

Nitro Topco Group

Annual report 2020

Board of Directors` report

Annual accounts for Nitro Topco Group

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Annual accounts for Nitro Topco AS

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Auditors' report

Nitro Topco AS and Group

Board statement 2020

Nitro Topco AS and Nitro Topco Group

Adresse: Grev Wedels gate 1, 3111 Tønsberg

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The nature and location of the business

Nitro Topco AS is headquartered in Tønsberg and has a sales office in Oslo. The EcoOnline Group's vision is to be the preferred supplier of HSE software and deliver sustainable results for our customers and for the environment. The Nitro Topco Group was established as of 01.05.2020 by purchasing 100% of the shares in EcoOnline Topco AS. EcoOnline AS was founded in 2000. The group also consists of EcoOnline AS' subsidiaries, EcoOnline AB and Nordic Port AB in Sweden, EcoOnline OY in Finland, EcoOnline ApS in Denmark, Airsweb Ltd and EcoOnline UK Ltd in the UK, and EcoOnline Ltd in Ireland. Collectively, the group serves the Norwegian, Swedish, Finnish, Danish, Irish, and British markets. In total, the group has over 6,600 contracted customers. Of the Group's total book revenue, more than 80% is related to license contracts.

Statement of the annual accounts

Consolidated financial statements:

The group was established as of 01.05.2020, and the income statement therefore reflects the group's results from group establishment on 01.05.2020 until 31.12.2020. In this period, sales revenues amount to KNOK 216 202, salary costs including commission and bonus KNOK 140 461 and other operating costs KNOK 53 586. Depreciation for the period is KNOK 131 030 and relates mainly to depreciation of goodwill identified on the purchase of the shares in EcoOnline Topco 1. May 2020, but also depreciation of goodwill from acquisition of Airsweb Ltd July 2020. Net financial expenses of KNOK 22,193 are mainly related to interest expenses.

The total capital at the end of the year was KNOK 1,921 278, of which proprietary software and values related to goodwill, software and customer contacts amount to KNOK 1,703,004. In 2020, the group completed the acquisition of 1 company, Airsweb Ltd, in line with the group's strategy. There is significant goodwill in the group from acquisitions of EcoOnline Topco AS. Economic life is set at 10 years for goodwill. The group also has significant values related to activated software and ongoing development projects. The service life is set at 3-5 years. The Board considers that the future financial benefits that will be realized through expected future cash flows, at least correspond to the book value of the intangible assets.

The capitalized deferred tax asset amounts to KNOK 10,000 and is mainly related to the loss carry forward. The group has to a small extent chosen to recognize this year's tax loss in the basis for deferred tax assets. The basis for this is a concrete assessment of the expected tax profit in the coming years. The Board expects that the loss carry forward in all subsidiaries can be utilized in the somewhat longer term. Deferred tax liabilities of KNOK 64,595 are mainly related to accounting surplus values after acquisitions in 2020.

The book value of foreign currency loans amounts to KNOK 283,158 of total liabilities of KNOK 687 767 as at 31 December 2020. Current liabilities of KNOK 340 014 as of 31 December 2020 primarily relate to advance-invoiced license revenues of KNOK 210,012, as well as increased other current liabilities, mainly because of acquisitions.

The group's equity is positive by KNOK 1,233,511 as of 31 December 2020. The equity ratio has increased from 21.2% in 2019 to 64.3% in 2020. Equity has changed as the transaction with Goldman Sachs in April 2020.

Nitro Topco AS and Group

The group has a net negative cash flow in the period of KNOK 32 305, which is mainly due to investing activities. Cash flow from operating activities is KNOK 20 067.

Company accounts Nitro Topco AS

Nitro Topco AS has no operating revenues in 2020. The company's costs are mainly related to legal expenses in connection with the establishment and interest on intra-group loans. The total capital at the end of 2020 was KNOK 1,341,159, with the majority relating to investments in the subsidiaries. The equity as of 31.12.2020 KNOK 1 276 094 is very good. The debt is a long-term loan to the subsidiary EcoOnline AS, which falls due by further agreement between the parties when liquidity allows this.

The board believes that the presented financial statements give a true and fair view of the company's and the group's assets and liabilities, as well as its financial position and results. No circumstances have occurred after the end of the financial year that are of significance for the assessment of the accounts.

Statement of the company's prospects

The group will continue its growth strategy through both investments in new sales activity and an increased focus on upselling to existing customers. New applications are constantly being developed in line with new requirements from the authorities and needs from the market, which are offered to new and existing customers.

In addition, the Group will continue its M&A activity going forward. The company acquired Engage EHS January 2021. Engage EHS is a Dublin based EHS SAAS company and will strengthen our position within this segment in Ireland and UK.

The financial result in the group is highly affected by high depreciation of goodwill from acquisitions. In addition, the growth strategy results in investments in all operational areas. The steady growth in annual recurring revenue defends the valuation of the company and give a clear visibility of future high EBITDA margin when investment pace slow down.

As a result of Covid-19, the situation in 2021 globally and nationally is constantly evolving, and it is difficult to predict all the consequences, both in the short and long term. Measures have been announced by the Norwegian authorities to reduce the financial effects of Covid-19, both for businesses and private individuals.

The Group has during 2020 experienced growth in revenue, but growth in new customer sales has been below budget due to the Covid-19 pandemic. The board cannot rule out that the development of the virus outbreak may have a further effect on the company's operations. The customers' ability to pay may be weakened. Conditions with suppliers can also be affected. The workforce may be weakened because of illness and / or quarantine regulations. The board and management of the company and the group follow developments closely and will seek rapid adaptations of the business and its financing to the prevailing conditions at any given time.

Financial risk

Market risk

The Group has in 2020 experienced lower sales growth according to budget because of the Covid-19 effect. The board expects that turnover will normalize in the longer term. The group companies have to a large extent revenues and costs in the same currency. However, the group is exposed to fluctuations in currency when consolidating group accounts in NOK.

Nitro Topco AS and Group

Credit risk

We were afraid that credit risk would increase when Covid 19 came almost a year ago. However, we have not experienced any increase in bad debt. We expect that the Group will be able to handle the extra losses on receivables that may arise going forward.

Liquidity risk

The liquidity risk is mainly related to current payments from customers and the financial measures from the local authorities. Customers' ability to pay may be impaired because of the Covid-19 situation. The – company has sufficient liquidity to be able to pay salaries and other critical costs for a longer period, even with significantly reduced income from customers. We are monitoring group cash position through a forecast model on a monthly basis. The board and management of the company and the group follow developments closely and will seek rapid adjustments of the business and its financing for the conditions prevailing at any given time. The Group's financial risk is therefore considered to be low overall.

Going concern

In the Board's opinion, the company is well equipped to handle the effects of Covid-19 and the authorities' measures to limit the infection. The Board therefore confirms that the assumption for continued operations is present and the annual accounts have been prepared under this assumption.

The assumption is based on profit forecasts for 2021-2025 and the group's long-term strategic forecasts for the years ahead. The board and management of the group believe that the group is in a satisfactory financial and financial position.

Research and development activities

The year's wage cost that has been capitalized for in-house developed software and R&D projects amounts to KNOK 16 856. Total capitalization of technology amounts to KNOK 29 842. In addition, acquired software has been capitalized with a total of KNOK 27 700. The total value of activated technology amounts to KNOK 111 575. Development of new technology is a key element in ensuring future growth.

Work environment

The board considers the working environment to be satisfactory and has not implemented any special measures in this area in 2020. There have been no injuries or accidents in 2020. Total sick leave has been 1,148 days, which is 5.6%. Short-term absence is 0.9%. The working environment is considered good.

Equality

In 2020, the group employed a total of 322 employees and the board had 7 members. The distribution among the employees has been 200 men and 122 women, while among the board members there have been 6 men and 1 woman. The group's policy is that work of equal value shall provide equal pay. The company works actively, purposefully, and systematically for gender equality within the business. When recruiting, both internally and externally, personal qualifications take precedence over gender. The underrepresented gender will to a greater extent be encouraged to apply. In this way, the company will try to increase the proportion of women in the job categories where this is particularly low.

Discrimination

The group works actively to promote equality, ensure equal opportunities and rights, and prevent discrimination on the grounds of ethnicity, national origin, descent, skin colour, language, religion and outlook on life. To contribute to this, the company has emphasized recruitment, where applicants from under-represented groups are encouraged to apply. Emphasis is also placed on this in connection with measures for career development and when selecting for management positions in the company.

Environmental

The group's activities do not pollute the external environment.

Nitro Topco AS and Group

Tønsberg, March 4, 2021
The Board of Directors of Nitro Topco AS



Gunnar Evensen
Chairman



Jostein Vik
Board member




Christian Melbye
Board member



Steffanie Witte
Board member



Joakim S Johansen
Board member



Thomas C. Høegh
Board member



Michael Bruun
Board member

Nitro Topco Group

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Nitro Topco Group

Income statement 01.05-31.12

	Note	01.05.20 - 31.12.20
Revenue		
Sales revenue	4, 6, 12, 21	<u>216 202 389</u>
Operating expenses		
Cost of revenue		4 940 031
Payroll expenses	5, 9	140 461 426
Depreciation of tangible and intangible fixed assets	7, 8	131 029 595
Other operating expenses	5, 14	<u>53 586 100</u>
Total operating expenses		<u>330 017 152</u>
Operating result		<u>-113 814 763</u>
Financial income and expenses		
Other financial income	10	5 251 640
Other financial expenses	10, 11	<u>27 444 373</u>
Net financial items		<u>-22 192 733</u>
Ordinary result before tax		<u>-136 007 496</u>
Tax on ordinary result	15	<u>-1 953 722</u>
Net profit or loss for the year		<u>-134 053 774</u>
Allocated as follows		
Transferred to share premium reserve	17	<u>-134 053 774</u>

Nitro Topco Group

Balance sheet as of December 31

	Note	2020
Fixed assets		
<i>Intangible assets</i>		
Research and development	7	119 300 506
Customer contracts	7	245 489 167
Deferred tax asset	15, 16	9 999 696
Goodwill	2, 7	1 328 214 398
Total intangible assets		<u>1 703 003 767</u>
<i>Tangible assets</i>		
Fixtures and fittings, tools, office equipment etc.	8	<u>7 288 378</u>
Total tangible assets	13	<u>7 288 378</u>
Total fixed assets		<u>1 710 292 145</u>
Current assets		
Inventories		<u>183 417</u>
<i>Receivables</i>		
Trade receivables	13	85 909 275
Other receivables		<u>16 042 505</u>
Total accounts receivable		<u>101 951 780</u>
Cash and cash equivalents	3	<u>108 850 530</u>
Total current assets		<u>210 985 727</u>
Total assets		<u>1 921 277 872</u>

Nitro Topco Group

Balance sheet as of December 31

	Note	2020
Equity		
<i>Paid-in capital</i>		
Share capital	17, 18	13 604 354
Not registered capital increase	17	749 998
Share premium reserve	17	1 219 156 428
Total paid-in capital		<u>1 233 510 780</u>
<i>Retained earnings</i>		
Other equity	17	<u>0</u>
Total retained earnings		<u>0</u>
Total equity	2	<u>1 233 510 780</u>
Liabilities		
<i>Provisions</i>		
Deferred tax liability	15	<u>64 595 357</u>
Total provisions		<u>64 595 357</u>
<i>Other long-term liabilities</i>		
Liabilities to financial institutions	11, 13	<u>283 158 098</u>
Total other long term liabilities		<u>283 158 098</u>
<i>Current liabilities</i>		
Liabilities to financial institutions	13	4 285 520
Trade creditors		13 813 431
Tax payable	15	597 783
Public duties payable	3	35 838 989
Deferred revenue	6	210 012 482
Other short-term liabilities		<u>75 465 432</u>
Total current liabilities		<u>340 013 637</u>
Total liabilities		<u>687 767 092</u>
Total equity and liabilities		<u>1 921 277 872</u>

Nitro Topco Group

Balance sheet as of December 31

Note 2020

31 December 2020
Tønsberg, 4 March 2021



Michael Specht Bruun
Board member



Thomas Christian Høegh
Board member



Joakim Sundby Johansen
Board member



Christian Melby
Board member



Jostein Vik
Board member



Stefanie Witte
Board member



Gunnar Evensen
Chairman

Nitro Topco Group

Cash flow statement 01.05-31.12

01.05.20 - 31.12.20

Cash flow from operating activities

Profit/(loss) before tax	-136 007 496
Profit on sale of fixed assets	103 555
Depreciation and amortization	131 029 595
Changes in inventories, trade receivables and trade payables	-40 936 848
Effect of changes in exchange rates	488 601
Changes in other current balance sheet items	65 389 279
Net cash flow from operating activities	<u>20 066 686</u>

Cash flow from investing activities

Purchase of tangible and intangible assets	-35 851 216
Purchase of investments in shares	-213 002 779
Transaction costs relating investment in shares	-11 117 234
Net cash flow from investing activities	<u>-259 971 229</u>

Cash flow from financing activities

Proceeds from increase of long term debt	51 670 000
Net change in bank overdraft	4 285 521
Capital increase	138 000 001
Capital increase not yet registered 31.12.	749 998
Net cash flow from financing activities	<u>194 705 520</u>

Cash effect from acquisition of subsidiaries	12 893 832
Net change in cash and cash equivalents	-32 305 191
Cash and cash equivalents at 01.05	141 155 721
Cash and cash equivalents at 31.12	<u>108 850 530</u>

Nitro Topco Group

Notes to the accounts for 2020

Note - 1 Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles.

Basis for consolidation

The consolidated financial statements comprise the parent company Nitro Topco AS, the subsidiary EcoOnline AS, and EcoOnline AS' subsidiaries EcoOnline AB, Nordic Port AB, EcoOnline ApS, EcoOnline Oy, and the subgroups Airsweb Ltd and EcoOnline Ltd. Subsidiaries are companies in which the Group has a controlling interest. A controlling interest is normally achieved when the Group owns more than 50% of the shares in the company and is also in the position to exercise control over the company. The minority share of the equity is included in the consolidated equity. The consolidated accounts are prepared such that the group of companies are presented as a single economic entity. Intercompany transactions have been eliminated from the consolidated accounts. The consolidated accounts are prepared according to the same accounting principles for both parent and subsidiary.

Acquired subsidiaries are reported in the annual accounts on the basis of the parent company's acquisition cost. The acquisition cost is identified by attributing fair values to the separable net assets acquired. Surplus value or values below the fair value of separable net assets are reported in the balance sheet as goodwill or negative goodwill. Goodwill is amortized linearly through the profit and loss account over its expected useful economic life. Subsidiaries are consolidated in the accounts when a controlling interest is achieved until it no longer applies.

The associated company is recorded in the consolidated accounts by using the equity method. The share of profits is based on profits after tax in the company in which the investment is made, less internal gains and possible amortization of surplus value caused by the cost of shares being higher than the acquired share of equity. In the profit and loss account, the share of profit is stated as income from investments. Negative equity in the company is entered in the profit and loss account only when there is a liability to cover the loss.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue and are recognized at the time of execution.

Balance sheet classification

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

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

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

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Inventories

Inventories are valued at the lower of cost or market value. Cost is estimated using the FIFO method.

Nitro Topco Group

Notes to the accounts for 2020

Finished goods and work in progress are valued at full production cost. Write-downs are carried out for foreseeable obsolescence.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Property, plant and equipment

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

Research and development

Research and development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be identified. Otherwise, the costs are expensed as incurred. Capitalized research and development are amortized linearly over the economic lifetime.

Pensions

Pension costs and pension liabilities are estimated on the basis of linear earnings and future salary. The calculation is based on assumptions of discount rate, future wage adjustments, pension and other payments from the national insurance fund, future return on pension funds and actuarial assumptions for deaths, voluntary resignation etc. Pension funds are valued at fair value and deducted from net pension liabilities in the balance sheet. Changes in the pension obligations due to changes in pension plans are recognized over the estimated average remaining service period. When the accumulated effect of changes in estimates, changes in assumptions and deviations from actuarial assumptions exceed 10 percent of the higher of pension obligations and pension plan assets, the excess amount is recognized over the estimated average remaining service period.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To what extent group contribution is not registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

Cash flow statement

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

Use of estimates

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

Contingent losses that are probable and quantifiable is expensed as occurred.

Nitro Topco Group

Notes to the accounts for 2020

Comparative figures

The Group was established on May 1, 2020. Thus, the annual report for the financial year 2020 does not include a complete set of comparative figures. See note 2 for further information regarding the formation of the Group. See note 21 for comparative proforma figures for Group revenue for the calendar year 2020 and 2019.

Note 2 - Mergers and acquisitions

The Nitro Topco Group was established on May 1, 2020, when Nitro Topco AS acquired all the shares of EcoOnline Topco AS (former parent company of the EcoOnline Topco Group). A purchase price allocation was performed as part of the acquisition of EcoOnline Topco AS, in which the excess price of MNOK 1 381 was allocated to Research & Development (MNOK 15), customer contracts (MNOK 218), deferred tax (MNOK -51,3), and goodwill (MNOK 1 199).

Following the acquisition, two parent-subsidiary mergers were made. First, the subsidiary EcoOnline Holding AS merged with its parent company EcoOnline Topco AS. Then, the subsidiary EcoOnline Topco AS merged with its new parent company Nitro Topco AS. The mergers represent internal reorganization in that all values of the wholly owned subsidiaries were merged into Nitro Topco AS using group continuity. The mergers are implemented as tax-free mergers. The mergers were carried out with accounting effect from May 1st, 2020.

On August 1, 2020, the Group acquired all the shares of Airsweb Ltd and gained control from the same date. Thus, the financial figures from Airsweb Ltd and its two subsidiaries Safety Software Ltd and Trendline Ltd are consolidated from August 1, 2020. A purchase price allocation was performed as part of the acquisition of the Airsweb Ltd Group, in which the excess price of MNOK 273 was allocated to Research & Development (MNOK 27,7), customer contracts (MNOK 43,1), deferred tax (MNOK -14,9), and goodwill (MNOK 217,3).

Note 3 - Bank deposit

	2020
Restricted cash relating employee tax	3 253 160
Bank deposits	822 529
Total	<u>4 075 689</u>

Note 4 - Sales of goods

	2020
<i>Geographical distribution</i>	
Norway	76 716 448
Sweden	47 364 882
Finland	27 458 738
Denmark	16 896 167
Ireland	12 398 815
England	35 367 339
	<u>216 202 389</u>

Nitro Topco Group

Notes to the accounts for 2020

Note 5 - Wage costs, number of employees, remuneration, loans to employees and auditor's fee

<i>Wage costs</i>	2020
Salaries	111 809 148
Payroll tax	15 206 486
Pension costs	8 490 343
Other payments	4 955 448
Total	<u>140 461 425</u>

The total number of employees in the company during the year: 323 labor years.

Capitalized R&D payroll costs is NOK 16 855 918 in the financial period.

Management remuneration

	Salary	Pension expenses	Other remuneration
CEO	3 753 800	159 449	10 428

The CEO in the Nitro Topco Group is employed in EcoOnline AS where he is covered by the company's pension scheme. The CEO has a bonus agreement related to the key performance metrics in the Group. The bonus payment is included in salary in the table above. The CEO has a severance pay agreement upon termination that includes 6 months of salaries if certain conditions are met.

<i>Auditor fee has been divided as follows</i>	2020
Statutory audit fee	791 969
Technical assistance related preparation of Financial statements	128 610
Technical assistance related tax filling	119 429
Other services	611 170

Audit fees included in the table above include fees for the calendar year 2020.

VAT is not included in the figures of auditor's fee.

Note 6 - Deferred revenue

	2020
Deferred revenue from licenses in Norway	74 054 887
Deferred revenue from licenses in Sweden	46 929 149
Deferred revenue from licenses in Denmark	20 349 337
Deferred revenue from licenses in Finland	20 413 790
Deferred revenue from licenses in England	45 665 459
Deferred revenue from licenses in Ireland	2 599 860
Total	<u>210 012 482</u>

Revenue related to the sale of software licenses is recognized over the license period. The ordinary license period for most of the Group's customers is 1 year.

Nitro Topco Group

Notes to the accounts for 2020

Note 7 - Intangible assets

	Goodwill	Technology	R&D projects	Customer contract	Total
Acquisition cost at 01.05.	1 199 057 948	80 378 359	4 789 252	218 000 000	1 502 225 559
Purchased / Capitalized intangibles	0	29 841 544	16 436 886	0	46 278 430
Addition through acquisition	217 272 392	27 700 000	0	43 100 000	288 072 392
Reclassified at completion	0	0	-13 500 639	0	-13 500 639
Acquisition cost 31.12.	1 416 330 340	137 919 903	7 725 499	261 100 000	1 823 075 742
Acc. amortization at 31.12.	-88 115 942	-26 344 896	0	-15 610 833	-130 071 671
Net carrying amount at 31.12.	1 328 214 398	111 575 007	7 725 499	245 489 167	1 693 004 071
Amortization for the year	88 115 942	26 344 896	0	15 610 833	130 071 671
Useful economic life	10 years	5 years	not put to use	10 years	
Amortization plan	Linear	Linear	n/a	Linear	

Book value of capitalized technology includes additional value of technology from acquisitions, internally developed software, and the Eco Plus database which is the Group's Safety-Data-Sheet database.

A purchase price allocation was performed as part of the acquisition of EcoOnline Topco AS on May 1, 2020, in which the excess price of MNOK 1 381 was allocated to Research & Development (MNOK 15), customer contracts (MNOK 218), deferred tax (MNOK -51,3), and goodwill (MNOK 1 199). Net value of Research & Development in the acquired companies have been included in the total acquisition cost at May 1, 2020.

A purchase price allocation was performed as part of the acquisition of the Airsweb Ltd Group on August 1, 2020, in which the excess price of MNOK 273 was allocated to Research & Development (MNOK 27,7), customer contracts (MNOK 43,1), deferred tax (MNOK -14,9), and goodwill (MNOK 217,3).

As of December 31, 2020, no impairment indicators have been identified related to goodwill and other intangible assets.

Useful economic life of acquired goodwill is estimated to be 10 years. The corresponding acquired cash generating units are expected to have a lifespan of at least 10 years.

Capitalized R&D projects as of December 31, 2020, are related to software development for products not yet put to use. The Group is planning to launch several of the R&D projects during 2021.

<i>Goodwill per purchased entity</i>	Book value at 31.12	Useful life	Acq. date
EcoOnline AS	1 120 429 216	10	May 1, 2020
Airsweb Ltd Group	207 785 182	10	August 1, 2020
	<u>1 328 214 398</u>		

Nitro Topco Group

Notes to the accounts for 2020

Note 8 - Tangible assets

	Furniture and office adjustments	Machinery and plant etc.	Total
Acquisition cost 01.05	598 705	4 439 653	5 038 356
Purchased tangibles	211 893	2 861 533	3 073 426
Addition through acquisition	0	5 693 395	5 693 395
Disposals	-511 089	-3 971 280	-4 482 369
Acquisition cost 31.12.	299 509	9 023 301	9 322 810
Acc. depreciation 31.12.	-16 002	-2 018 430	-9 961 417
Net carrying amount at 31.12.	283 507	7 004 871	7 288 378
Depreciation for the year	16 002	2 018 430	2 034 432
Useful economic life	10 years	3-10 years	
Amortization plan	Linear	Linear	

When the Group was established on May 1, 2020, all tangible assets were recognized at net value (acquisition cost adjusted for accumulated depreciation in the underlying Group companies) in the table above.

Note 9 - Pensions

The subsidiary EcoOnline AS is obliged to have an occupational pension scheme in accordance with the Act on Mandatory Occupational Pensions. The subsidiary's pension scheme satisfies the requirements of this Act. The foreign subsidiaries have defined contribution pension schemes that meet the local legislative requirements.

Total pension costs for the Group in the financial period is NOK 8 490 343.

Note 10 - Currency effects

	2020
Unrealized net agio effect	488 601

Unrealized net agio gain is NOK 488 601 in the financial period and is primarily related to the currency adjustment of the Group's long term debt to Ture Invest AB which is in SEK.

Note 11 - Long term debts

	2020
Ture Invest AB	283 158 098

The loan to Ture Invest AB consists of a principal of SEK 250 000 000 in addition to accrued interest. The loan is due on June 26, 2023. Payment in kind interest of 3,00 % per annum is added to the principal until the due date. Cash interest of 6,50 % per annum is due for payment at the end of each quarter.

The Group does not have any long term debt that is due in more than 5 years.

Nitro Topco Group

Notes to the accounts for 2020

Note 12 - Government grants

R&D tax credit in Norway - "SkatteFUNN"

The Group utilizes the gross method when accounting for the Norwegian R&D grant (hereafter called "SkatteFUNN"). In 2020 the Group has received a SkatteFUNN grant of NOK 3 662 050. The grant is treated in accordance with the Norwegian accounting standard for public grants (NRS 4). The total amount is booked as Other receivables in the balance sheet. The corresponding posting is initially booked in Other current liabilities, which in turn is recognized as a reduction of depreciation and amortization over a 5 year period, which agrees with the useful life of the related R&D projects for which the public grant was received. At year-end 2020 Other current liabilities include a deferred R&D revenue of NOK 4 521 180 which also includes deferred R&D revenue from 2019. Total capitalized R&D expenses which are related to the SkatteFUNN grant totals NOK 18 820 743 in 2020.

Public grant from "Innovasjon Norge"

The Group company EcoOnline AS received in 2019 a public grant from Innovasjon Norge of NOK 1 500 000 of a total grant of NOK 5 000 000. The grant is treated in accordance with the Norwegian accounting standard for public grants (NRS 4) and is booked in the same way as the SkatteFUNN grant. As of December 31, 2020, 20% of the grant (NOK 300 000) is recognized as a reduction of depreciation and amortization for the year. The remaining amount of NOK 1 200 000 is classified as Other current liability.

Note 13 - Mortgages and guarantees

Book value of liabilities with pledged securities

	2020
Loan to Ture Invest AB	283 158 098
Accrued interest, loan to Ture Invest AB	4 679 631
Bank overdraft credit facility	4 285 520
Total book value of liabilities with pledged securities	<u>292 123 249</u>

The Group has a credit facility up to SEK 500 000 000 with Ture Invest AB. The loan agreement with Ture Invest AB includes maintenance covenants that include minimum requirements relating the Group's cash position, net result (EBITDA), and annual recurring revenue (ARR) leverage. As of December 31, 2020, the Group is in compliance with the covenants requirements.

The Group company EcoOnline AS has a bank overdraft credit facility of NOK 15 000 000 as of December 31, 2020. The credit facility is subject to an annual renewal.

Book value of assets pledged as security:

	2020
Fixed assets	3 148 190
Accounts receivables	27 811 401
Total	<u>30 959 591</u>

The Group's assets pledged as security for the bank overdraft credit facility include the fixed assets and accounts receivables for the Group company EcoOnline AS.

The Group has pledged all its shares in subsidiaries as security for the loan to Ture Invest AB.

Nitro Topco Group

Notes to the accounts for 2020

Note 14 - Leasing contracts

The following table shows the rental costs for the financial period (01.05-31.12) for the different office locations within the Group.

		01.05.20-31.12.20
<i>The Group's rental agreements:</i>	Expires	
Tønsberg, Norway	31-03-2023	727 897
Tønsberg, Norway (new location)	31-12-2027	108 274
Oslo, Norway	31-03-2021	661 294
Oslo, Norway (new location)*	30-11-2024	1 626 452
Aarhus, Denmark	31-08-2028	755 143
Gothenburg, Sweden	31-12-2023	2 365 839
Helsinki, Finland	31-12-2021	1 525 534
Birmingham, England	27-02-2022	261 157
Limerick, Ireland	31-12-2024	707 785
Liverpool, England*	31-01-2022	452 868
		<u>9 192 873</u>

*Rental costs for Airsweb Ltd. in Liverpool, England are included from August 1, 2020. The Group company EcoOnline AS moved into a new office location in Tønsberg, Norway on December 1, 2020.

Remaining rental costs on current agreements

2021	12 869 392
2022-2026	<u>35 722 162</u>
	<u>48 591 554</u>

Nitro Topco Group

Notes to the accounts for 2020

Note 15 - Income taxes

<i>Income tax expenses</i>	2020
Tax payable	259 868
Change in deferred tax	-2 213 590
Total income tax expense	<u>-1 953 722</u>

<i>Tax base estimation</i>	2020
Ordinary result before tax	-136 007 496
Taxable result in Group companies before Group formation	-56 231 703
Permanent differences	-3 892 635
Amortization of Goodwill in the Group	86 115 942
Change in temporary differences	
Tax base	<u>-53 784 189</u>

<i>Temporary differences outlined</i>	2020
Fixed assets	33 777 799
Receivables	-8 722 088
Excess value intangible assets	283 898 708
Provisions	-2 268 162
R&D tax credit not yet recognized in the Income statement	-4 521 180
Total	<u>302 165 077</u>
Accumulated loss carried forward	<u>-187 321 375</u>
Net temporary differences	114 843 702
Temporary differences not incl. in deferred tax asset / liability	<u>-133 318 393</u>
Total	248 162 095
Net deferred income tax liability (22%)	<u>54 595 661</u>
Deferred tax asset in balance sheet	<u>9 999 696</u>
Deferred tax liability in balance sheet	<u>-64 595 357</u>

Note 16 - Tax loss carried forward

	2020
Nitro Topco AS	20 233 363
EcoOnline AS	78 878 609
EcoOnline AB	19 350 977
EcoOnline ApS	16 058 729
EcoOnline Oy	38 909 121
EcoOnline Ltd (IE)	11 218 424
EcoOnline Ltd (UK)	2 672 151
Total	<u>187 321 375</u>

Tax loss carried forward is included in the basis for deferred tax asset to the extent in which they are included in the deferred tax assets in the statutory accounts for the respective Group entities. As of December 31, 2020, NOK 141 868 209 of the tax loss carried forward is not included in the basis for deferred tax asset.

Nitro Topco Group

Notes to the accounts for 2020

Note 17 - Owners equity

	Share capital	Share premium reserve	Not registered capital increase	Total
Owners` equity 01.05.	11 621 837	1 150 561 902	0	1 162 183 739
Owner`s cost relating mergers	0	-1 641 987	0	-1 641 987
Issued capital registered 07.08.	1 982 517	201 808 929	0	203 791 446
Currency conversion difference	0	2 481 358	0	2 481 358
Result for the year	0	-134 053 774	0	-134 053 774
Issued capital registered 19.01.21	0	0	749 998	749 998
Owners` equity 31.12.	13 604 354	1 219 156 428	749 998	1 233 510 780

Note 18 - Share capital and shareholder information

Share capital:

	Number of shares	Face value	Book value
A-shares	385 000 000	0,01	3 850 000
B-shares	744 401 565	0,01	7 444 016
C-shares	231 033 831	0,01	2 310 338
Total	1 360 435 396		13 604 354

Main shareholders per 31.12:

	A-shares	B-shares	C-shares	Ownership share
GLQ Holdings (UK) LTD	192 500 000	130 900 000	61 600 000	28,3 %
Summa Equity Fund II (No. 1) AB	94 325 000	83 366 366	33 845 975	15,6 %
Summa Equity Fund I (No. 2) AB	0	102 442 593	19 512 874	9,0 %
Summa Equity Fund II (No. 2) AB	53 130 000	47 016 831	19 075 586	8,8 %
Summa Equity Fund II (No. 3) AB	45 045 000	39 862 008	16 172 763	7,4 %
Viking Venture 21 AS	0	77 280 000	14 720 000	6,8 %
Summa Equity Fund I (No. 1) AB	0	68 844 404	13 113 219	6,0 %
Summa Equity Fund I (No. 3) AB	0	39 027 673	7 433 841	3,4 %
StoneBridge 2020, L.P.	0	25 823 144	4 918 694	2,3 %
StoneBridge 2020 Offshore Holdings	0	13 522 061	2 575 630	1,2 %
Mark Swithenbank	0	13 155 652	1 907 262	1,1 %
Jason Wright	0	13 155 652	1 907 262	1,1 %
Robert Leech	0	13 155 652	1 907 262	1,1 %
Neil Harrison	0	13 155 652	1 907 262	1,1 %
Viking Venture 21b AS	0	9 401 971	1 790 851	0,8 %
Møsbu AS	0	8 127 676	3 048 128	0,8 %
Henry Mooney	0	8 933 373	2 233 343	0,8 %
Dermot Dinan	0	9 153 001	2 009 195	0,8 %
Area 42 AS	0	2 461 003	7 987 494	0,8 %
Goran Enterprises Limited	0	6 078 520	1 744 542	0,6 %
Total	385 000 000	724 863 232	219 411 183	97,7 %
Other	0	18 717 925	11 359 238	2,2 %
Total number of shares	0	743 581 157	230 770 421	100,0 %

Nitro Topco Group

Notes to the accounts for 2020

Note 19 - Covid-19

The Group has experienced growth in revenue during the financial period, but growth in new customer sales has been below budget due to the Covid-19 pandemic. The Board of Directors cannot rule out that the development of the virus outbreak may have a further effect on the company's operations going forward. The board expects that turnover will normalize in the longer term. The Group has not yet laid off any employees but does not rule out the possibility if the effects of the pandemic have a greater impact on the company's financial situation than what is expected at this date. The Board of Directors expects that there will be changes in the demand for the Group's services, and the customers' ability to pay may be weakened. Conditions with suppliers can also be affected. The workforce may be weakened because of illness and / or quarantine regulations. The board and management of the Group follow developments closely and will seek rapid adaptations of the business and its financing to the prevailing conditions at any given time.

Note 20 - Subsequent events

In January 2021 the Group acquired the Irish software company Engage EHS.

Note 21 - Proforma Group revenue

<i>Proforma Group revenue for calendar year</i>	2020	2019
Sales revenue	334 009 976	209 705 467

The Group was formed on May 1, 2020, and the financial figures in the Income statement thus only includes a financial period of 8 months. The table above shows the proforma Group revenue for the calendar year 2020 and 2019.

For 2020 the proforma Group numbers are presented as if all the companies in the Group on December 31, 2020, had been part of the Group for the whole calendar year.

For 2019 the proforma Group numbers correspond to the sales revenue in the consolidated financial statements 2019 for the EcoOnline Topco Group. Thus, the financial figures from Airsweb Ltd Group are not included in the proforma sales revenue for 2019.

Nitro Topco AS

Annual accounts for Nitro Topco AS

- Income statement**
- Balance sheet**
- Cash flow statement**
- Notes**

Nitro Topco AS

Income statement 27.01-31.12

	Note	2020
Operating expenses		
Other operating expenses	4	<u>1 024 398</u>
Operating result		<u>-1 024 398</u>
Financial income and expenses		
Other financial income		18 347
Interest paid to group companies	5	3 517 946
Other financial expenses		<u>1 400</u>
Net financial items		<u>-3 500 999</u>
Ordinary result before tax		<u>-4 525 397</u>
Net profit or loss for the year		<u>-4 525 397</u>
Allocated as follows		
Transferred to share premium reserve	9	<u>-4 525 397</u>

Nitro Topco AS

Balance sheet as of December 31

	Note	2020
Fixed assets		
<i>Intangible assets</i>		
Deferred tax asset	8	18 263
Total intangible assets		<u>18 263</u>
<i>Financial assets</i>		
Investments in subsidiaries	6	1 314 709 949
Total financial assets		<u>1 314 709 949</u>
Total fixed assets		<u>1 314 728 212</u>
Current assets		
<i>Receivables</i>		
Other receivables		7 280
Total accounts receivable		<u>7 280</u>
Cash and cash equivalents	3	26 423 961
Total current assets		<u>26 431 241</u>
Total assets		<u>1 341 159 453</u>

Nitro Topco AS**Balance sheet as of December 31**

	Note	2020
Equity		
<i>Paid-in capital</i>		
Share capital	9, 10	13 604 354
Capital increase not yet registered	9	749 998
Share premium reserve	9	1 261 740 147
Total paid-in capital		<u>1 276 094 499</u>
Total equity		<u>1 276 094 499</u>
Liabilities		
<i>Other long-term liabilities</i>		
Other long-term liabilities	5	<u>42 447 423</u>
Total other long-term liabilities		<u>42 447 423</u>
<i>Current liabilities</i>		
Other short-term liabilities	7	<u>22 617 531</u>
Total current liabilities		<u>22 617 531</u>
Total liabilities		<u>65 064 954</u>
Total equity and liabilities		<u>1 341 159 453</u>

31 December 2020
Tønsberg, 4 March 2021



Michael Specht Bruun
Board member



Christian Melby
Board member



Gunnar Evensen
Chairman



Thomas Christian Høegh
Board member



Jostein Vik
Board member



Joakim Sundby Johansen
Board member



Stefanie Witte
Board member

Nitro Topco AS

Cash flow statement 27.01-31.12**2020****Cash flow from operating activities**

Profit/(loss) before tax	-4 525 397
Profit/(loss) from merged entities on 30.04.	-3 233 702
Cash effect of merger on 30.04.	32 404
Net cash flow from operating activities	<u>-7 726 695</u>

Cash flow from investing activities

Purchase of investments in shares	-704 185 000
Capital increase in subsidiary relating investment in shares	-138 000 001
Transaction costs relating investment in shares	-11 117 234
Transaction costs relating capital increase	-1 641 988
Net cash flow from investing activities	<u>-854 944 223</u>

Cash flow from financing activities

Repayment of long-term loans	-38 056 843
Capital increase	927 185 001
Capital increase not yet registered at 31.12.	749 998
Owner`s costs paid out	-813 277
Net cash flow from financing activities	<u>889 064 879</u>

Net change in cash and cash equivalents	26 393 961
Cash and cash equivalents at 27.01	<u>30 000</u>
Cash and cash equivalents at 31.12	<u>26 423 961</u>

Nitro Topco AS

Notes to the accounts for 2020

Note - 1 Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles.

Subsidiaries and investment in associate

Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write-down is no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

Balance sheet classification

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

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

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

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To the extent group contribution is not registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

Cash flow statement

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

Nitro Topco AS

Notes to the accounts for 2020

Comparative figures

The company was established on January 27, 2020. Thus, the annual report for the financial year 2020 does not include comparative figures. As the company was part of a merger with accounting effect from May 1, 2020, the loss carried forward from previous years from the merged entities are accounted for in the note disclosure regarding income tax. The accounting effect of the merger is described in Note 2.

Note 2 - Merger

In 2020 two parent-subsidary mergers were made. First, the subsidiary EcoOnline Holding AS merged with its parent company EcoOnline Topco AS. Then, the subsidiary EcoOnline Topco AS merged with its parent company Nitro Topco AS. The mergers represent internal reorganization in that all values of the wholly owned subsidiaries were merged into Nitro Topco AS using group continuity.

The mergers are implemented as tax-free mergers. The mergers were carried out with accounting effect from May 1st, 2020. Financial results in the period January 1st - April 30th for EcoOnline Holding AS and EcoOnline Topco AS are recognized over other equity in the Financial statements 2020 for Nitro Topco AS.

Note 3 - Bank deposit

The company does not have any restricted funds related to employee tax as of December 31, 2020.

Note 4 - Wage costs, number of employees, remuneration, loans to employees and auditor's fee

The company does not have any employees.

The Board of Directors has not received any remuneration in 2020.

<i>Auditor fee has been divided as follows</i>	2020
Statutory audit fee	231 500
Technical assistance related preparation of the Financial statements	65 000
Technical assistance related tax filing	55 600
Other services	362 150

The fees mentioned in the table above include audit fees for the merged entities EcoOnline Topco AS and EcoOnline Holding AS. VAT is not included in the figures of auditor's fee.

Note 5 - Intercompany balance group company and associate

<i>Payables</i>	2020
Intercompany loan	42 447 423

The company has an intercompany loan to its subsidiary EcoOnline AS. The interest rate on the loan is 9,5 % which is accumulated on the intercompany balance. No repayment date has been specified in the loan agreement, but repayment shall be done when there is sufficient free liquidity in the company.

Nitro Topco AS

Notes to the accounts for 2020

Note 6 - Investment in subsidiaries

Company	Acq. year	Location	Share owners	Voting rights	Net profit 2020	Equity 31.12	Book value 31.12
EcoOnline AS	2020	Tønsberg, Norway	100 %	100 %	-52 668 185	207 530 716	1 314 709 949

Note 7 - Other short-term liabilities

One of the company's owners has covered some of the transaction costs relating the acquisition of the EcoOnline Group on behalf of Nitro Topco AS. As of December 31, 2020, the transaction costs included in Other current liabilities is NOK 22 617 531. The company expects to repay the covered costs during 2021, and the liability is thus classified as a current liability.

Note 8 - Income taxes

Tax base estimation **2020**

Ordinary result before tax	-4 525 397
Permanent differences	-3 233 702
Tax base	<u>-7 759 099</u>

Temporary differences outlined **2020**

Loss carried forward	-20 233 363
Total temporary differences	-20 233 363
Temporary differences not recognized in balance sheet	-20 150 349
Total	<u>-83 014</u>

Deferred income tax liability / asset (22%)	-18 263
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Permanent differences outlined **2020**

Net result for EcoOnline Topco AS and EcoOnline Holding AS at April 30th, 2020	-3 233 702
Total permanent differences	<u>-3 233 702</u>

Loss carried forward at December 31, 2020 is the result of this year's tax base of NOK -7 759 099 combined with the loss carried forward from December 31, 2019 of NOK -12 474 264 from the merged entities EcoOnline Holding AS and EcoOnline Topco AS.

Deferred tax asset from loss carried forward from the financial year 2020 is not recognized in the balance sheet as there is uncertainty regarding whether or not the loss can be utilized. Booked deferred tax asset at NOK 18 263 is the tax asset that resulted from the merger of EcoOnline Holding AS and EcoOnline Topco AS into Nitro Topco AS at May 1st, 2020.

Nitro Topco AS

Notes to the accounts for 2020

Note 9 - Owners equity

	Share capital	Share premium reserve	Capital increase not yet registered	Total
Owner's equity 27.01.	30 000	0	0	30 000
Merger with EcoOnline Topco AS	0	-84 463 299	0	-84 463 299
Owner's cost relating mergers	0	-1 641 988	0	-1 641 988
Reduction in share capital 27.05.	-30 000	0	0	-30 000
Issued capital registered 27.05.	11 621 837	1 150 561 902	0	1 162 183 739
Issued capital registered 07.08.	1 982 517	201 808 929	0	203 791 446
Issued capital registered 19.01.21	0	0	749 998	749 998
Profit for the year	0	-4 525 397	0	-4 525 397
Owner's equity 31.12.	13 604 354	1 261 740 147	749 998	1 276 094 499

Note 10 - Share capital and shareholder information

Share capital:

	Number of shares	Face value	Book value
A-shares	385 000 000	0,01	3 850 000
B-shares	744 401 565	0,01	7 444 016
C-shares	231 033 831	0,01	2 310 338
Total	1 360 435 396		13 604 354

Main shareholders per 31.12:

	A-shares	B-shares	C-shares	Ownership share
GLQ Holdings (UK) LTD	192 500 000	130 900 000	61 600 000	28,3 %
Summa Equity Fund II (No. 1) AB	94 325 000	83 366 366	33 845 975	15,6 %
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Summa Equity Fund I (No. 1) AB	0	68 844 404	13 113 219	6,0 %
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StoneBridge 2020 Offshore Holdings	0	13 522 061	2 575 630	1,2 %
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Neil Harrison	0	13 155 652	1 907 262	1,1 %
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Area 42 AS	0	2 461 003	7 987 494	0,8 %
Goran Enterprises Limited	0	6 078 520	1 744 542	0,6 %
Total	385 000 000	724 863 232	219 411 183	97,7 %
Other	0	18 717 925	11 359 238	2,2 %
Total number of shares	0	743 581 157	230 770 421	100,0 %