Ireland. Additionally, Hospitality extended its industry focus to include transportation. During 2023 they signed a NOK 22m agreement with Flytoget for the software development and installation of 29 ticket vending machines in 2024.

Marine deliver its self-developed software to the shipping industry bringing ship owners to a different level of control of their vessels with functions designed to scale with their specific market requirements. Marine underwent an extensive restructuring process during 2022 which has turned the Business Area around to become a profit making business in 2023.

Financial Review

Profit and Loss

Full-year revenue amounted to NOK 573 million for 2023, compared to NOK 505 million in 2022. In 2023, recurring revenue amounted to NOK 214 million, while consulting revenue ended at 333 million and other revenue at NOK 26 million. Divided by region, Norway stands for NOK 360 million, Europe NOK 173 million, and NOK 39 million from America. The relative size within the regions shows a slight increase for Norway and America is stable from 2022 to 2023.

Gross profit was NOK 440 million for the full-year 2023 (NOK 390 million). The margin is 76%, which is slightly below last year. The decreased margin mainly relates to increased costs of goods purchased for resale. Personnel costs were up total net NOK 7.8 million in total from NOK 338.8 million in 2022 to NOK 346.6 million in 2023, primary relating to the annual salary settlement in the Group that in average ended at 5.5% in 2023 offset by reduction relating to reduced number of full-time employees from 353 as per 31.12.2022 to 329 as per 31.12.2023. The average number of FTEs was 341 in 2023 compared to 363 in 2022. The decrease mainly stems from the closedown of entities in Poland and Belgium. Other operating costs were NOK 69.2 million (NOK 85.2 million). Depreciation and amortisations amounted to NOK 48.3 million (in 2022 NOK 56.2 million, whereof NOK 5.6 related to impaired software development from discontinued operation in Italy). Of the total depreciation and amortisation, NOK 15.5 million stems from exceed values from acquisitions, which is the same amount as last year. The net financial result amounted to negative NOK 6.2 million (negative NOK 0.1 million), of which NOK 2 million relates to realised losses from foreign exchange losses, mainly from EUR and GBP and NOK 1.7 million related to an earn-out settlement toward the acquisition of Integra associated in 2021. The net loss for 2023 was NOK 23.4 million compared to a net loss of NOK 83.4 million in 2022.

Financial position

In 2023 Arribatec issued 515 thousand new shares, of which all relates to the final earn-out settlement of the acquisition of Integra in 2021. 50% of the earn-out were settled as a share consideration. As of 31 December 2023, total assets were NOK 501 million, compared to 515 million as of 31 December 2022. Intangible assets accounted for NOK 274.4 million (NOK 281.2 million). The intangible assets mainly consist of goodwill, customer relations, and technical software through business combinations in addition to internal developed software of NOK 12.9 million in 2023 (NOK 11.8 million).

Other non-current assets were NOK 57.4 million (NOK 65.8 million) including right-to-use assets of NOK 28.4 million (NOK 41.7 million), deferred tax assets of NOK 18.6 million (NOK 12.3 million) and tangible assets of NOK 6.4 million (NOK 6.5 million). Current assets amounted to NOK 169.3

million (NOK 168.3million), including Account receivables of NOK 90.9 million (NOK 88.2 million), contract assets of NOK 24.2 million (NOK 16.3 million) and cash and cash equivalents of NOK 39.4 million (40.5 million). Total interest-bearing debt stood at NOK 39.4 million at the end of 2023 (NOK 33.1 million). Deferred tax liabilities at the end of 2023 were NOK 7.7 million (10.6 million). At the end of the year, 2023 total current liabilities were NOK 189.1 million (NOK 162.1 million). The increase from last year mainly relates to increases in Accounts payables and Contract liabilities of NOK 7.9 million and NOK 7.8 million respectively. Total equity as of 31 December 2023 was NOK 262.1 million (NOK 281.9 million), corresponding to an equity ratio of 52.3% (54.7%).

Cash Flow

Arribatec's cash flow from operating activities in 2023 was positive with NOK 33.7 million, which compares to a negative NOK 26.8 million in 2022. The main effects come from the improved results compared to 2022 of NOK 60.4 million. Net cash flow from investing activities was negative with NOK 22.3 million (NOK 6.2 million). Of this, cash consideration related to the earn-out to the sellers of Integra Associated Ltd was partly settled with NOK 3.7 million. Capitalised purchased software and internal development costs relating to the development of own software solutions were negative by NOK 16.5 (13.8 million). In 2022 there was a cash inflow from a sale of intangible assets NOK 9.3 million. Net cash flow from financing was negative by NOK 11.5 million (positive 27.5 million). The change from 2022 of negative NOK 39 million mainly relates to the proceeds from the share issue in 2022 of 51.8 million.

The main financial activities in 2023 relates to proceeds from overdrafts of NOK 6.5 million (negative NOK 7.9 million) and instalments paid on the leased assets of NOK 20 million (NOK 15.9 million. Arribatec had NOK 39.4 million in cash and cash equivalents at the end of the year compared to NOK 40.5 million last year.

Risk profile

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

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

Arribatec's activities involve various types of financial risks like credit risk, liquidity risk, currency risk, and interest risks. The primary focus of the Group's capital structure is to ensure sufficient free cash to meet its obligations on an ongoing basis and at the same time enable the Group to make strategic actions to grow. Credit relates to the risk that counterparty is unable to settle their obligations under a financial contract or customer contract, leading to a financial loss. As part of the Group's earning model, certain of its customers pay for software as a Service (SaaS) arrangement, where the customer, in general, pays a lump sum for the initial software integration and implementation, and subsequently only pays for services related to maintenance and consulting services.

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

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

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

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

Research and development

The company continuously develops its own software and solutions which can be deployed across customer segments in all industries. The development is essential to ensure that Arribatec can continue to grow its software portfolio, expand its service offering with cloud infrastructure services and gain a larger customer base. This is done to drive sales growth via cross-selling and upselling, where the intention is to improve EBITDA margins by increasing the share of our own IP in future solutions, thus improving EBITDA margin by selling more of our own software and services through SaaS subscription models. At the end of 2023, Arribatec had capitalised a total of NOK 12.9m (NOK 11.7m) of time and material used to develop internal systems and software. The company has no ongoing research activities.

Corporate governance

Arribatec's corporate governance structure is based on Norwegian corporate law and Norwegian securities legislation and stock exchange regulations. The company believes that good corporate governance builds confidence among shareholders, customers, and other stakeholders, and thereby supports maximal value creation over time. Being a listed company on the Euronext Oslo Exchange and considering that Arribatec wishes to emphasise sound corporate governance, the Company has a policy document based on the Norwegian Code of Practice for Corporate Governance dated 14 October 2021. Read more about our work in the chapter Corporate Governance on page 93 of this annual report.

Corporate social responsibilities

Developing sound health, safety and environment (HSE) principles is important for the Group. Long term sick leave was 1.9% in 2023 Norway and 1.1% in other countries(2022: 2.05% in Norway and 0.9% in other countries) for the Group for the year. No serious work incidents or accidents resulting in personal injuries or damages to materials or equipment occurred in 2023.

The Board and management team continue to focus on equal opportunities for men and women. We embrace diversity when we recruit in terms of age, gender, nationality and experience within our workforce, as we believe diverse teams have the best means to uncover opportunities and ensure customer success. We continuously work towards closing the gender gap in a rather male-dominated industry, and we can see a slightly improvement in our workforce since 2022, where Arribatec successfully has increased the percentage of female employees from 35.4% to 36%. Two of the five Board members at year-end were female.

The company has during 2023 been a signatory to the UN Global Compact, supporting the UN Sustainable Development Goals. Arribatec's values and corporate policies support these goals. The sustainability report describes Arribatec's work on ESG, ref page 10 - Environment, Social and Governance section.

The Norwegian Transparency act

The Group has implemented formal guidelines for due diligence as required by the OECD Guidelines for Multinational Enterprises. Further information about this is available on the Group's website: www.arribatec.com

Subsequent events

There have been no subsequent events since 31 December 2023.

Going concern

The Board of directors consider that the group entities and company have adequate resources to continue operating for the foreseeable future. Therefore, adopting the going concern basis, following §3-3a of the Norwegian Accounting Act, in preparing the consolidated and company financial statements is appropriate.

Proposed allocation of the company's results of the year

The Parent company, Arribatec Group ASA, had a net negative result after tax of NOK 22.1 million in 2023, compared to a negative NOK 41.7 million in 2022. The results available for disposal of the Annual General Meeting are as follows:

NOK thousand	2023
Covered by other paid-in capital	22 051

Outlook

Arribatec has an ambitious growth agenda and sees an increasing demand for the product and services that Arribatec brings to the marketplace. Our partnership strategy will continue and additional partnerships will be pursued going forward. We see a robust demand for cloud services that will drive growth within our cloud- and managed IT-services. Additionally, cloud migration and related digital transformation projects are expected to increase among existing and new U4 customers. Within the hospitality segment we see a significant increase in demand from international hotel brands for our hospitality solutions, thus international is to growth is expected to pick up. Within the marine industry we notice increased interest for industry specific software and we believe that this trend will continue throughout 2024. Lastly, we plan to take our business process management solutions out of Norway in 2024, as we have built up a significant industry expertise within the oil&gas sector, and should be able to build on this internationally. With the proven scalable business behind us, the Group will continue gearing up for increased sales and expanded delivery capacity.

Oslo 24 April 2024
The board of Arribatec Group ASA

Signed

Martin Nes
chairman of the board

Øystein Stray Spetalen
member of the board

Linn Katrine Høie
member of the board

Kristin Hellebust
member of the board

Terje Mjøs
member of the board

Geir Johansen
Group CEO

Shareholder information .

The company's total capitalisation at 31 December 2023 was NOK 324 million, based on a closing share price of that day of NOK 4.65.

Dividend policy

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

Shares and share capital

31 December 2023, Arribatec Group ASA had 69 572 206 ordinary shares outstanding with a par value of NOK 2.80 per share (see Note 24 to the financial statement). The company has one share class, with each share conferring equal dividend rights and votes. On 31 December 2023 the company had 5 100 shareholders.

Listing

The Company's shares are quoted and traded in NOK at the Oslo Stock Exchange (Ticker: ARR). The shares are registered in the Norwegian Central Securities Depository (VPS), with Nordea Issuer Service Registrar. The shares carry the security number ISIN NO0012861667.

Principal shareholders

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

Investor relations

Arribatec will maintain an open dialogue with the capital market. Regular information is therefore published through the annual report, interim reports and presentations and stock exchange announcements. The company distributes all information relevant to the share price to Oslo Børs. Such information is distributed without delay and simultaneously to the capital market and the media and published on the company website The CEO and CFO are responsible for the company's investor relations activities and for all communication with the capital markets. All information is communicated within the framework established by security and accounting legislation and rules and regulations of Oslo Børs. All information regarding Arribatec is available on the company's website at www.arribatec.com.

Annual General Meeting

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

20 largest shareholders at 11 April 2024

	Holding	Stake
FERNCLIFF LISTED DAI AS	16 655 404	23.9%
TITAN VENTURE AS	2 988 661	4.3%
DALLAS ASSET MANAGEMENT AS	2 467 200	3.5%
JOAR AARENES	2 411 185	3.5%
ARRIBA INVEST AS	2 290 500	3.3%
SRK CONSULTING AS	1 770 947	2.5%
ERIK SKAAR OPDAL	1 695 200	2.4%
NORDNET BANK AB	1 653 849	2.4%
TRUDE HALVORSEN	1 079 789	1.6%
HANEKAMB INVEST AS	1 055 347	1.5%
EXCESSION AS	900 000	1.3%
DATUM AS	854 291	1.2%
MIDDELBOE AS	739 662	1.1%
KRISTIAN FALNES AS	700 000	1.0%
DANSKE BANK A/S	591 097	0.8%
LARS HUGO BRAADLAND OLSEN	574 850	0.8%
LCS AS	551 801	0.8%
JAN ARNE CHRISTENSEN	524 675	0.8%
BJØRN ASLE ALEXSANDER TEIGE	500 000	0.7%
NORDLYS TRADING AS	450 000	0.6%
Total 20 largest shareholders	40 454 458	58.1%
Other shareholders	29 117 748	41.9%
Total	69 572 206	100.0%

Geographic residence Shareholders as registered in VPS on 11 April 2024

Country	Holding	Stake
Norway	64 448 223	94.1%
Sweden	1 929 687	2.8%
United Kingdom	691 762	1.0%
Denmark	659 098	0.9%
Belgium	298 404	0.4%
Other	545 032	0.8%
Total	69 572 206	100.0%

Ownership structure by size of holding as registered in VPS on 11 April 2024

Number of shareholders	Number of shares	Holding	Stake
10	>1 000 000	34 068 082	49.0%
82	100 001-1 000 000	21 334 731	30.7%
357	10 001-100 000	10 382 919	14.9%
196	5 001-10 000	1 468 900	2.1%
698	1 001-5 000	1 792 601	2.6%
3 589	1-1 000	524 973	0.8%
4 932	Total	69 572 206	100.0%

Condensed consolidated financial statements & notes.

The Group 32

Parent company 78

Auditor's report 95

Consolidated financial statements

Consolidated statements of profit and loss		33
Consolidated statement of other comprehensive income		34
Consolidated statement of financial position		35
Consolidated statement of changes in equity		36
Consolidated statement of cash flow		37
Notes to the financial statements		39
Note 1	Corporate information	39
Note 2	Basis for preparation	39
Note 3	Segment	40
Note 4	Materials, software and services	45
Note 5	Personnel	46
Note 6	Key management	47
Note 7	Other operating expense	49
Note 8	Property, plant and equipment	50
Note 9	Right-of-use assets and lease liabilities	52
Note 10	Intangible assets	54
Note 11	Financial items and risks	57
Note 12	Tax	58
Note 13	Earnings per share	60
Note 14	Goodwill and impairment	61
Note 15	Business Combinations	63
Note 16	Investment in subsidiaries	64
Note 17	Other non-current assets	64
Note 18	Account receivable	65
Note 19	Financial instruments	66
Note 20	Other current assets	67
Note 21	Contract assets and liabilities	68
Note 22	Inventory	69
Note 23	Cash and cash equivalents	69
Note 24	Shares	70
Note 25	Long term incentive plan	72
Note 26	Interest bearing debt	74
Note 27	Pensions	75
Note 28	Provisions	76
Note 29	Other current liabilities	76
Note 30	Transactions with related parties	77
Note 31	Pledged assets	77
Note 32	Subsequent events	77

Consolidated statements of profit and loss

NOK thousand	Note	Full year 2023	Full year 2022
Revenue	3, 21	572 981	504 968
Materials, software and services	4	(132 673)	(115 035)
Gross profit		440 308	389 934
Salary and personnel costs	5, 6	(346 608)	(338 800)
Other operating expenses	7	(69 236)	(85 241)
Total operating expenses		(415 845)	(424 041)
EBITDA		24 463	(34 107)
Depreciation, amortisation and impairment	8, 9, 10	(48 307)	(56 232)
EBIT		(23 844)	(90 339)
Financial income	11	3 208	5 191
Financial expense	11	(9 414)	(5 280)
Profit/(loss) before tax		(30 050)	(90 428)
Tax expense	12	6 998	7 035
Profit/(loss) after tax		(23 053)	(83 393)
Attributable to:			
Equity holders of the parent company		(23 053)	(83 393)
Earnings per share: basic	13	(0.33)	(0.13)
Earnings per share: diluted	13	(0.33)	(0.13)

Consolidated statement of other comprehensive income

NOK thousand	Full year 2023	Full year 2022
Profit/(loss) after tax	(23 053)	(83 393)
Items that may be classified subsequently to profit or loss		
Foreign currency translation differences - foreign operations	3 087	282
Other comprehensive income/(loss) for the period	3 087	282
Total comprehensive income/(loss) for the period	(19 965)	(83 111)
Attributable to:		
Equity holders of the parent company	(19 965)	(83 111)

Consolidated statement of financial position

NOK thousand	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Property, Plant and equipment	8	6 436	6 517
Right-of-use assets	9	28 442	41 719
Goodwill	10, 14	206 457	204 581
Customer relations	10, 14	24 125	34 637
Other Intangible assets	10, 14	43 771	41 934
Other non-current assets	17	3 989	5 323
Deferred tax assets	12	18 998	12 322
Total non-current assets		332 217	347 034
Current assets			
Accounts receivable	18, 19	90 898	88 214
Contract assets	21	24 244	16 276
Inventory	22	1 548	3 777
Other current assets	19, 20	13 267	19 612
Cash and cash equivalents	23	39 371	40 449
Total current assets		169 329	168 328
TOTAL ASSETS		501 545	515 362

NOK thousand	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	24	194 802	193 361
Other paid in capital		214 085	215 645
Exchange differences		3 767	679
Other equity		(150 191)	(127 758)
Total equity		262 463	281 927
Non-current liabilities			
Interest bearing loans	19, 26	12 928	18 883
Non-current lease liabilities	9, 19	16 836	26 727
Other non-current financial liabilities	19	1 804	967
Deferred tax liabilities	12	7 786	10 590
Provisions	28	10 685	14 202
Total non-current liabilities		50 038	71 369
Current liabilities			
Interest bearing loans - current portion	19, 26	26 460	12 328
Current lease liabilities	9, 19	12 909	16 765
Accounts payable	19, 29	39 816	31 879
Contract liabilities	19, 20, 21	24 319	16 476
Current tax payable	12, 19	1 669	650
Other current liabilities	19, 29	83 869	83 969
Total current liabilities		189 044	162 066
Total liabilities		239 082	233 435
TOTAL EQUITY AND LIABILITIES		501 545	515 362

Consolidated statement of changes in equity

		Equity related to the shareholders of the parent company				
		Restricted				
NOK thousand	Note	Share capital	Other paid in capital	Exchange differences	Other equity	Total Equity
Balance on 1 January 2022		163 773	196 700	398	(44 365)	316 506
Result of the period					(83 393)	(83 393)
Other comprehensive income for the period				282		282
Total comprehensive result for the period		0	0	282	(83 393)	(83 111)
Capital issue, April	24	28 000	22 000			50 000
Share issue, repair offer, July	24	1 015	798			1 813
Share consideration relating to acquisition of Integra			(2 872)			(2 872)
Capital issue in relation to acq. of Integra, Nov	24	573	2 299			2 872
Share issue cost			(3 280)			(3 280)
Closing balance 31 Dec 2022		193 361	215 645	679	(127 758)	281 927
Balance on 1 January 2023		193 361	215 645	679	(127 758)	281 927
Result of the period					(23 053)	(23 053)
Other comprehensive income for the period				3 087		3 087
Total comprehensive result for the period		0	0	3 087	(23 053)	(19 965)
Capital issue, Feb	24	0				0
Share issue cost	24		(118)			(118)
Share consideration relating to acquisition of Integra	24		(8 409)			(8 409)
Capital issue in relation to acq. of Integra, Dec		1 442	6 968			8 409
Share option cost	24				620	620
Closing balance 31 Dec 2023		194 802	214 085	3 767	(150 191)	262 463

Consolidated statement of cash flow

NOK thousand	Note	Full year 2023	Full year 2022
Operating activities			
Profit/(Loss) before tax		(30 050)	(90 428)
Taxes paid		(2 192)	(1 566)
Adjustments for:			
- Finance income and expense	11	6 203	73
- (Increase)/decrease in trade receivables		(2 684)	460
- (Decrease)/increase in trade payables		7 937	10 652
- Depreciation and amortisation	8, 9, 10	48 488	50 618
- Impairment losses on intangible assets	10	0	5 614
Calculated cost of employee share option program		620	0
Change in other current accounts		5 340	(2 190)
Net cash flows operating activities		33 663	(26 766)
Investing activities			
Sale of intangible asset		0	9 347
Cash consideration earn-out payment		(3 704)	0
Purchase of property, plant and equipment	8	(2 693)	(1 964)
Purchase and development of intangible assets	10	(16 502)	(13 881)
Interest received		563	291
Net cash flows investing activities		(22 336)	(6 207)

NOK thousand	Note	Full year 2023	Full year 2022
Financing activities			
Change in overdrafts	26	12 677	(2 432)
Repayment of debt	26	(6 173)	(5 464)
Interest paid		(1 161)	(697)
Received Gov.grants (SkatteFUNN)		3 301	3 493
Instalments lease liabilities		(20 038)	(15 932)
Proceeds from shares issued		0	51 813
Share issue cost		(118)	(3 280)
Net cash flows financing activities		(11 511)	27 501
Net change in cash and cash equivalents		(184)	(5 472)
Cash and cash equivalents at beginning of period		40 449	43 758
Currency translation		(893)	2 163
Cash and cash equivalents at end of period, incl. restricted cash		39 371	40 449
-whereof restricted cash		12 111	13 492

Oslo 24 April 2024
The board of Arribatec Group ASA

Signed

Martin Nes
chairman of the board

Øystein Stray Spetalen
member of the board

Kristin Hellebust
member of the board

Terje Mjøs
member of the board

Linn Katrine Høie
member of the board

Geir Johansen
Group CEO

Notes to the financial statements

Note 1 Corporate information

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

The principal activities of the company and its subsidiaries (the Group) are to be a software and consulting company. With a customer centric engagement model, combined with a deep system-, integration- and domain competence, Arribatec builds long-term strategic partnership with a broad customer base. Arribatec serves more than 1 000 entities spread over 20 countries and various industries, both in the private and public sector. The activities are further described in Note 3.

The Annual Report and Parent Company Report for Arribatec Group ASA (publ) were adopted by the Board of Directors on 24 April 2024 and will be submitted for approval to the Annual General Meeting 27.05.2024.

Note 2 Basis for preparation

The financial accounts for Arribatec Group ASA as "the Parent company" together with its controlled subsidiaries, together called "the Group" have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS), relevant interpretations, and the Norwegian Accounting Act. The Parent company has NOK as its functional currency. The consolidated financial accounts are presented in NOK.

All presented figures in this interim report have been rounded and consequently, the sum of individual figures can deviate from the presented total figure.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Note 3 Segment

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

The management of the Group follows up the revenue, EBITDA and EBIT by Business Area and geography according to tables below.

Business services are focusing on ERP, BI & Analytics, DevOps, integrations and software solutions for research institutes. Arribatec Business services provide simplicity by implementing, customizing, maintaining and supporting the entire business landscape, with ERP as the core engine. We integrate it with other market leading systems that provide better operational support and insight than a single ERP system does.

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

Cloud provides cloud services such as hosting IT infrastructure within f ex hybrid, Azure, Splunk and GDPR. Arribatec Cloud provides consulting, outsourcing and cloud services to private and public enterprises. In addition to offering market leading cloud services from Microsoft and Google, Arribatec Cloud also operates its own public cloud offering based on Norwegian data centers to accommodate special use cases for our customers.

Hospitality delivers solutions for self-check-in/check-out and payments for the hospitality industry.

Marine focus on the Maritime sector. BA Marine's competencies are the development, implementation, and consulting of the owned asset management system solutions: Infoship.

2023

NOK thousand	Business services	EA & BPM	Cloud	Hospitality	Marine	Corporate	Eliminations	Total
Revenue	294 258	111 010	127 016	10 903	47 645	662	(18 514)	572 981
Materials, software and services	(56 402)	(24 170)	(61 136)	(4 318)	(3 075)	(1 989)	18 418	(132 673)
Gross margin	237 856	86 840	65 880	6 585	44 570	(1 327)	(96)	440 308
Salary and personnel costs	(190 084)	(59 394)	(43 950)	(4 400)	(23 939)	(24 841)	0	(346 608)
Other operating expenses	(18 170)	(5 832)	(12 732)	(5 518)	(6 942)	(20 139)	96	(69 236)
Total operating expenses	(208 254)	(65 227)	(56 682)	(9 918)	(30 882)	(44 980)	96	(415 845)
EBITDA	29 602	21 614	9 198	(3 333)	13 689	(46 307)	0	24 463
Depreciation, amortisarion and impairment	(19 563)	(6 557)	(7 802)	(3 533)	(7 211)	(3 642)	0	(48 307)
EBIT	10 039	15 057	1 396	(6 866)	6 478	(49 949)	0	(23 844)
Gross margin %	80.8%	78.2%	51.9%	60.4%	93.5%	na	na	76.8%
EBITDA %	10.1%	19.5%	7.2%	(30.6%)	28.7%	na	na	4.3%
EBIT %	3.4%	13.6%	1.1%	(63.0%)	13.6%	na	na	(4.2%)

2022

NOK thousand	Business services	EA & BPM	Cloud	Hospitality	Marine	Corporate	Eliminations	Total
Revenue	291 362	89 789	113 726	3 642	47 066	1 166	(41 781)	504 968
Materials, software and services	(64 177)	(19 812)	(48 862)	1 948	(6 365)	(17 561)	39 794	(115 035)
Gross margin	227 185	69 977	64 864	5 590	40 701	(16 395)	(1 988)	389 934
Salary and personnel costs	(177 970)	(52 108)	(41 291)	(10 192)	(39 066)	(18 172)	0	(338 800)
Other operating expenses	(21 768)	(5 437)	(22 031)	(3 678)	(11 702)	(22 613)	1 988	(85 241)
Total operating expenses	(199 739)	(57 545)	(63 322)	(13 870)	(50 768)	(40 785)	1 988	(424 041)
EBITDA	27 446	12 432	1 542	(8 280)	(10 067)	(57 180)	0	(34 107)
Depreciation, amortisation and impairment	(15 110)	(5 707)	(7 116)	(2 762)	(14 696)	(10 842)	0	(56 232)
EBIT	12 336	6 725	(5 573)	(11 042)	(24 764)	(68 022)	0	(90 339)
Gross margin %	78.0%	77.9%	57.0%	153.5%	86.5%	na	na	77.2%
EBITDA %	9.4%	13.8%	1.4%	(227.4%)	(21.4%)	na	na	(6.8%)
EBIT %	4.2%	7.5%	(4.9%)	(303.2%)	(52.6%)	na	na	(17.9%)

Consulting services

Consulting services mainly come from time and material projects. The revenue is recognised as revenue as they are delivered to the customer every month. A receivable is recognised at the time of invoicing as this is the point in time when the right to consideration becomes unconditional.

Recurring revenue

Sale of licenses

A license establishes the customer's rights related to a company's intellectual property (IP) and the obligations of the company to provide those rights. IFRS 15 distinguishes between whether the license provides a" right to use" or a "right to access" IP. This impacts the timing of revenue recognition.

In most cases, the sale of licenses is part of SaaS contracts. Arribatec in some instances has contracts that include the sale of licenses only. Arribatec has analyzed its (partner) licensing contracts and concluded that it controls the license before it is transferred to the customer since Arribatec has legal ownership, physical possession, and the risk and reward of ownership before being transferred to the customer. Arribatec is therefore the principal in the customer contract.

When Arribatec licenses are distinct on-premises licenses (software installed on customers' server), these fall under the category "right-to-use" since the license grants the right to the IP "as is" when delivered. The distinct on-premises licenses pricing model is a one-time fixed fee. Revenue is recognised at the point in time when the customer is provided with the ability to use the software. The fee is recognised as a revenue at the point of time when the customer has received legal title and physical possession, and the customer has accepted the license. Generally, this is at the beginning of the license period.

When Arribatec license cloud-based subscription licenses ("right to access"), the license is not considered distinct from the online/hosting service. Revenue is recognised over time, over the license/contract period, as the customer is receiving and consuming the benefits of access to the cloud-based license on an ongoing basis. The cloud-based subscription licenses are sold for a fixed annual or monthly fee. Revenue is recognised linearly over the subscription time.

Software as a service (SaaS)

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

The customer will purchase and obtain control of the software on a subscription or consumption basis. Revenue is therefore recognised periodically over the life of the SaaS contract.

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

The implementation and installation services are capable of being distinct and distinct within the context of these contracts. This is concluded based on an analysis of the different deliveries and the performance obligations in the contract. Arribatec has therefore concluded that there are generally two distinct performance obligations in the two combined contracts. When there are two combined contracts, the transaction price is allocated between the two performance obligations based on relative stand-alone prices that are estimated based on the pricing of each element in the contract like hours, contract length, and options to extend the contract.

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

Managed services

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

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

One-time revenue from third party hardware

In some contracts, Arribatec delivers both physical hardware and installation of software on the hardware, e.g. for self-service / check-in kiosks. In such cases, the hardware product is considered as a separate contract obligation that is recognised as revenue when it is installed.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary Business area, geography and recurrence. In presenting the geographic information, revenue has been based on the geographic location of the legal entity. The table shows external revenue.

Full year 2023

NOK thousand		Consulting services	Recurring Revenue	One-time revenue	Total
Norway		169 368	174 273	16 463	360 104
	Business services	70 912	51 921	1 577	124 411
	EA & BPM	77 521	29 439	3 119	110 080
	Cloud	16 716	89 714	8 208	114 638
	Hospitality	4 219	3 207	3 478	10 903
	Corporate	0	(9)	81	72
Continental Europe		86 016	15 900	6 874	108 790
	Business services	67 762	7 446	411	75 619
	Marine	18 254	8 454	6 463	33 171
UK		46 581	17 291	571	64 442
	Business services	46 581	17 291	571	64 442
Americas		31 167	6 714	1 764	39 645
	Business services	24 496	0	692	25 188
	Marine	6 670	6 714	1 072	14 456
Total revenue		333 131	214 177	25 672	572 981

Full year 2022

NOK thousand		Consulting services	Recurring Revenue	One-time revenue	Total
Norway		140 157	149 666	15 472	305 295
	Business services	65 425	46 299	876	112 601
	EA & BPM	59 512	23 995	5 402	88 909
	Cloud	13 966	78 095	8 170	100 230
	Hospitality	1 253	1 286	1 023	3 562
	Corporate	0	(8)	0	(8)
Continental Europe		95 440	14 457	5 262	115 159
	Business services	72 401	6 952	247	79 601
	Marine	23 039	7 505	5 015	35 558
UK		33 955	13 454	557	47 966
	Business services	33 955	13 454	557	47 966
Americas		28 902	6 917	728	36 548
	Business services	25 075	21	236	25 333
	Marine	3 827	6 896	492	11 215
Total revenue		298 454	184 495	22 019	504 968

Note 4 Materials, software and services

Materials, software and services represent the external cost of operations and are expensed when the revenue and cost occurs.

The cost of finished goods and work in progress comprises design costs, raw materials, direct labour and other direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

It excludes borrowing costs and own operating cost.

NOK thousand	2023	2022
Hired consultans	(40 302)	(48 851)
Hardware for resale	(8 999)	(7 738)
Software for resale	(66 896)	(58 212)
Other	(16 475)	(234)
Total materials, software and services	(132 673)	(115 035)

Note 5 Personnel

NOK thousand	2023	2022
Salaries	(271 802)	(256 568)
Social security tax	(42 480)	(38 407)
Bonuses	(6 752)	(6 878)
Share option cost	(620)	0
Pension costs defined contribution (Note 27)	(20 105)	(19 337)
Other personnel cost	(4 850)	(17 609)
Total salaries and personnel expense	(346 608)	(338 800)

Average number of FTEs

	2023	2022
Number os FTEs, start of year	353	374
Number os FTEs, end of year	329	353
Average number of FTEs	341	363
Gender split, end of year		
Male	215	233
Female	114	120

Number of FTEs, end of year, per country

	2023	2022
Belgium	0	1
Cyprus	3	3
Denmark	1	1
France	4	2
Germany	0	3
Italy	28	35
Norway	208	204
Netherlands	0	1
Poland	0	7
Singapore	1	2
Spain	25	26
Sweden	16	22
United Kingdom	33	31
USA	11	15
Total number of FTEs	329	353

Pension obligations
The Group's pension obligations vary between countries depending on the local legislation and different pension systems, please see Note 27 for further description. The group only has defined contribution retirement plans.

Note 6 Key management

The Group Management consists of the Group Directors. Group Directors are the CEO, COO, CFO, CPOO and CCO that are all employed by the parent company. The IT Director is employed by one of the subsidiaries.

Compensation to the management during the year is detailed in this note. Amounts presented are the total part of salary, not only the part for the Group management role.

The Group CEO has a three-month notice period and is entitled to severance pay for twelve months in case of termination initiated by the company. None of the Board members or the CEO have executive loans or guarantees in the company.

See remuneration report for details on bonus and share option program in relation to management.

Management remuneration 2023

NOK thousand	Board remuneration	Audit committee remuneration	Salary	Bonus	Benefits in kind	Share option cost	Pension cost	Total remuneration
Management								
Geir Johansen - CEO	0	0	4 000	0	17	38	100	4 154
Ole Jakob Kjølvik - COO	0	0	1 559	137	17	28	100	1 840
Bente Brocks - CFO (interim)	0	0	1 762	0	14	34	100	1 909
Erik Sundet - Group IT director (50% mgmt)	0	0	1 231	0	56	28	86	1 401
Pål Stueflotten - CCO	0	0	1 458	513	84	28	100	2 182
Solfrid Buø - CPOO	0	0	1 500	0	24	28	100	1 652
Management total	0	0	11 509	649	212	184	584	13 138
Members of the Board								
Martin Nes (Chairman)	265	38	0	0	0	0	0	303
Øystein S. Spetalen (Member)	215	0	0	0	0	0	0	215
Kristin Hellebust (Member)	215	33	0	0	0	0	0	248
Linn Katrine Høie (Member)	215	0	0	0	0	0	0	215
Terje Mjøs (Member, from May-23)	131	20	0	0	0	0	0	152
Henrik Lie-Nielsen (Member, to May-23)	83	13	0	0	0	0	0	96
Members of the Board total	1 123	104	0	0	0	0	0	1 227
Total salaries and personnel expense	1 123	104	11 509	649	212	184	584	14 365

Management remuneration 2022

NOK thousand	Board remuneration	Audit committee remuneration	Salary	Bonus	Benefits in kind	Share option cost	Pension cost	Total remuneration
Management								
Geir Johansen - CEO	0	0	2 700	0	11	0	90	2 800
Ole Jakob Kjølvik - COO	0	0	1 500	0	16	0	90	1 606
Bente Brocks - CFO (interim)	0	0	1 680	0	11	0	90	1 781
Erik Sundet - Group IT director (50% mgmt)	0	0	993	48	21	0	69	1 132
Pål Stueflotten - CCO (from May-22)	0	0	800	0	74	0	56	930
Solfrid Buø - Chief People & Organisation Officer (from Nov-22)	0	0	217	0	3	0	15	235
Grete Thomassen - HR director (to Apr-22)	0	0	400	0	4	0	28	432
Espen Karsrud - Group EVP Business Development (to Apr-22)	0	0	500	0	4	0	35	539
Management total	0	0	8 790	48	144	0	473	9 455
Members of the Board								
Martin Nes (Chairman)	279	20	0	0	0	0	0	300
Øystein S. Spetalen (Member)	217	0	0	0	0	0	0	217
Kristin Hellebust (Member)	217	18	0	0	0	0	0	234
Henrik Lie-Nielsen (Member)	217	18	0	0	0	0	0	234
Linn Katrine Høie (Member) (from May-22)	117	0	0	0	0	0	0	117
Yvonne Litsheim Sandvold (Member) (to May-22)	100	0	0	0	0	0	0	100
Members of the Board total	1 146	55	0	0	0	0	0	1 201
Total salaries and personnel expense	1 146	55	8 790	48	144	0	473	10 656

The following remuneration has been made to the members of the nomination committee during the year:

NOK thousand	2023	2022
Nomination committee		
Espen Lundaas (head)	20	40
Øystein Tvenge (member)	0	0
Total	20	40

Note 7 Other operating expense

NOK thousand	2023	2022
Marketing cost	(4 966)	(4 385)
Rental and leasing cost [1]	(8 145)	(8 750)
Travel cost	(11 348)	(7 929)
Fees for external services	(18 784)	(29 261)
IT and communication cost	(16 992)	(19 829)
Loss on sale of intangible fixed assets	0	(4 241)
Other operating cost [2]	(9 001)	(10 846)
Total operating expenses	(69 236)	(85 241)

[1] Includes common cost related to premises, such as electricity, cleaning, moving cost and cost in relation to non-material leasing contracts.
[2] Includes coursing, representation cost, mobile usage for employees, insurance premiums and other office expense

NOK thousand	2023	2022
Specification of auditor's fee		
Statutory audit	(1 224)	(2 988)
Other assurance services	(11)	(62)
Other non-assurance services	(132)	(306)
Total	(1 366)	(3 355)

Note 8 Property, plant and equipment

Property, plant and equipment are measured at cost in the balance sheet, with a deduction for accumulated depreciation and impairment. Depreciation is made on a straight-line basis over the asset's estimated useful life, which is assessed on an individual basis, ranging from five to ten years.

2023

NOK thousand	Office equipment	Fixtures and fittings	Other	Total
Cost at 1 Jan 2023	16 785	5 028	1 837	23 650
Additions	2 442	147	104	2 693
Reclassifications	(57)	0	0	(57)
Sale	(244)	0	(5)	(249)
Disposals	(1 246)	(381)	(174)	(1 800)
Translation difference	693	162	60	914
Cost, end of period	18 373	4 956	1 821	25 151
Accumulated depreciation at 1 Jan 2023	(13 842)	(2 331)	(959)	(17 133)
Depreciation during the year	(1 969)	(739)	(176)	(2 884)
Reclassifications	57	0	0	57
Sale	222	0	5	227
Disposals	1 202	381	165	1 747
Translation difference	(610)	(71)	(48)	(729)
Accumulated depreciation, end of period	(14 941)	(2 760)	(1 014)	(18 715)
Carrying amount at 31 Dec 2023	3 432	2 197	808	6 436
Useful life	5-10 yrs	5 yrs	5 yrs	

2022

NOK thousand	Office equipment	Fixtures and fittings	Other	Total
Cost at 1 Jan 2022	18 819	3 572	1 239	23 631
Additions	788	1 147	29	1 964
Reclassifications	(2 468)	267	757	(1 444)
Sale	(370)	(14)	(160)	(545)
Disposals	(426)	-	(117)	(543)
Translation difference	442	56	89	587
Cost, end of period	16 785	5 028	1 837	23 650
Accumulated depreciation at 1 Jan 2022	(13 943)	(1 463)	(779)	(16 185)
Depreciation during the year	(1 634)	(701)	(170)	(2 505)
Reclassifications	1 511	(143)	(145)	1 224
Sale	294	5	132	431
Disposals	335	(0)	45	381
Translation difference	(405)	(30)	(43)	(478)
Accumulated depreciation, end of period	(13 842)	(2 331)	(959)	(17 133)
Carrying amount at 31 Dec 2022	2 942	2 697	877	6 517
Useful life	5-10 yrs	5 yrs	5 yrs	

Note 9 Right-of-use assets and lease liabilities

Right of use assets and Lease liabilities
The Group recognises leasing contracts as Right of use assets and lease liabilities. The exemptions are short term leases (defined as twelve months or loss) and/or low value assets. Contracts not material to IFRS 16 are expensed in P&L as they occur.

Leases that fulfill the criteria are recognised in balances sheet and the Group recognises the lease payments as other operating expenses in the statement of profit or loss when they incur.

The lease term represents the non-cancellable period of the lease, together with estimated periods where the option to extend or terminate contracts when the Group is reasonably certain to exercise this option. This is mainly valid for facility agreements that are about to expire, but there is no plan to change location.

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

Right-of-use assets

NOK thousand	Buildings	Vehicles	Hardware	Other	Total
Right-of-use assets per 1 Jan 2022	18 149	430	3 139	8 548	30 266
Addition of right-of-use assets	18 336	0	37	9 836	28 209
Depreciation in the period	(10 791)	(345)	(1 561)	(4 518)	(17 215)
Reclassification	6 631	1	191	(6 822)	0
Translation difference	447	3	9	0	459
Right-of-use assets per 1 Jan 2023	32 773	89	1 814	7 043	41 719
Addition of right-of-use assets	4 740	724	1 135	270	6 869
Correction of initial index regulation, addition part	(1 372)	0	0	0	(1 372)
Depreciation in the period	(13 320)	(235)	(1 650)	(3 458)	(18 663)
Correction of initial index regulation, reversal of depr. prev.years	180	0	0	0	180
Reclassification between categories	(41)	41	0	0	0
Disposals	(952)	0	0	0	(952)
Translation difference	657	1	1	0	659
Carrying amount of right-of-use assets, end of period	22 665	620	1 299	3 856	28 442
Remaining lease term	1-5 years	1-4 years	1-3 years	1-3 years	
Depreciation method	Linear	Linear	Linear	Linear	

Lease liabilities

NOK thousand	31 Dec 2023	31 Dec 2022
Undiscounted lease liabilities and maturity of cash outflow		
< 1 year	13 609	17 782
1-2 years	9 421	12 435
2-3 years	5 344	8 306
3-4 years	2 064	4 811
4-5 years	546	1 566
> 5 years	0	621
Total undiscounted lease liabilities, end of period	30 984	45 521
Discount element	(1 239)	(2 028)
Total discounted lease liabilities, end of period	29 745	43 492

NOK thousand	2023	2022
Total lease liabilities, end of period	29 745	43 492

Lower liabilities at end of 2023 from 2022 is mainly due to some office locations that have been cancelled. The payments made on lease liabilities are presented in the cash flow statement on a separate line.

The interest rate used for discounting the lease liability is based on the same as according to the terms of interest rate from the Group's internal financing. See Note 11 for interest expenses related to leasing contracts.

Note 10 Intangible assets

Acquisition costs

Acquisition costs incurred are expensed and included in operating expenses. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in the income statement as financial income or expense.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all associated conditions will be complied with. When the grant relates to an asset, it reduces the carrying amount of the asset. The grant is then recognised in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge. During 2023, Arribatec received government grants in the form of SkatteFUNN in relation to a development project of 0.6m NOK in 2023 (1.0m NOK).

2023

NOK thousand	Goodwill	Customer relations	Other intangible assets; Custom software	Other intangible assets; Technical software	Other intangible assets; Licenses	Total
Cost at 1 Jan 2023	204 581	56 799	51 883	13 654	7 752	334 669
Additions	0	0	0	0	3 634	3 634
Additions - internally developed	0	0	12 868	0	0	12 868
Less government grants	0	0	(604)	0	0	(604)
Reclassifications[1]	0	0	(2 249)	2 249	7	7
Disposals	0	0	(5 559)	(0)	(161)	(5 720)
Translation difference	1 875	1 541	1 099	937	71	5 523
Cost, end of period	206 457	58 340	57 438	16 839	11 303	350 377
Accumulated amortisations at 1 Jan 2023	0	(22 162)	(21 290)	(6 684)	(3 381)	(53 517)
Amortisation	0	(11 721)	(9 969)	(3 086)	(2 165)	(26 941)
Reclassifications[1]	0	0	1 253	(1 253)	(7)	(7)
Disposals	0	0	5 559	(0)	84	5 644
Translation difference	0	(332)	(399)	(423)	(50)	(1 204)
Accumulated amortisation and impairment, end of period	0	(34 215)	(24 845)	(11 446)	(5 518)	(76 024)
Carrying amount at 31 Dec 2023	206 457	24 125	32 593	5 393	5 785	274 352
Useful life	Infinite	5 yrs	5–10 yrs	5 yrs	3–10 yrs	

[1] Reclassifications made between categories

Goodwill and customer relations are pure excess values and are explained in Note 14.The main part of technical software is also related intangible excess values IB, Italy.

Custom software consists of internally developed software. Technical software is other intangible assets and trademarks.

For Impairment testing on Goodwill, see Note 14. Conducted impairment test applies for all intangible assets.

Research and Development cost

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

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

The development expenditures that do not meet the criteria for capitalization are recognised as salary and personnel expenses and other operating expenses in profit and loss.

The Group distinct between development and maintenance. Expenditures after the internal generated software is ready to be used in customer deliveries are recognized as an operating maintenance cost in the profit and loss statement.

Customer relationships and technical assets

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

Critical accounting estimates and assumptions

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

Goodwill

In accordance with requirements in IAS 36, the group annually tests whether goodwill has suffered any impairment or more frequently if impairment indicators are identified. The recoverable amount of the cash-generating units has been determined based on value-in-use calculations. These calculations require the use of estimates. The value-in-use calculation is based on a discounted cash flow model. The cash flows are derived from the budgets and forecasts for the next five years, as approved by the Company's Board of Directors, and do not include significant investments that will enhance the performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model, as well as the expected future cash-inflows (sensitive to estimates of sales and cost levels) and the growth rate used for extrapolation purposes. Further details regarding goodwill and impairment reviews are included in Note 14 Impairment.

2022

NOK thousand	Goodwill	Customer relations	Other intangible assets; Custom software	Other intangible assets; Technical software	Other intangible assets; Licenses	Total
Cost at 1 Jan 2022	205 279	57 526	29 975	54 353	4 979	352 112
Additions	0	0	887	0	1 240	2 127
Additions - internally developed	0	0	11 755	0	0	11 755
Less government grants	0	0	(1 006)	0	0	(1 006)
Reclassifications [1]	0	(691)	44 003	(32 619)	1 551	12 244
Sale of asset	(910)	0	0	(9 202)	0	(10 113)
Disposals	0	0	(35 302)	0	0	(35 302)
Translation difference	213	(36)	1 570	1 122	(17)	2 852
Cost, end of period	204 581	56 799	51 883	13 654	7 752	334 669
Accumulated amortisations at 1 Jan 2022	0	(11 495)	(10 093)	(13 523)	(643)	(35 755)
Amortisation	0	(11 360)	(13 962)	(3 887)	(1 689)	(30 898)
Impairment	0	0	(5 606)	0	0	(5 606)
Reclassifications [1]	0	691	(19 283)	7 614	(1 054)	(12 032)
Sale of asset	0	0	0	3 527	0	3 527
Disposals	0	0	28 408	0	0	28 408
Translation difference	0	2	(754)	(416)	6	(1 163)
Accumulated amortisation and impairment, end of period	0	(22 162)	(21 290)	(6 684)	(3 381)	(53 517)
Carrying amount at 31 Dec 2022	204 581	34 637	30 593	6 969	4 372	281 152
Useful life	Infinite	5 yrs	5–10 yrs	5 yrs	3–10 yrs	

[1] Reclassifications made between categories

Note 11 Financial items and risks

NOK thousand	2023	2022
Finance income		
Interest income	563	291
Realized foreign exchange gains	2 149	2 153
Net unrealized foreign exchange gains	381	1 522
Other financial income	115	1 225
Total financial income	3 208	5 191
Finance expenses		
Interest on debts and borrowings	(1 161)	(697)
Interest expense on lease liabilities	(1 171)	(1 236)
Realized foreign exchange losses	(4 131)	(1 998)
Other financial expenses	(2 952)	(1 350)
Total financial expenses	(9 414)	(5 280)
Net financial items	(6 206)	(89)

Financial risk

In Arribatec, risks as currency risk, interest rate risk and other price risk are all factors that could have a negative impact on the ability of the Group to achieve its business objectives. All economic activities are associated with risk. To manage risk in a balanced way, it must first be identified and assessed. Arribatec conducts risk management at both a Group and company level, where risks are evaluated systematically.

The following summary is by no means comprehensive but offers an overview of all material financial risk factors that are considered important for Arribatec's future development.

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

Currency risk

Currency risk refers to the risk that the fair value of future cash flows, cash and financial instruments may shift as a result of changes in exchange rates. Transactions in foreign currency in each entity are converted at the exchange rate on the transaction date. Monetary items in foreign currency are converted to NOK using the exchange rate at the balance sheet date. Non-monetary items measured at the historical rate expressed in a foreign currency are converted into NOK using the exchange rate on the transaction date.

The currency risk is limited in Arribatec as few balance items are posted in foreign currency per 31.12.2023 in each subsidiary. The risk is in the conversion of foreign operation into NOK in consolidation.

Interest rate risks

Interest risk is related to the risk the Group is exposed to from changes in the market's interest rate which can affect the net profit. The Group's main interest rate risk arises from long-term borrowings with variable rates, which amounted to NOK 39.4m on 31 December 2023 (2022: NOK 31.2m). The loan carries a variable interest rate based on the interbank rate in each currency with a margin. Any annualized increase or decrease by 100 basis point would increase/ decrease the Groups loss before tax by appr. NOK 0.3m (NOK 0.3m).

The Group continuously assesses and monitors interest rate risk and exposure. Based on these assessments, the group also assesses alternative financing and hedging.

Note 12 Tax

Arribatec account for current income tax assets and liabilities based on the expected recovery from, or payment to, tax authorities.

The applicable tax rates and laws are those in effect at the end of the reporting period. Additionally, we calculate deferred income tax using the deferred tax method, considering temporary differences between tax bases and carrying amounts of assets and liabilities for financial reporting purposes.

Our policy recognizes deferred income tax liabilities for taxable temporary differences, except when arising from goodwill recognition or non-business combination transactions that do not impact accounting or taxable profit or loss. We also assess deferred tax assets, recognizing them to the extent of probable future taxable profit availability or utilization of unused tax losses and credits.

The carrying amount of deferred tax assets is reviewed periodically, and unrecognized assets are reassessed at each reporting date. Finally, we offset deferred income tax assets and liabilities only when legally enforceable rights exist to set off tax assets against income tax liabilities within the same taxable entity or taxation authority.

Income tax calculation

The Group’s tax expense is affected by several factors, where the most important are tax losses carried forward, currency effects and local GAAP/IFRS-differences for calculation of taxable profit.

The Group’s tax is related to continuing operations only, as there are no discontinued operations.

NOK thousand	2023	2022
Income tax expense		
Current tax		
Current Income Tax - Norway	2 597	889
Correction previous year - Norway	(7)	0
Current Income Tax - Other countries	2 762	1 539
Correction previous year - other countries	(59)	968
Deferred tax		
Change in deferred taxes - Norway	(10 392)	(7 653)
Change in deferred taxes - Other countries	(1 900)	(2 778)
Tax income recorded in consolidated statement of Profit & Loss	(6 998)	(7 035)
A reconciliation of the tax base		
Profit/(loss) before tax	(30 050)	(90 428)
Adjustment of current income tax of previous years	3	(50)
Temporary differences	(2 336)	690
Non deductible expenses	1 113	37 375
Non-taxable income	(367)	(916)
Tax base	(31 637)	(53 331)

NOK thousand	2023	2022
A reconciliation of the effective tax rate		
Income taxes calculated at the Company's domestic tax rate (22%)	6 960	(11 733)
Tax previous year	(65)	968
Group contribution with tax effect (tax payable effect)	(2 576)	0
Group contribution with tax effect (deferred tax effect)	2 576	0
Changes in recognised deferred taxes	(12 292)	(10 431)
Effect from previously unrecognised deferred taxes	(1 607)	14 734
Different tax rates applied in foreign jurisdictions	6	(573)
Tax income at effective tax rate	(6 998)	(7 035)
Effective tax rate	23.3%	7.8%
Tax rate Norway	22.0%	22.0%
Deferred taxes		
Tax losses carried forward, accumulated	23 756	54 245
Property, plant and equipment	79	4 544
Intangible assets	1 492	(11 413)
Receivable	(123)	91
Other provisions	316	0
Leases	105	110
Deferred tax on intangible assets from business combinations	3 141	(857)
Tax losses carried forward, not recognised	(17 556)	(44 989)
Deferred taxes, net	11 212	1 732
Deferred taxes, recognised	11 212	1 732
Deferred taxes, not recognised	17 556	44 989

NOK thousand	2023	2022
Reconciliation to balance sheet		
Deferred tax assets	18 998	12 322
Deferred tax liabilities	(7 786)	(10 590)
Net Deferred tax assets (liabilities)	11 212	1 732

Note 13 Earnings per share

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

Issued shares and share capital

	Number of shares	Share Capital (NOK)
31 December 2022	690 573 217	193 360 501
Capital issue, February	3	1
Reverse share split (10:1), March	(621 515 898)	
Capital issue, December	514 884	1 441 675
31 December 2023	69 572 206	194 802 177

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

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

NOK	2023	2022
Net profit/(loss) to equity holders	(23 052 518)	(83 393 192)
Total	(23 052 518)	(83 393 192)
Number of shares (in thousands)		
Weighted average number of ordinary shares	69 057 322	658 988 513
Effects of dilution, weighted average	371 097	5 663 984
Weighted average number of shares, adjusted for effects of dilution	69 428 419	664 652 497
Basic earnings per share	(0.33)	(0.13)
Diluted earnings per share	(0.33)	(0.13)

In 2023, part of the share consideration for Integra was still outstanding. This was settled during 2024.

Effects of dilution

NOK	2023	2022
Share consideration outstanding Integra	371 097	5 663 984

Note 14 Goodwill and impairment

Goodwill recognised in the consolidated financial position are mainly derived from excess value following the acquisitions of Instidata AS in 2019, Facil AS, Microsky AS and Innit AS in 2020 and Maksit AS, Qualisoft AS, IB Group and Integra Ass. Ltd in 2021. Recognised goodwill amounts to NOK 206.5m as of 31 December 2023 (NOK 204.6m). Other intangible assets related to excess values in the Group accounts are customer relations and software, with a carrying amount of NOK 31.8 million as per 31 December 2023 (NOK 45.3m).

Only goodwill has an indefinite lifetime, all other intangible assets are amortized, ref Note 10.

Goodwill is tested for impairment for each cash generating unit (CGU) prior to preparation of the annual accounts. The test is performed annually, and when there are indications of impairment. There were no impairment indications in the impairment test 2023 where recoverable amounts exceeded the balance sheet amounts, thus no impairment has been done in 2023.

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

Goodwill has been allocated for impairment testing purposes to the CGUs below.

2023

NOK thousand	Cloud	BizS	Marine	Hospitality	EA&BPM	Total
Norway	56 622	35 585	0	24 416	66 361	182 984
UK	0	18 983	0	0	0	18 983
Italy	0	0	4 489	0	0	4 489
Total	56 622	54 568	4 489	24 416	66 361	206 457

2022

NOK thousand	Cloud	BizS	Marine	Hospitality	EA&BPM	Total
Norway	56 622	35 585	0	24 416	66 361	182 984
UK	0	17 398	0	0	0	17 398
Italy	0	0	4 199	0	0	4 199
Total	56 622	52 983	4 199	24 416	66 361	204 581

Cash flow projections and assumptions

A five-year forecast of discounted cash flows plus a 2.0% terminal value growth rate was used to determine net present value of the CGU. Discounted cash flows were calculated after tax and applying a WACC after tax.

Key assumptions for the value in use calculations

The basis for the projection of the future cash flows estimated is based on the financial budget for one year, approved by the Board of Directors. The budget in combination with the forecasts represents management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. The remaining four years of the forecast period are estimated based on budget and projected performance. The calculation of VIU for the CGU is most of all sensitive when it comes to the following assumptions:

Discount rate

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

	2023			2022		
	Norway	UK	Italy	Norway	UK	Italy
Risk free interest rate	3.0%	4.25%	3.7%	3.1%	3.3%	4.2%
Debt risk premium	3.0%	3.0%	3.0%	6.6%	6.6%	6.6%
Equity risk premium	4.0%	4.0%	4.0%	5.9%	5.9%	5.9%
Equity Beta	1.61	1.61	1.61	1.37	1.37	1.37
Cost of equity	9.4%	9.4%	9.4%	11.2%	11.2%	11.2%
Tax rate	22%	19%	29%	22%	19%	29%
Credit spread	3%	3%	3%	3%	3%	3%
After tax cost debt	4.8%	4.8%	4.8%	7.6%	7.7%	8.0%
Equity weight	90%	90%	90%	90%	90%	90%
WACC (pre tax)	15.4%	14.9%	17.0%	17.7%	17.3%	23.4%
WACC (after tax)	12.0%	12.1%	12.1%	13.8%	14.0%	16.6%

The average growth rate and EBITDA margin assumptions are based on historical experience and performance as well as market analysis used for budget 2024 and estimates from 2025-2027 and a terminal growth rate of 2%. The average growth rates in the estimate period 2025-2027 for each Business Area is:

2023	Cloud	BizS	Marine	Hospitality	EA&BPM
Average revenue growth	7%	8%	11%	73%	15%
Average Gross profit margin	12.3%	8.1%	11.0%	91.5%	15.6%
Average EBITDA margin	12%	11%	22%	32%	22%

Compared to the same assumptions in 2022 we see a rather significant decline in the growth assumptions. This is explained by the implementation of a new internal policy of using modest growth assumptions as the basis for impairment tests. This, however, must not be seen in conjunction with the company's expectations for future growth.

2022	Cloud	BizS	Marine	Hospitality	EA&BPM
Average revenue growth	16.0%	9.0%	0.0%	196.0%	16.0%
Average EBITDA margin	7.0%	15.0%	18.0%	41.0%	19.0%

[1] The restructuring and sales of IP in the Marine CGU from 2022 to 2023 effect the average growth rates
[2] CGU Hospitality will until Q2 2023 go from a start up to become a mature profit making unit, thus impact on the growth rates seems unnatural

Sensitivity

At 31 December 2023, the Group's value in use for each CGU was higher than the carrying amount of tested goodwill with indefinite useful life and intangible assets.

The calculation is most sensitive to changes in EBITDA and gross profit (GP) margins. No reasonably likely change in the key assumptions listed above would cause the carrying value to materially exceed the recoverable amount for any of the CGUs. The headroom on the most significant CGUs varied from 25% - 170%.

Note 15 Business Combinations

During 2022 or 2023, Arribatec did not acquire any shares in companies. During 2021, Arribatec acquired shares in the companies mentioned below and consequently controls the subsidiaries from the date of acquisition. In the purchase price allocations (PPA), the assets and liabilities of the companies have been measured at the estimated fair value on the acquisition date.

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

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

The labor force and "going concern" elements are the main part of the acquired excess value and has been allocated to goodwill in accordance with IFRS 3. Goodwill in relation to the acquisition is related to different CGU's as according to Note 14.

Note 16 Investment in subsidiaries

Subsidiary	Owning entity	Ownership	Year of acquisition/ foundation	Head office
Arribatec Group ASA		100%	2015	Oslo
Arribatec Norge AS	Arribatec Group ASA	100%	2017	Oslo
Arribatec Hospitality AS	Arribatec Group ASA	100%	2019	Oslo
Arribatec Cloud AS	Arribatec Group ASA	100%	2020	Oslo
Arribatec EA & BPM AS	Arribatec Group ASA	100%	2021	Oslo
Arribatec Sverige AB	Arribatec Group ASA	100%	2016	Stockholm
Arribatec Denmark ApS	Arribatec Group ASA	100%	2015	Copenhagen
Arribatec Innovation Sp. z o.o.	Arribatec Group ASA	100%	2018	Wroclaw
Arribatec Belgium NV	Arribatec Group ASA	100%	2018	Vosselaar
Arribatec Italy S.r.l.	Arribatec Group ASA	100%	2018	Pontinia
Arribatec Iberia SL	Arribatec Group ASA	100%	2017	Granada
Arribatec Americas Inc	Arribatec Denmark ApS	100%	2018	Colorado
Arribatec Hospitality LLC	Arribatec Americas Inc	100%	2018	Colorado
IB S.r.l.	Arribatec Italy S.r.l.	100%	2021	Rapallo
IB Cyprus LTD	IB S.r.l.	100%	2021	Limassol
IB USA Inc	IB S.r.l.	100%	2021	Florida
Arribatec Solutions UK LTD	Arribatec Group ASA	100%	2018	Closed
Arribatec UK Ltd (former Integra Ass. Ltd)	Arribatec Group ASA	100%	2021	Leicester
Infoship GmbH	IB Cyprus LTD	100%	2021	Dormant
Arribatec France Sarl	Arribatec Group ASA	100%	2021	Levallois-Perret
Arribatec Solutions Pte. LTD	Arribatec Group ASA	100%	2021	Singapore

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

Arribatec Group ASA hold direct ownership of most entities. Arribatec Americas INC and Arribatec Americas LLC are both subsidiaries of Arribatec Denmark Aps. The IB Group is owned by Arribatec Italy S.r.l.

Note 17 Other non-current assets

NOK thousand	2023	2022
Investment in shares	60	60
Deposits	3 929	5 263
Total other non-current assets	**3 989**	**5 323**

Deposits are mainly deposits in relation to office rental agreements.

Note 18 Account receivable

NOK thousand	Current	0-30 days	31-60 days	61-90 days	90+days	Total	whereof estimated credit losses
Ageing, Accounts receivable							
2023	45 192	33 769	5 533	2 795	3 608	90 898	(4 230)
2022	60 600	17 022	5 200	2 984	2 409	88 214	(2 994)

Provision for Expected Credit Losses (ECL) is included with NOK 4.2m (NOK 3.0m). The provision is based on a valuation per subsidiary at year end based on general assumptions as well as agreements with customers and payments made in the next year. Account receivables are non-interest bearing.

Expensed credit loss in 2023 was NOK 0.1m (0.1m)

Credit risk

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

As part of the Group's earnings model, certain of its customers pays for software and services under a software-as-a-service (SaaS) arrangements, where the customer in general pays a lump sum for the initial software integration and implementation, and subsequently only pays for services related to maintenance and consulting services. Although the Group has opted for this model to ensure some predict-able long-term income the Group is dependent on its customers having the ability and/or willingness to pay for the software and services already provided or to be provided.

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

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

Accounts and other receivable

Accounts receivable and other receivables are initially recognized at fair value and are subsequently measured at amortized cost, less provision for expected credit losses.

Note 19 Financial instruments

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

The carrying amount is reasonable approximate of fair value for Arribatec's financial instruments such as short-term trade receivables and payables and lease liabilities.

The financial assets principally consist of investments in shares, accounts receivables, deposits related to premises, cash and cash equivalents and other receivables. The financial liabilities principally consist of non-current lease liabilities, other non-current financial liabilities, current lease liabilities, accounts payable, contract liabilities, current tax payable, other current liabilities and interest bearing loan. Any draw-downs on the Credit facility in Danske Bank are classified as short term interest bearing loan. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

	Carrying amount			Fair value			
NOK thousand	Amortized cost	Fair value through profit and loss	Total	Level 1	Level 2	Level 3	Total
31 Dec 2023							
Financial assets							
Investment in shares [1]	0	60	60	0	0	60	60
Accounts receivable	90 898	0	90 898	0	0	90 898	90 898
Deposits related to premises	3 929	0	3 929	0	0	3 929	3 929
Cash and cash equivalents	39 371	0	39 371	0	0	39 371	39 371
Other receivables	1 398	0	1 398	0	0	1 398	1 398
Total financial assets	135 595	60	135 655	0	0	135 655	135 655
Financial liabilities							
Non-current lease liabilities	16 836	0	16 836	0	0	16 836	16 836
Other non-current financial liabilities	1 804	0	1 804	0	0	1 804	1 804
Current lease liabilities	12 909	0	12 909	0	0	12 909	12 909
Accounts payable	39 816	0	39 816	0	0	39 816	39 816
Contract liabilities	24 319	0	24 319	0	0	24 319	24 319
Current tax payable	1 669	0	1 669	0	0	1 669	1 669
Other current liabilities	83 869	0	83 869	0	0	83 869	83 869
Interest bearing loan	39 388	0	39 388	0	0	39 388	39 388
Total financial liabilities	220 611	0	220 611	0	0	220 611	220 611

NOK thousand	Carrying amount			Fair value			
	Amortized cost	Fair value through profit and loss	Total	Level 1	Level 2	Level 3	Total
31 Dec 2022							
Financial assets							
Investment in shares[1]	0	60	60	0	0	60	60
Accounts receivable	88 214	0	88 214	0	0	88 214	88 214
Deposits related to premises	5 263	0	5 263	0	0	5 263	5 263
Cash and cash equivalents	40 449	0	40 449	0	0	40 449	40 449
Other receivables	1 128	0	1 128	0	0	1 128	1 128
Total financial assets	135 054	60	135 114	0	0	135 114	135 114
Financial liabilities							
Non-current lease liabilities	26 727	0	26 727	0	0	26 727	26 727
Other non-current financial liabilities	967	0	967	0	0	967	967
Current lease liabilities	16 765	0	16 765	0	0	16 765	16 765
Accounts payable	31 879	0	31 879	0	0	31 879	31 879
Contract liabilities	16 476	0	16 476	0	0	16 476	16 476
Current tax payable	650	0	650	0	0	650	650
Other current liabilities	83 969	0	83 969	0	0	83 969	83 969
Interest bearing loan	31 211	0	31 211	0	0	31 211	31 211
Total financial liabilities	208 643	0	208 643	0	0	208 643	208 643

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

Note 20 Other current assets

NOK thousand	2023	2022
Government receivables	1 978	4 317
Prepaid cost[1]	10 539	13 648
Other current assets	750	1 647
Total other current assets	13 267	19 612

[1] Prepaid cost mainly consist of advances paid for software, rent and insurance

Note 21 Contract assets and liabilities

Consulting services

Arribatec provides implementation and integration services under consulting contracts with customers. Most contracts have a pricing structure where Arribatec agrees to implement and integrate software for a fixed hourly rate agreed upon in the contract, but where the number of hours to be delivered is not specified in the contract.

Arribatec's performance obligation is satisfied over time because the consulting services do not create an asset that Arribatec could use for an alternative purpose and Arribatec has an enforceable right to payment for the hours worked. Revenue is recognised over time, normally according to the invoiced hours for the period. A contract asset is recognised when the company has an unconditional right to payment. A contract liability is recognised when invoicing is done in advance compared to revenue recognition.

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

Contract assets

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

Contract assets will typically occur in Saas projects where the customer pays a fixed annual or monthly fee over 3-5 years. In such cases revenue is recognised at the time where performance obligations are met and registered as contract assets on the balance sheet. A reclassification to accounts receivable is done when the customer is invoiced.

NOK thousand	**2023**	**2022**
As of 1 January	16 276	19 549
Performance obligations met	42 789	36 572
Reclassified to receivables	(35 305)	(40 272)
Translation difference	484	427
Total contract assets	24 244	16 276

It is expected that 93% of the above contract assets will be reclassified to receivables in 2024, 5% in 2025 followed by 2% in 2026.

The expected credit losses on Contracts assets are considered immaterial as the contracts are mainly with governmental parties and therefore secured Contracts are subject to valuation of credit losses in the same way as Account receivables.

Contract liabilities

Contract liabilities relate to consideration received in advance of performance under revenue contracts with customers. Revenue is recognised as (or when) the Group fulfils its performance obligation(s) under the contracts. Contract liabilities are presented in the table below:

NOK thousand	**2023**	**2022**
As of 1 January	16 476	21 483
Deferred revenue	101 264	68 627
Recognised as revenue in P&L	(94 227)	(73 811)
Translation difference	806	177
Total contract liabilities	24 319	16 476

Contract liabilities are mainly invoiced to customers in advance and relating to 2024. All liabilities per 1 January was recognised as revenue in P&L during the year.

Note 22 Inventory

Inventories are recognised at the lower of cost and net realisable value. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and bringing them to their current state and location.

NOK thousand	2023	2022
Hardware for resale	1 548	900
Licenses for resale	0	2 877
Total inventory	1 548	3 777

Note 23 Cash and cash equivalents

NOK thousand	2023	2022
Cash, free	27 260	26 956
Cash, restricted	12 111	13 492
Total cash and cash equivalents	39 371	40 449

Restricted cash consists of rental deposits and tax accounts.

Liquidity risk

Liquidity risk is the potential loss of the Group's inability to meet its contractual obligations when due. The Group monitors its risk of a shortage of funds using cash flow forecasts. The Group had cash and cash equivalents of NOK 39.4m on 31 December 2023 (2022: NOK 40.4m).

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

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

NOK thousand	-6 months	6 months - 1 year	1-2 years	2-4 years	4+ years	Total
Interest bearing loans (including interest)	33 709	4 880	1 875	3 723	600	44 788
Provisions	0	0	2 254	1 270	7 160	10 685
Accounts payable	39 816	0	0	0	0	39 816
Lease liabilities	6 805	6 805	9 421	5 344	2 610	30 984
Other current liabilities	42 432	41 437	0	0	0	83 869
Total	122 762	53 122	13 550	10 337	10 370	210 141

The Group closely monitors and follow up the cash situation. During 2022 Arribatec carried out a private placement and a subsequent repair offer that brought in 51.8million. The Group's cash situation, including proceeds from this capital increase, were minus 3.3 million. Furthermore, 2022 was a year bringing the different acquired units into One Group on common policies, structure and systems, with the intention to realize the synergizes and secure being cash positive.

Financing risk

To support the Group's growth ambitions, the Group continuously work on securing necessary committed financing and alternative funding sources. Securing non-current financing at competitive terms is a major part of the Group's long-term liquidity planning. Management continuously monitors financing risk, different funding related to revolving facilities, to minimize financing risk.

Capital management

The primary objective of the Group's capital management is to ensure the Group maintains a solid capital structure enabling it to develop and build its business to maximize shareholder value. The Group's objective is to maintain a balance of financial assets that reflects the cash requirement of its operations and investments for the next twelve months. The group defines a solid capital structure as balanced ration between debt and equity. No change was made in the objectives, policies, or process for managing capital during the year ended 31 December 2023.

Note 24 Shares

Issued shares and share capital

	Number of shares	Share Capital (NOK)
1 January 2020	16 077 403	16 077 403
Capital issue, Jan	7 164 688	7 164 688
Capital issue, Mar	41 666 666	41 666 666
Capital issue, Mar	25 000 000	25 000 000
Capital decrease, Nov		(64 734 305)
New shares, Oct	235 819 574	66 029 481
Share issue, repair offer, Nov	32 855 000	9 199 400
Share issue, employee offer, Nov	10 000 000	2 800 000
Share issue, private placement, Dec	50 000 000	14 000 000
1 January 2021	418 583 331	117 203 333
Capital issue in relation to acq. of Facil, Jan	12 423 200	3 478 496
Capital issue in relation to acq. of Microsky, Feb	3 499 998	979 999
Capital issue in relation to acq. of Innit, Mar	5 606 400	1 569 792
Capital issue in relation to acq. of Qualisoft, May	15 000 000	4 200 000
Capital issue in relation to acq. of Maksit, Aug	5 000 000	1 400 000
Capital issue in relation to merger with Arribatec AS, Sep	124 790 135	34 941 238
31 December 2021	584 903 064	163 772 858
Capital issue, April	100 000 000	28 000 000
Share issue, repair offer, July	3 625 153	1 015 043
Capital issue in relation to acq. of Integra, Nov	2 045 000	572 600
31 December 2022	690 573 217	193 360 501
Capital issue, February	3	1
Reverse share split (10:1), March	(621 515 898)	
Capital issue, December	514 884	1 441 675
31 December 2023	69 572 206	194 802 177

Each share has the same rights and has a par value of NOK 2.80 (0.28 prior to the reverse share split in March).

20 largest shareholders at 31 Dec 2023

	Holding	Stake
FERNCLIFF LISTED DAI AS	16 655 404	23.9%
TITAN VENTURE AS	2 988 661	4.3%
DALLAS ASSET MANAGEMENT AS	2 467 200	3.5%
JOAR AARENES	2 411 185	3.5%
ARRIBA INVEST AS	2 290 500	3.3%
SRK CONSULTING AS	1 780 947	2.6%
ERIK SKAAR OPDAL	1 695 200	2.4%
NORDNET BANK AB	1 653 270	2.4%
TRUDE HALVORSEN	1 079 789	1.6%
HANEKAMB INVEST AS	1 055 347	1.5%
EXCESSION AS	900 000	1.3%
DATUM AS	854 291	1.2%
MIDDELBOE AS	739 662	1.1%
KRISTIAN FALNES AS	654 592	0.9%
DANSKE BANK A/S	602 331	0.9%
LARS HUGO BRAADLAND OLSEN	574 850	0.8%
LCS AS	551 801	0.8%
JAN ARNE CHRISTENSEN	524 675	0.8%
NORDLYS TRADING AS	450 000	0.6%
VALSET INVEST AS	450 000	0.6%
Total 20 largest shareholders	40 379 705	58.0%
Other shareholders	29 192 501	42.0%
Total	69 572 206	100.0%

Shares held by related parties

	Holding	Stake	
FERNCLIFF LISTED DAI AS	16 655 404	23.9%	Related to Øystein S. Spetalen, Member of the Board in Arribatec Group ASA
HANEKAMB INVEST AS	1 055 347	1.5%	Related to Martin Nes, Chairman of the Board in Arribatec Group ASA
FINANCE RESOURCES GJ AS	360 609	0.5%	Related to Geir Johansen, CEO of Arribatec Group ASA
TERJE MJØS HOLDING AS	150 000	0.2%	Related to Terje Mjøs, Member of the Board in Arribatec Group ASA
KJØLVIK INVEST AS	58 334	0.1%	Related to Ole-Jakob Kjølvik, COO of Arribatec Group ASA
SICUBI AS	24 072	0.0%	Related to Bente Brocks, CFO (interim) of Arribatec Group ASA
HELLEBUST, KRISTIN	22 728	0.0%	Related to Kristin Hellebust, Member of the Board in Arribatec Group ASA

Note 25 Long term incentive plan

During 2023, a long-term incentive plan in the form of a share-based remuneration program has been launched within Arribatec, with the intention to incentivize and retain key employees.

The program is an equity-settled option plan where one option gives the right to acquire one share in Arribatec Group ASA on the exercise date. There is no cash settlement for the employee at the grant date.

No shares have yet been vested through the program. The shares currently held by certain members of management or other employees were acquired at market conditions.

Measurement of fair values

The Black-Scholes-Merton Option Pricing Model is used for valuing the share options. The measure of the expected volatility in the option pricing model has been calculated as the annualized standard deviation of the continuously compounded rates of return on the share over a period of time.

The options are vested over a period of three years and the employee continues to be employed by the group.

Total costs and Social Security Provisions

NOK thousand	
Total IFRS cost 2023	619 924
Total Social security provisions 2023	0

Total costs and Social Security Provisions

Instrument	Option
Quantity 31.12.2023 (instruments)	3 303 240
Quantity 31.12.2023 (shares)	3 303 240
Contractual life[1]	5.00
Strike price[1]	5.25
Share price[1]	4.63
Expected lifetime[1]	3.00
Volatility[1]	65.66%
Interest rate[1]	3 965%
Dividend[1]	0.00
FV per instrument[1]	1.97

[1] Weighted average parameters at grant of instrument

Outstanding instruments Year End - Option

Quantity and weighted average prices	01.01.2023 - 31.12.2023	
Activity	Number of instruments	Weighted Average Strike Price
Outstanding OB (01.01.2023)	0	0.00
Granted	3 303 240	5.25
Exercised	0	0.00
Released	0	0.00
Adjusted	0	0.00
Performance Adjusted	0	0.00
Cancelled	0	0.00
Terminated	0	0.00
Expired	0	0.00
Outstanding CB (31.12.2023)	3 303 240	5.25
Vested CB	0	0.00

Outstanding Instruments Overview

	Outstanding Instruments			Vested Instruments	
Strike price	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2023	Weighted Average Strike Price
5.00	1 101 077	4.84	5.00	0.00	0.00
5.25	1 101 081	4.84	5.25	0.00	0.00
5.50	1 101 082	4.84	5.50	0.00	0.00
	3 303 240				

Note 26 Interest bearing debt

NOK thousand

Debt financial institutions	Type	Currency	Facility limit	Interest rate	Year of maturity	31 Dec 2023	31 Dec 2022
Danske Bank	Revolving credit facility	NOK	20 000	NIBOR+2.75%	2024	19 458	6 750
DLL	Leasing & finance company	NOK		4.5%	2024	19	244
Bank Intesa, Italy	Unsecured bank facilities	EUR		EURIBOR+1.95%-2.40%	2027	7 896	8 411
Bank Progetto, Italy	Unsecured bank loan	EUR		EURIBOR+5%	2025	3 671	5 759
Bank Carige, Italy	Unsecured bank loan	EUR		1.3%	2027	5 681	6 863
Bank Passadore, Italy	Unsecured bank loan	EUR		EURIBOR+1.5%	2028	2 663	3 154
Italian banks, ref above	Revolving credit facility	EUR		1.0-4.75%	2023	0	29
Total						39 388	31 211

	Credit facilities	Other borrowings	Total
Balance at 1 Jan 2022	9 030	28 394	37 425
Proceeds from loans and borrowings	4 067	0	4 067
Repayment of loans and borrowings	(6 499)	(5 464)	(11 963)
Total changes in financial cashflow	(2 432)	(5 464)	(7 896)
Translation difference	181	1 501	1 682
Balance at 1 Jan 2023	6 779	24 431	31 211
Proceeds from loans and borrowings	19 686	0	19 686
Repayment of loans and borrowings	(7 009)	(6 173)	(13 183)
Total changes in financial cashflow	12 677	(6 173)	6 504
Translation difference	2	1 672	1 674
Total Borrowings at end of period	19 458	19 930	39 388

Interest bearing loans and other financial liabilities

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

Note 27 Pensions

Arribatec group meets the different local mandatory occupational pension requirement.

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

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

Note 28 Provisions

NOK thousand	2023	2022
Severance indemnity funds in Italy	8 145	10 364
Other provisions	2 540	3 838
Total provision	10 685	14 202

Severance funds in Italy relates to a monthly accrual for severance pay for all employees. The funds are paid to the employee when they leave the company. Per 31.12.2023, all funds estimated as long term (2-4+ years).

Provisions and contingent liabilities

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

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

Note 29 Other current liabilities

NOK thousand	2023	2022
Employer tax and employee withholding tax	24 302	22 700
Accrued holiday payments and bonuses	30 640	31 987
VAT liabilities	9 632	10 121
Remaining part of acq.price, Integra	7 441	8 569
Other short term liabilities	11 855	10 591
Total other current liabilities	83 869	83 969

Trade and other payables

Accounts receivable and other receivables are initially recognized at the transaction price and are subsequently carried at recognized cost, less provision for expected credit losses. For Arribatec, the main part of accounts payable consists of annual fees for the following year from software providers.

Note 30 Transactions with related parties

During 2022 and 2023, rent for office in UK is paid to MDB & Sons Ltd, a company related to the CEO of Arribatec UK Ltd (former Integra Associated Ltd).

NOK thousand	**2023**	**2022**
Transactions with related parties		
MDB & Sons Ltd - office rental, Leicester	481	402
Total Related parties transactions	481	402

Note 31 Pledged assets

The Group have no pledged assets.

Note 32 Subsequent events

There have been no subsequent events since 31.12.2023.

Parent company financial statements

Income statement of Arribatec Group ASA		79
Balance sheet of Arribatec Group ASA		80
Balance sheet of Arribatec Group ASA		81
Statement of cash flow of Arribatec Group ASA		82
Notes to the financial statement		83
Note 1	Accounting principles	83
1.1	Basis for preparation of the company accounts	83
1.2	Currency	83
1.3	Revenue	83
1.4	Defined contribution pension schemes	83
1.5	Classification of assets and liabilities	83
1.6	Receivables	83
1.7	Use of estimates	83
1.8	Contingencies and events after the Balance Sheet date	83
1.9	Cash Flow Statement	83
Note 2	Employee compensation	84
Note 3	Other operating expenses	86
Note 4	Other financial income	87
Note 5	Other financial expenses	87
Note 6	Tax	88
Note 7	Property, plant and equipment	90
Note 8	Other intangible assets	90
Note 9	Shares in subsidiaries and intercompany transactions	91
Note 10	Non-current financial assets	91
Note 11	Cash and short term deposits	92
Note 12	Share capital and shareholder information	92
Note 13	Equity	93
Note 14	Other current liabilities	93
Note 15	Transaction with related parties	94
Note 16	Events after the balance sheet date	94

Income statement of Arribatec Group ASA

NOK thousand	Note	2023	2022
Operating income and operating expenses			
Sales revenue		499	0
Other income		1 266	4 360
Total income		1 765	4 360
Raw materials and consumables used		(3 225)	(21 154)
Employee benefits expense	2	(23 315)	(16 567)
Depreciations, amortisation and impairment of tangible and intanglible fixed assets	7, 8	(1 744)	(5 253)
Other expenses	3	(297)	(3 449)
Total expenses		(28 581)	(46 424)
Operating profit/loss		(26 816)	(42 063)
Financial income and expenses			
Dividend from other group companies		1 812	0
Other interest income		2 512	1 416
Other financial income	4	582	1 687
Other interest expenses		(2 975)	(1 197)
Other financial expenses	5	(3 304)	(2 335)
Net financial items		(1 374)	(430)
Result before tax		(28 190)	(42 493)
Tax expense[1]	6	6 139	712
Result for the year	12	(22 051)	(41 781)
Allocation of result for the year			
Other equity[1]		(22 051)	(41 781)
Total brought forward		(22 051)	(41 781)

[1] 2022 restated after correction of filed tax, see Note 6

Balance sheet of Arribatec Group ASA

NOK thousand	Note	2023	2022
ASSETS			
Non-current assets			
Intangible assets			
Licences, patents etc.	8	4 442	6 005
Deferred tax assets[1]	6	15 076	8 937
Total intangible assets		19 517	14 942
Property, plant and equipment			
Equipment, fixtures and fittings and other movables		939	1 010
Total property, plant and equipment	7	939	1 010
Non-current financial assets			
Investments in other group companies	9, 10	322 011	309 969
Loans to group companies	9, 10	49 522	30 413
Other long-term receivables	10	3 386	3 386
Total non-current financial assets		374 919	343 767
Total non-current assets		395 376	359 720

[1] 2022 restated after correction of filed tax, see Note 6

NOK thousand	Note	2023	2022
Current assets			
Inventories			
Inventories		0	2 877
Total Inventories		0	2 877
Receivables			
Accounts receivables		85	70
Accounts receivables from group companies	9	13 654	36 670
Other short-term receivables		2 272	1 422
Receivables from group companies	9	5 907	12 349
Total receivables		21 918	50 511
Bank deposits, cash and cash equivalents			
Bank deposits, cash and cash equivalents	11	1 278	3 469
Total bank deposits, cash and cash equivalents		1 278	3 469
Total current assets		23 196	56 856
Total assets		418 572	416 577

Balance sheet of Arribatec Group ASA

NOK thousand	Note	2023	2022
EQUITY AND LIABILITIES			
Equity			
Paid in equity			
Share capital	12	194 802	193 361
Other paid in capital		217 004	215 645
Total paid-in equity		411 806	409 005
Retained earnings			
Other equity[1]		(81 530)	(68 508)
Total retained earnings		(81 530)	(68 508)
Total equity	13	330 275	340 497

NOK thousand	Note	2023	2022
Liabilities			
Other non-current liabilities			
Liabilities to group companies	9	11 346	16 669
Total non-current liabilities		11 346	16 669
Current liabilities			
Liabilities to financial institutions		19 458	32 314
Accounts payable		3 782	6 127
Public duties payable		1 515	1 722
Liabilities to group companies	9	40 482	2
Other current liabilities	14	11 713	19 245
Total current liabilities		76 950	59 410
Total liabilities		88 297	76 079
Total equity and liabilities		418 572	416 577

[1] 2022 restated after correction of filed tax, see Note 6

Statement of cash flow of Arribatec Group ASA

For the year ended 31 December

NOK thousand	2023	2022
Operating activities		
Profit/(Loss) before tax	(28 190)	(42 493)
Adjustments for:		
- (Increase)/decrease in accounts receivable	28 593	5 569
- (Decrease)/Increase in accounts payable	(2 345)	(37 361)
- Depreciation, amortisation and impairment	1 744	5 253
Change in other current assets/ liabilities	(35 369)	(17 475)
Net cash flows operating activities	(35 568)	(86 507)
Investing activities		
Capitalized tangible and intangible assets	0	2 738
Net cash flows investing activities	0	2 738
Financing activities		
Change in overdraft	21 547	32 314
Other changes in equity	11 947	51 813
Share issue costs	(118)	(3 280)
Net cash flows financing activities	33 377	80 847
Net change in cash and cash equivalents	(2 191)	(2 922)
Cash and cash equivalents at beginning of period	3 469	6 391
Cash and cash equivalents at end of period	1 278	3 469
whereof restricted cash	1 277	763

Oslo 24 April 2024
The board of Arribatec Group ASA

Signed

Martin Nes
chairman of the board

Øystein Stray Spetalen
member of the board

Kristin Hellebust
member of the board

Terje Mjøs
member of the board

Linn Katrine Høie
member of the board

Geir Johansen
Group CEO

Arribatec Group ASA

Notes to the financial statement

Note 1 Accounting principles

1.1 Basis for preparation of the company accounts

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

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

1.2 Currency

Monetary items in foreign currencies are valued at the year-end exchange rate. Other assets and liabilities in foreign currency are valued according to general valuation regulations.

1.3 Revenue

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

1.4 Defined contribution pension schemes

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

1.5 Classification of assets and liabilities

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

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

Current assets are valued at the lowest of the cost value and actual value. Long-term liabilities are recorded at the nominal received value at the time of establishment.

1.6 Receivables

Receivables are recorded at nominal value less provisions for expected losses. Provisions for losses are made based on an individual analysis of the individual receivables.

1.7 Use of estimates

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

1.8 Contingencies and events after the Balance Sheet date

Contingent losses that are probable and quantifiable are expensed.

1.9 Cash Flow Statement

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

Note 2 Employee compensation

NOK thousand	2023	2022
Salaries	(16 228)	(11 791)
Employment tax	(2 775)	(1 720)
Pension costs	(731)	(389)
Other benefits	(3 581)	(2 667)
Total employee compensation	**(23 315)**	**(16 567)**

Arribatec Group ASA had 14 employees as per end of 2023, whereof 4 men and 10 women. Number of FTEs were 12.7 (3.3 men and 9.4 women). The Board of Directors are not included in the employee numbers.

Management remuneration 2023

NOK thousand	Board remuneration	Audit committee remuneration	Salary	Bonus	Benefits in kind	Share option cost	Pension cost	Total remuneration
Management								
Geir Johansen - CEO	0	0	4 000	0	17	38	100	4 154
Ole Jakob Kjølvik - COO	0	0	1 559	137	17	28	100	1 840
Bente Brocks - CFO (interim)	0	0	1 762	0	14	34	100	1 909
Pål Stueflotten - CCO	0	0	1 458	513	84	28	100	2 182
Solfrid Buø - CPOO	0	0	1 500	0	24	28	100	1 652
Management total	**0**	**0**	**10 278**	**649**	**156**	**156**	**498**	**11 737**
Members of the Board								
Martin Nes (Chairman)	265	38	0	0	0	0	0	303
Øystein S. Spetalen (Member)	215	0	0	0	0	0	0	215
Kristin Hellebust (Member)	215	33	0	0	0	0	0	248
Linn Katrine Høie (Member)	215	0	0	0	0	0	0	215
Terje Mjøs (Member, from May-23)	131	20	0	0	0	0	0	152
Henrik Lie-Nielsen (Member, to May-23)	83	13	0	0	0	0	0	96
Members of the Board total	**1 123**	**104**	**0**	**0**	**0**	**0**	**0**	**1 227**
Total salaries and personnel expense	**1 123**	**104**	**10 278**	**649**	**156**	**156**	**498**	**12 964**

Management remuneration 2022

NOK thousand	Board remuneration	Audit committee remuneration	Salary	Bonus	Benefits in kind	Share option cost	Pension cost	Total remuneration
Management								
Geir Johansen - CEO	0	0	2 700	0	11	0	90	2 800
Ole Jakob Kjølvik - COO	0	0	1 500	0	16	0	90	1 606
Bente Brocks - CFO (interim)	0	0	1 680	0	11	0	90	1 781
Pål Stueflotten - CCO (from May-22)	0	0	800	0	74	0	56	930
Solfrid Buø - Chief People & Organisation Officer (from Nov-22)	0	0	217	0	3	0	15	235
Grete Thomassen - HR director (to Apr-22)	0	0	400	0	4	0	28	432
Espen Karsrud - Group EVP Business Development (to Apr-22)	0	0	500	0	4	0	35	539
Management total	0	0	7 797	0	123	0	403	8 323
Members of the Board								
Martin Nes (Chairman)	279	20	0	0	0	0	0	300
Øystein S. Spetalen (Member)	217	0	0	0	0	0	0	217
Kristin Hellebust (Member)	217	18	0	0	0	0	0	234
Henrik Lie-Nielsen (Member)	217	18	0	0	0	0	0	234
Linn Katrine Høie (Member) (from May-22)	117	0	0	0	0	0	0	117
Yvonne Litsheim Sandvold (Member) (to May-22)	100	0	0	0	0	0	0	100
Members of the Board total	1 146	55	0	0	0	0	0	1 201
Total salaries and personnel expense	1 146	55	7 797	0	123	0	403	9 524

Five out of six in the Group Management are employed in Arribatec Group ASA; the CEO, COO, CFO, CPOO and CCO. Compensation to the management during the year is detailed in this note.

The CEO has a three-month notice period and is entitled to severance pay for twelve months in case of termination initiated by the company. None of the Board members or the CEO have executive loans or guarantees in the company.

See remuneration report for details on bonus and share option program in relation to management.

See Note 25 Long term incentive plan in Group report for information regarding share based payments.

Pension cost

Arribatec operates defined contribution retirement benefit plans for all qualifying employees. The only obligation of the company with respect to retirement benefit plan is to make the specified contributions. Pension cost is expensed including social security cost.

Note 3 Other operating expenses

NOK thousand	2023	2022
Consultants, etc	(4 655)	0
Legal costs	(1 011)	(5 301)
Computer and software costs	(8 024)	(2 822)
Leasing	(465)	(3 205)
Audit and accounting fees	(1 311)	(1 957)
Stock fees/Listing of shares	(314)	(219)
Other	15 482	10 054
Total other operating expenses	(298)	(3 449)

Specification of auditor's fee

NOK thousand	2023	2022
Statutory audit	(444)	(1 448)
Other non-assurance services	(21)	(202)
Total	(465)	(1 649)

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

Future cash flow from lease contracts

NOK thousand	
Less than 1 year	4 700
1-2 years	4 199
2-3 years	2 034
3-4 years	48
Future cash flow from lease contracts	10 981

Note 4 Other financial income

NOK thousand	2023	2022
Net unrealised foreign exchange gain	582	1 687
Total other financial income	582	1 687

Unrealised effects from foreign exchange are presented net of gain and loss. For 2023 and 2022, net unrealised effects were income and therefor presented as Financial income.

For description of risks, see Group Note 11.

Note 5 Other financial expenses

NOK thousand	2023	2022
Write off intercompany loan	(2 042)	(1 530)
Other	(1 262)	(805)
Total other financial expenses	(3 304)	(2 335)

Note 6 Tax

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

NOK thousand	2023	2022
Income tax expense		
Current tax		
Current Income Tax	0	0
Deferred tax		
Change in deferred taxes - Norway	6 139	712
Tax income recorded in Profit & Loss	6 139	712
A reconciliation of the tax		
Profit/(loss) before tax	(28 190)	(42 493)
Temporary differences	(267)	(2 653)
Non deductible expenses	2 099	1 606
Non-taxable income	(1 812)	0
Tax base	(28 171)	(43 540)
Income taxes calculated at the Company's domestic tax rate (22%)	6 198	9 579
Changes in recognized deferred taxes	(59)	(8 867)
Tax income at effective tax rate	6 139	712
Effective tax rate	21.8%	1.7%
Tax rate Norway	22.0%	22.0%

The tax effect of temporary differences that has formed the basis for the deferred tax and deferred tax assets, specified on type of temporary differences.

NOK thousand	2023	2022
Deferred taxes		
Tax losses carried forward, accumulated	37 041	30 844
Property, plant and equipment	149	233
Intangible assets	2 806	3 158
Other provisions	377	0
Tax losses carried forward, not recognised	(25 298)	(25 298)
Deferred taxes, net	15 076	8 937
Deferred taxes, recognised	15 076	8 937
Deferred taxes, not recognised	25 298	25 298
Reconciliation to balance sheet		
Deferred tax assets	15 076	8 937
Deferred tax liabilities	0	0
Net Deferred tax assets (liabilities)	15 076	8 937

Deferred tax

NOK thousand	2023	2022
Deferred tax asset	15 076	8 937

Deferred tax
Deferred tax is recognised with NOK 15.1 million in 2023.

Not recognised tax losses are NOK 25.3 million, relating to the period prior to the current owners, when the company was Hiddn Solution.

Note 7 Property, plant and equipment

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

NOK thousand	Office equipment	Fixture and fittings	Other	Total
Cost at 1 January 2023	3 142	865	745	4 752
Additions			109	109
Disposals		(381)		(381)
Cost at 31 December 2023	3 142	484	854	4 481
Accumulated depreciation at 1 January 2023	(3 142)	(498)	(102)	(3 742)
Depreciation during the year		(66)	(113)	(180)
Disposals		381		381
Accumulated depreciation at 31 December 2023	(3 142)	(184)	(215)	(3 541)
Carrying amount at 31 December 2023	0	301	639	939
Useful life	5-10 yrs	5 yrs	5 yrs	

Note 8 Other intangible assets

Intangible fixed assets are recognised at cost in the balance sheet, with a deduction for accumulated depreciation and any impairment.

Amortisation is calculated using the straight-line method to allocate the cost over their useful lives of five to ten years.

NOK thousand	Custom software	Licenses	Other	Total
Cost at 1 January 2023	8 202	1 544	101	9 847
Cost at 31 December 2023	8 202	1 544	101	9 847
Accumulated amortisation at 1 January 2023	(3 139)	(661)	(41)	(3 841)
Amortisation during the year	(1 245)	(309)	(10)	(1 564)
Accumulated amortisation at 31 December 2023	(4 384)	(970)	(51)	(5 405)
Carrying amount at 31 December 2023	3 818	574	50	4 442
Useful life	5-10 yrs	5 yrs	5 yrs	

Note 9 Shares in subsidiaries and intercompany transactions

In Arribatec Solutions ASA's company accounts, shares in subsidiaries are valued following the cost method. Group contributions are entered into the parent company's accounts as income in investment in subsidiaries under financial items, in the extent to which the distribution relates to the earnings accrued in the holding period. Other received group contributions are entered as a reduction of the cost price of the shares. Provided group contributions net after tax are entered as increased investment in subsidiaries.

NOK thousand	Head office	Ownership and vote %	Book value of shares	Equity in subsidiaries	2023 result in subsidiaries
Arribatec Norge AS	Oslo	100%	44 250	6 454	(1 957)
Arribatec Hospitality AS	Oslo	100%	45 182	17 478	(5 799)
Arribatec Cloud AS	Oslo	100%	80 091	12 849	820
Arribatec EA & BPM AS	Oslo	100%	85 605	8 065	10 047
Arribatec Belgium NV	Vosselaar	100%	586	2 864	236
Arribatec Denmark ApS	Copenhagen	100%	56	574	515
Arribatec UK Ltd	Leicester	100%	39 670	12 398	2 726
Arribatec France Sarl	Levallois-Perret	100%	102	(2 076)	(770)
Arribatec Iberia SL	Granada	100%	28	273	(4 196)
Arribatec Sverige AB	Stockholm	100%	9 199	(285)	(1 029)
Arribatec Italy S.r.l.	Pontinia	100%	17 024	13 449	(245)
Arribatec Solutions Pte. LTD	Singapore	100%	0	(4 078)	(1 102)
Arribatec Innovation Sp. z o.o.	Dormant	100%	218	1 268	(45)
Total			322 011	69 233	(796)

Total receivables related to Group companies were NOK 69.1m on 31.12.2023, and total internal liabilities at the same date were NOK 51.8m.

Note 10 Non-current financial assets

Non-current financial assets mainly consist of investments in subsidiaries (NOK 322m) and loans to entities within the Arribatec Group (NOK 50.0m). Deposits (NOK 3.4m) are related to rental agreement of the office facilities in for the head office in Oslo. These are all due more than 12 months after the balance sheet date. There are no deviation between booked values and fair values.

Note 11 Cash and short term deposits

Cash and cash equivalents include cash, bank deposits and other short-term liquid investments. Cash pool with negative balances are classified as debt. The cash pool limit is NOK 20m and all is considered short-term. Per 31.12.2023, NOK 19.5m of the limit was used.

As of 31 December 2023 the Company had a cash balance of NOK 1.3 million with restricted cash.

Note 12 Share capital and shareholder information

The Company is listed on the Oslo Stock Exchange under the ticker ARR. Share capital in the company per 31 December 2023 consisted of 69 572 206 shares, each with a nominal value of NOK 2.80. The company has one share class, with each share conferring equal dividend rights and votes. The total share capital was NOK 194 802 177. See Note 24 in the Group report for more detailed information.

Note 13 Equity

NOK thousand	Share capital	Other paid-in capital	Other equity	Total equity
Equity 31 December 2022[1]	193 360	215 645	(68 508)	340 497
Result of the year			(22 051)	(22 051)
Paid in capital	1 442	9 886		11 328
Share option cost			620	620
Share issue cost		(118)		(3 281)
Reclassificaion within equity		(8 409)	8 409	0
Equity 31 December 2023	194 802	217 004	(81 530)	330 276

[1] 2022 restated after correction of filed tax, see Note 6

Note 14 Other current liabilities

Other current liabilities consist of unpaid holiday pay, bonus and other short term accruals and the remaining amount to be settled for the earn-out related to the acquisition of the subsidiary Arribatec UK (formerly Integra).

Note 15 Transaction with related parties

There have not been any transactions with related parties during 2023 or 2022.

Note 16 Events after the balance sheet date

There have been no subsequent events since 31.12.2023.

BDO AS
Munkedamsveien 45
PO Box 1704 Vika
0121 Oslo
Norway

Independent Auditor's Report

To the General meeting of Arribatec Group ASA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Arribatec Group ASA.

The financial statements comprise:	In our opinion:
• The financial statements of the parent Company, which comprise the balance sheet as at 31 December 2023, income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and • The financial statements of the Group, which comprise the balance sheet as at 31 December 2023, and income statement, statement of comprehensive income, statements of changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.	• The financial statements comply with applicable statutory requirements, • The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. • The accompanying financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

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

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

We have been the auditor of Arribatec Group ASA for 3 years from the election by the general meeting of the shareholders on 12 May for the accounting year 2021.

Key Audit Matters

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

Description of the key audit matter	How the key audit matter was addressed in the audit
Goodwill and intangible assets Under IFRS, the Group is required to perform an annual impairment test of goodwill and intangible assets with an indefinite useful life. Impairment testing of goodwill and intangible assets is a key aspect of our audit due to the complexity of the assessments and the significance of assumptions related to future market and/or economic conditions that underlie the assessment.	Our audit procedures have included a detailed review of management's impairment test for each business unit to which goodwill and intangible assets are allocated. We have also assessed management's assumptions underlying the valuation and taken into consideration management's historical accuracy in determining the estimates. Internal specialists have assisted us in this process. We have also considered the assumptions described in note 14, and assessed the adequacy of the information provided in the notes against the requirements of IAS 36.

Investments in subsidiaries The company has significant investments in subsidiaries that are measured at cost. Investments in subsidiaries are tested for impairment if impairment indicators are present. An impairment loss is recognized if the carrying amount exceeds the recoverable amount. The carrying amount as at 31.12.2023 was NOK 322 million. The significant amounts involved, and the complexity of the valuation of the assets, lead us to classify the valuation of investments in subsidiaries as a key audit matter.	Our audit procedures included a detailed review, testing, and assessment of management's impairment tests, including the calculation of recoverable amounts. We have also assessed management's assumptions underlying the valuation and taken into consideration the historical accuracy in determining the estimates. Internal specialists have assisted us in this process. We have also considered the assumptions described in note 9.

Other information

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

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

Opinion on the Board of Directors' report

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

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

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

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

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Opinion

As part of the audit of the financial statements of Arribatec Group ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name **Arribatec-Group-ASA-2023-12-31-en**, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

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

Oslo, 24 April 2024
BDO AS

Yngve Gjethammer
State Authorised Public Accountant

Statement of Corporate Governance .

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

Corporate governance
As a security provider, understanding and adhering to rules and regulations is of the utmost importance to Arribatec. Good corporate governance benefits the Company's reputation and thus value, and vice versa. The Company adheres to the following set of principles with regard to corporate governance:

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

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

Equality
All shareholders shall be treated equally.

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

1. Corporate Governance at Arribatec Group ASA
The Company always seeks to comply with the most recent applicable legal framework for companies listed on the Norwegian stock exchange. The Company endorses the "Norwegian Code of practice for Corporate Governance" ("NUES") in its most recent revision (October 2021), which is available on www.nues.no. The Company conducts annual corporate governance reviews to ensure continued compliance. Considering the size and maturity of the Company, there may be deviations from the code. Arribatec will adhere to the principle "declare or explain" regarding any non-compliance with respect to the code. The Company's policies, instructions and internal processes are continuously developed.

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

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

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

Board authorizations
Authorisations to the Board of Directors to approve share capital increases shall be confined to defined purposes and should not be given for longer periods of time than until the next Ordinary General Meeting. If an authorization encompasses several purposes, each purpose should be treated as a separate issue at the General Meeting. This also applies to authorizations permitting the repurchase of shares. The ordinary General Meeting held on the 24 May 2023 gave the Board of Directors authorization to increase the Company's Share Capital by up to NOK 966 802 250. The authorizations are valid until the next ordinary general assembly, and no later than 30 August 2024.

4. Equal treatment of shareholders and transaction with related parties

Class of shares: The Company has one class of shares, without any form of voting restriction imposed. Each share represents one vote at the Company's General Meeting. The par value per share is NOK 2.80.

Pre-emption rights of existing shareholders

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

Transactions with related parties

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

5. Shares and negotiability

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

6. General meetings

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

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

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

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

7. Nomination Committee

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

8. The Board of Directors – composition and independence

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

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

The Board of Directors held nine meetings in 2023.

9. The Board of Directors – work and instructions

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

Audit Committee: The audit committee's main responsibilities are to ensure the integrity of the Group's financial reporting, to supervise the Group's internal control and risk management system, to ensure the auditor's independence, to inform the Board of the results of the statutory audit, and to ensure that the annual accounts give a fair picture of the Group's financial results and financial condition in accordance with generally accepted accounting principles. The audit committee works as the Board's risk committee, reviews the procedures for risk management, and assesses the risks and financial controls related to the Group's business activities. The audit committee ensures that the company has a sufficient focus on ESG to contribute to sustainable development and appropriate risk management to minimize the negative impact of the operations. The audit committee also receives reports on the work of the external auditor and the results of the audits.

As of 31 December 2023, the audit committee consisted of the following members:
- Martin Nes (Chair)
- Terje Mjøs
- Kristin Hellebust

The audit committee held six meetings in 2023.

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

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

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

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

10. Risk management and internal control

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

11. Remuneration of the Board of Directors

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

12. Remuneration of executive management

In accordance with the Norwegian Public Limited Liability Companies Act, the Board of Directors establishes guidelines for the remuneration of the executive management team. These guidelines are presented to the General Meeting through a statement on remuneration for executive management. The statement is presented for an advisory vote, which is subject to the General Meeting's approval. The Company's general principle for management remuneration is to offer competitive terms, to attract and retain the competence it needs.

13. Information and communication

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

14. Take-overs

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

15. Auditor

The external auditor is elected by the General Meeting. The auditor is fully independent of the Company. BDO is the Company's auditor. Each year the auditor presents the Board of Directors with a plan for the implementation of the audit, and a written confirmation that the auditor satisfies established requirements pertaining to independence and objectivity. The auditor participates in the Audit Committee's meetings. The auditor provides the Audit Committee and the Board with its perspectives on the annual statement and informs them of any disagreements between the auditor and the executive management. The Board of Directors also has contact with the auditor when required outside the situations mentioned above. At least once a year, the auditor attends a meeting with the Board of Directors in which no representatives from the Company's executive management will be present. During 2023, the auditor attended 1 board meeting and 6 Audit Committee meetings. The auditor is present at the General Meeting, where the Board of Directors also informs about the compensation for the auditory work required by law and remuneration associated with other assignments. Information on the fees paid to the auditor in 2023, including a breakdown between statutory auditing and other assistance/service is presented in notes to the consolidated financial statements. In connection with the auditor's presentation to the Board of Directors of the annual work plan, the Board of Directors considers if the auditor to a satisfactory degree also carries out a control function.

APMs, terms and abbreviations .

NOK thousand	2023	2022
EBITDA	24 463	(34 107)
Restructuring cost	0	3 779
Bad debt in relation to discont. product	0	1 048
Sale of intangible asset (IP)	0	4 190
Adjusted EBITDA	24 463	(25 090)
Revenue	572 981	504 968
EBITDA	24 463	(34 107)
EBITDA margin	4.3%	(6.8%)
Adjusted EBITDA	24 463	(25 090)
Adjusted EBITDA margin	4.3%	(5.0%)

APM costs are considered as one-time and not part of the ongoing business and are therefore adjusted to show an EBITDA mirroring the underlying business.

Restructuring cost is related to the restructuring of BA Marine, bad debt is related to discontinued product in BA Business Services and Sale of intangible asset is related to loss on sale of IP in BA Marine.

KPI/APM definition

KPI/APM	Definition
Gross profit	Operating revenue less materials, software and services
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EBITDA margin	EBITDA as a percentage of Total income
Equity ratio	Equity as a percentage of total assets
Adjusted EBITDA	EBITDA, adjusted for restructuring cost and other one-time effects
Adjusted EBITDA margin	EBITDA margin, adjusted for restructuring cost and other one-time effects

Terms and abbreviations

BA	Business Area
BizS	BA Business Services
BoD	Board of Directors
BPM	Business Process Management
CGU	Cash Generating Unit
Cloud	BA Cloud
EA&BPM	BA Enterprise Architecture & Business Process Management
EBIT	Operating profit, Earning before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECL	Estimated Credit Losses
EPS	Earnings Per Share
ESG	Environmental, Social and Governance
EUR	Euro
FTE	Full Time Equivalent
GBP	British Pounds
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas emissions
Hspt	BA Hospitality
IFRS	International Financial Reporting Standards
IP	Intellectual Property
M&A	Mergers and Acquisitions
Marine	BA Marine
NOK	Norwegian Krone
RISE	Responsibility, Integrity, Service-mindedness and Empowerment
Solaas	Solution as a service
Saas	Software as a service
UN	United Nations
VIU	Value in Use
WACC	Weighted Average Cost of Capital

A.

Arribatec is a global supplier of digital business solutions that help our customers achieve competitive advantage through innovative use of IT.

+47 4000 3355
info@arribatec.com

Arribatec Group ASA
Lørenfaret 1D
N-0585 Oslo

artbox.no