



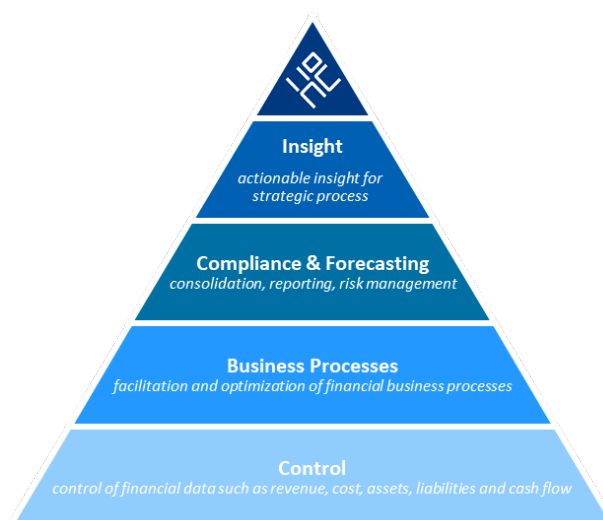
**INTERIM REPORT
Q4 2021**

House of Control – The CFO’s Best Friend

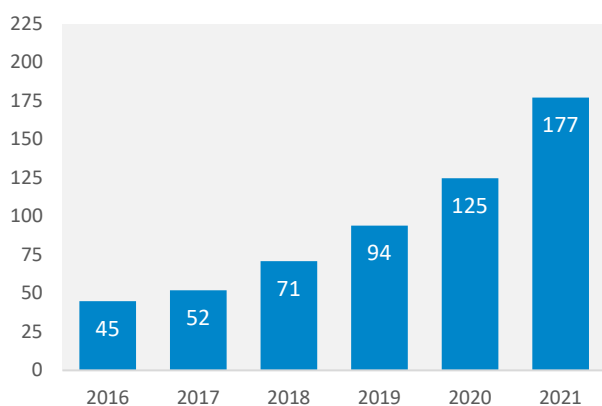
House of Control develops and sells SaaS (Software-as-a-Service) solutions. These are digital tools that the CFO can easily apply to improve the performance of the finance department and – ultimately – the whole company. The CFO toolkit contributes to at least four important tasks: Cut costs, save time, reduce risk, and improve compliance – all key ingredients of a better-working finance department. Private and public enterprises use the software to manage contracts and assets, comply with IFRS 16 requirements, communicate with suppliers, and organize procurement. House of Control’s strong revenue growth is supported by a unique salesforce, with recurring revenues accounting for approximately 94 percent of total sales.

- * Best-of-breed horizontal software for CFOs across the Nordics
- * Large and underpenetrated market opportunity with limited direct competition
- * Scalable subscription-based model with high recurring revenue
- * Consistent organic growth supported by M&A
- * Growth levers in increased penetration, upselling in existing portfolio and new products and services
- * Multiple M&A opportunities for European expansion

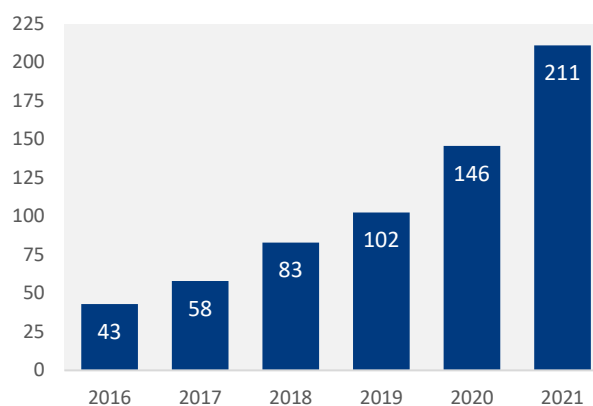
House of Control’s Product Pyramid



Revenue last 12 months (NOKm)



ARR (NOKm)



Highlights for the fourth quarter and full year 2021

- Annual recurring revenue (ARR) of NOK 211 million at the end of 2021, +45% year-on-year
 - Organic ARR growth of 19%, with acquisitions adding NOK 38 million in 2021
 - Growth in all geographical regions and for all cloud-based product segments
 - ARR from new customers of NOK 9 million in Q4 and NOK 31 million in 2021
 - Net retention of 100% in Q4 and 98% in 2021
- Revenue of NOK 52.7 million in Q4 (+41%) and NOK 177.2 million in 2021 (+42%)
 - Organic growth of 20% in Q4 and 21% in 2021
- EBITDA loss of NOK 18.4 million in Q4 and NOK 28.4 million in 2021
 - Adjusted EBITDA loss of NOK 5.0 million in Q4 and NOK 3.6 million in 2021
- Divested 'on-premises' contracts in January 2022 to focus on cloud-based products and save costs
 - Impairment of NOK 52.8 million charged to the Income Statement for Q4 and FY 2021
 - Divestment lowers ARR by ~NOK 14m and is expected to reduce annual costs by around NOK 30 million
 - Excluding these contracts, ARR increased +54% to NOK 197 million, with organic ARR growth of 25% in 2021
- Expecting positive EBITDA in 2022 and positive Cash EBITDA including capitalized R&D investments in 2023
- Growth plan to ARR of NOK 500 million by the end of 2025 is fully funded with current financing

Key figures

NOK ('000), IFRS	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	%	FY 2020	FY 2021	%
Recurring revenue	33 648	34 988	38 645	41 748	49 365	47 %	117 448	164 745	40 %
Other revenue	3 818	4 722	1 939	2 432	3 325		7 347	12 417	
Total revenue	37 466	39 710	40 583	44 179	52 689	41 %	124 795	177 162	42 %
Operating costs	-62 143	-42 411	-40 484	-51 576	-71 080		-143 719	-205 551	
EBITDA	-24 677	-2 701	99	-7 397	-18 391		-18 924	-28 389	
EBITDA-margin	-66 %	-7 %	0 %	-17 %	-35 %		-15 %	-16 %	
Special items	-26 573	-3 678	-3 973	-3 811	-13 362		-27 073	-24 824	
Adjusted EBITDA	1 896	977	4 072	-3 586	-5 029		8 149	-3 566	
Adjusted EBITDA-margin	5 %	2 %	10 %	-8 %	-10 %		7 %	-2 %	
Amortization PPA	-4 937	-5 411	-5 963	-6 239	-8 192		-12 966	-25 806	
Depr. / amort. tangible and intangible	-4 743	-5 466	-6 272	-5 987	-6 575		-13 845	-24 300	
Impairment	-	-	-	-	-52 761		-	-52 761	
Total depr., amort., and impairment	-9 680	-10 877	-12 235	-12 226	-67 528		-26 811	-102 866	
Operating profit/loss, EBIT	-34 357	-13 578	-12 135	-19 623	-85 919		-45 735	-131 255	
Net financial items	-3 633	-5 861	-4 999	-5 689	-5 428		-15 926	-21 977	
Profit/loss before tax	-37 990	-19 439	-17 134	-25 313	-91 347		-61 661	-153 233	
R&D Capex	6 875	8 622	7 189	6 845	10 443		17 970	33 099	
R&D Capex, % of revenue	18 %	22 %	18 %	15 %	20 %		14 %	19 %	
NOKm	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	%	FY 2021	FY 2021	%
Annual recurring revenue, ARR	146	151	169	186	211	45 %	146	211	45 %
New customers, ARR	9	8	9	5	9	2 %	21	31	47 %
Net retention, %	99 %	98 %	99 %	100 %	100 %		98%	98%	

Notes: The company changed accounting standard from NGAAP to IFRS in connection with the presentation of the interim results for the third quarter 2021.

Message from the CEO

Continued strong growth momentum

Annual recurring revenue (ARR) continued to grow in the fourth quarter, with organic growth of NOK 9 million and total ARR growth of NOK 25 million, supported by the acquisition of Keyforce AS in Norway in October.

For the full year 2021, ARR increased by NOK 65 million, including the acquisitions of Business Analyze and Egreement earlier in the year. ARR grew by NOK 31 million organically, with net retention of 98% for the full year and growth in all geographical areas. We welcomed more than 1,800 new customers in 2021, including more than 350 from organic new sales.

Development with a purpose

Over the last two years House of Control has gone through a significant technological change. We have expanded from focusing almost entirely on contract management to become a full-fledged provider of CFO software. Private and public enterprises use our software to manage contracts and assets, comply with IFRS 16 requirements, communicate with suppliers, and organize procurement.

Our product strategy is tightly linked to our growth ambitions. Growing our ARR portfolio requires continuous development of our product portfolio – to increase user value and stay ahead of the competition. In the fourth quarter of 2021 our R&D costs were 50% higher than in the fourth quarter of 2020.

Our core product, the contract management software Complete Control, saw several improvements in the fourth quarter. The user experience for the Advanced Contract Reader – that allows for automatic contract scanning and meta data input – was substantially improved. Our IFRS 16 compliance software was also greatly improved, including a new API for budgeting and new functionality for calculating deferred tax.

Divesting non-core business

Our resources are best utilized when we focus on developing cloud-based SaaS products and services, and the on-premises business that was part of the DinERP acquisition in 2020 has been regarded non-core business by House of Control.

In January 2022, we therefore signed an agreement with Cillco Technology AS, who will take over on-premises customer

contracts outside of House of Control's core business as well as 26 FTEs from HOC's subsidiary DinERP.

DinERP became part of House of Control in the summer of 2020 to strengthen our product development, and the acquisition has been crucial for our ability to launch several new and unique SaaS solutions. When Cillco Technology now takes over DinERP's legacy business our portfolio consists exclusively of strategically important SaaS products.

Improving operational and financial outlook – maintaining growth ambitions

The transaction with Cillco will have significant positive effects on our operations and our finances. Financially, we expect annual cost savings of approximately NOK 30 million as a result of the transaction and believe this will enable us to generate positive EBITDA in 2022 and show positive cash flow after investments in 2023.

Operationally, we sharpen the focus on our core products, and improved utilization of our sales organization will strengthen our growth further. Taking out the ARR we have now divested, we have roughly doubled our ARR to around NOK 200 million over the past two years and grown our customer base from around 1,100 to almost 2,700 unique customers.

We believe we are on track to fulfil our growth ambition, which is to build a highly profitable ARR base of NOK 500 million by the end of 2025.

**“We expect to generate positive EBITDA
in 2022 and show positive cash flow
after investments in 2023.”**



CEO Lasse Sten, House of Control

Operational review

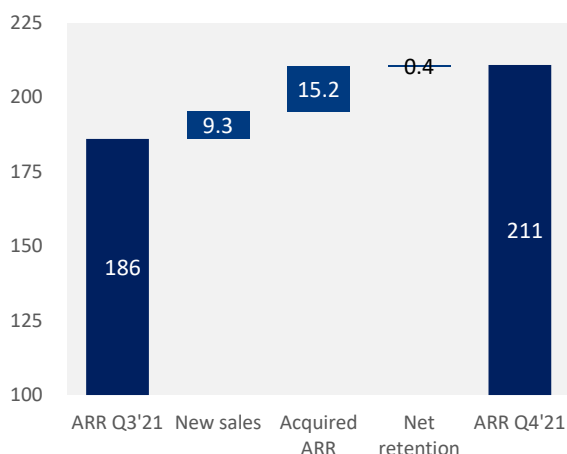
Continued ARR growth

ARR increased by NOK 25 million in the fourth quarter, of which NOK 15 million reflected the acquisition of Keyforce in October.

ARR from new sales amounted to NOK 9 million, with net retention exceeding 100% in the quarter.

For the full year 2021, ARR increased by NOK 65 million, of which acquired ARR accounted for NOK 38 million. ARR from new sales amounted to NOK 31 million, whereas net retention was 98% for the full year.

Q4 ARR development, NOK million



Source: Company data. Net retention includes upselling, price adjustments, contraction, churn and foreign exchange adjustments

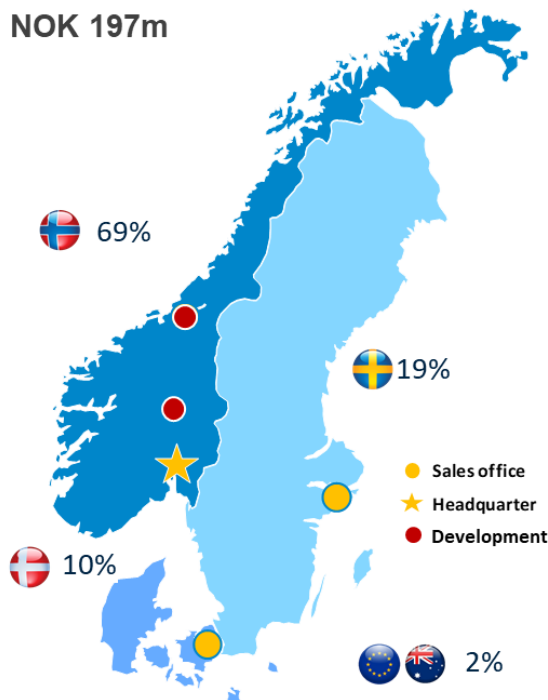
ARR by geography

House of Control's Scandinavian business accounts for approximately 95% of the total ARR of NOK 211 million, with Norway at NOK 144 million (67%), Sweden at NOK 37 million (18%), and Denmark at NOK 20 million (10%). The company also has NOK 10 million in ARR in Europa and Australia.

All geographical areas experienced growth in 2021, with growth in the Norwegian and Swedish operations supported by the acquisitions of Business Analyze and Keyforce in Norway and Egreement in Sweden.

ARR after divestment of non-core business in Q1 2022

NOK 197m

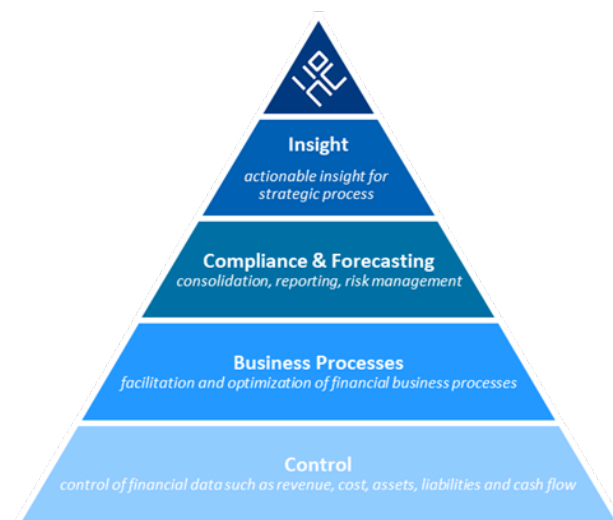


Source: Company data.

ARR by product segment

More than 90% of the company's ARR is generated from cloud-based products, with less than 10% from on-premises services.

House of Control – product pyramid



Source: Company data.

Control accounted for ARR of NOK 132 million (62%) at the end of the year, with Insight products at NOK 12 million (6%), Business Processes at NOK 35 million (16%), and Compliance & Forecasting at NOK 14 million (7%).

All the three cloud-based segments experienced healthy growth in 2021. The Control segment saw 19% organic increase in ARR during the year, whereas the Insight and Business Process segments made step changes supported by acquisitions during 2021.

The non-core on-premises services accounted for ARR of NOK 18 million (9%) at the end of the year. No new on-premises such contracts were entered during the year, and churn and contraction led to an ARR decline of NOK 4 million or 19% for this segment in 2021. Excluding the on-premises contracts House of Control saw positive net retention for the full year 2021.

As described below, House of Control in January 2022 entered a contract to divest the on-premises business.

Expanded through acquisitions in 2021

House of Control in October acquired Keyforce in Norway, adding annual recurring revenue (ARR) of NOK 15.2 million.

Together with Business Analyze, which House of Control acquired in April 2021, Keyforce makes up the Insight segment.

The acquisition of Business Analyze provided business intelligence systems and innovative dashboard solutions, and solutions from Keyforce facilitates the integration of ERP, CRM, HRM or any other incumbent system with the dashboard solutions. The Insight segment is expected to remain a strong growth driver for House of Control going forward.

During 2021, the company also strengthened its Business Processing segment with the acquisition Egreement in Sweden. This complemented House of Control's existing offering in contract management and workflow solutions, digital signature and authorization, and procurement and supplier communication.

The acquisitions in 2021 overall added ARR of NOK 38 million.

Divested non-core assets in 2022

As described above, the on-premises business has been regarded non-core business by House of Control, as the company puts all its resources into the development of cloud-based SaaS products and services.

In January 2022, House of Control therefore signed an agreement with Cillco Technology AS, who will take over the on-premises customer contracts and 26 FTEs from House of Control's subsidiary DinERP AS.

Annual recurring revenue (ARR) from the contracts included in the agreement was approximately NOK 18 million at the end of 2021, of which with House of Control retains approximately NOK 4 million. As a result of the reduction of the workforce, House of Control expects annual cost savings of approximately NOK 30 million.

Cillco Technology will retain the responsibility to service and further develop SaaS solutions developed by DinERP that will continue to be marketed and sold by House of Control.

The agreement with Cillco Technology will take effect from 1 March 2022.

Product development

The product development team continued to deliver on our product vision, which governs both the development and acquisition of other companies:

1. Control over costs, revenues, liquidity, and liabilities
2. Reduce everyday friction for CFOs with simple and smart solutions
3. Understand and predict with solutions for analysis, dashboards, budgeting, and forecasting

Our core product, the contract management software Complete Control, saw several improvements in the fourth quarter. The user experience for the Advanced Contract Reader – that allows for automatic contract scanning and meta data input – was substantially improved. Exporting future payment plans was made easier, and functionality was improved for contract attachments.

House of Control has Europe’s leading IFRS 16 compliance software. To stay ahead, this solution is on a continuous development quest. In the fourth quarter of 2021 we introduced, among other features, a new API for budgeting and new functionality for calculating deferred tax. We also strengthened our “IFRS 16 team”, providing our customers with hands-on expertise to improve user value.

We launched a seamless integration between Complete Control and the budgeting and forecasting tool acquired from Effectplan. Now future obligations as registered in Complete Control can be viewed and managed in Effectplan.

The CFO Dashboards is at the heart of our product strategy, offering the CFO a refined and focused view of ERP and CRM data. It is based on IP from Business Analyze, and it was launched less than half a year after we acquired the company. Following the launch in the third quarter, connectors to more ERP systems have been added.

Financial review

Results for the fourth quarter 2021

Figures in brackets relate to the corresponding period in 2020.

Revenue

House of Control reported revenue of NOK 52.7 million in the fourth quarter 2021, representing 41% increase over the same quarter last year. Organic revenue growth was 20%, excluding the effects of acquisitions over the past year.

Recurring revenue amounted to NOK 49.4 million in the fourth quarter, corresponding to 94% of total revenue.

Revenue for the full year 2021 amounted to NOK 177.2 million, which was an increase of 42% from 2020. Recurring revenue accounted for 93% of revenue. Proforma revenue – including the effect of acquisitions for the full year – amounted to NOK 207.1 million for 2021.

Operating costs

Operating costs amounted to NOK 71.1 million in the fourth quarter (62.1), including special cost items of NOK 13.4 million (26.6).

Salaries remained the main cost component at 73% of total operating expenses (68%).

The increase in operating costs mainly reflects the high growth investments in more developers and salespeople, both through acquisitions and organic growth. The number of employees increased by 53% from 109 at the end of 2020 to 167 at the end of 2021.

The number of employees will decline by 26 FTEs after the transfer of on-premises contracts to Cillco Technology with effect from 1 March 2022.

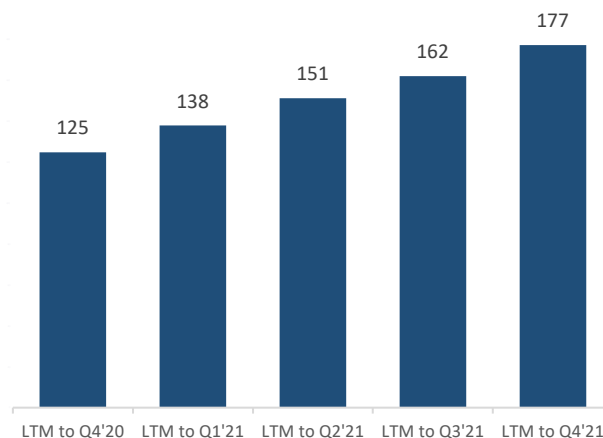
For the full year 2021, operating costs amounted to NOK 205.6 million (143.7), including special cost items of NOK 24.8 million (27.1). NOK 15 million relate to businesses acquired in 2021.

Special items

The company incurred certain operating costs defined as special items in the fourth quarter, which had a combined negative effect of NOK 13.4 million (26.6).

These items mainly reflect extraordinary bonuses, M&A costs and IFRS conversion costs.

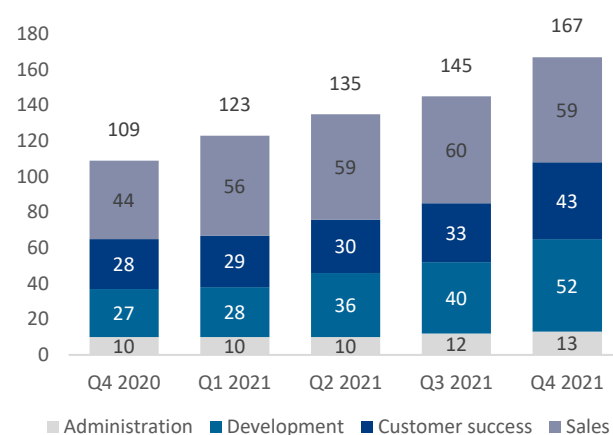
Revenue last 12 months to each quarter (NOKm)



Source: Company data

For the full year 2021, special operating cost items had a combined negative effect of NOK 24.8 million (27.1), reflecting IFRS conversion costs, M&A costs and bonuses, redundancy costs, timing differences and strategic product projects.

Number of employees



Source: Company data

EBITDA and Operating profit

Reported EBITDA showed a loss of NOK 18.4 million in the fourth quarter, compared to a loss of NOK 24.7 million in the same quarter 2020. Adjusted for special items, the EBITDA showed a loss of NOK 5.0 million, compared to a positive adjusted EBITDA of NOK 1.9 million in the fourth quarter 2020.

For the full year 2021 the reported EBITDA showed a loss of NOK 28.4 million (-18.9), whereas adjusted EBITDA showed a loss of NOK 3.6 million (8.1). The results reflect continued significant investments to support growth, mainly in sales personnel and development resources.

Following the divestment of on-premises contracts, the company expects to turn EBITDA-positive in 2022.

Amortization related to acquired intangible assets through business combinations amounted to NOK 8.2 million in the fourth quarter (4.9), whereas amortization of internally generated intangible assets and depreciation of right-of-use assets and tangible assets amounted to NOK 6.6 million (4.7). The company also charged the Income Statement with impairments of NOK 52.8 million (0) related to the divestment of the on-premises contracts with effect from 1 March 2022.

The sum of amortization, depreciation and impairments were hence NOK 67.5 million in the fourth quarter 2021, compared to NOK 9.7 million in the fourth quarter 2020.

For the full year 2021, amortization amounted to NOK 42.5 million (22.1), depreciation to NOK 7.6 million (4.7), and impairment losses to NOK 52.8 million (0). This summed up to NOK 102.9 million for 2021, compared to NOK 26.8 million for 2020.

The operating result or EBIT hence showed a loss of NOK 85.9 million for the fourth quarter (-34.4), and a loss of NOK 131.3 million (-45.7) for the full year 2021.

Net financial items

Net financial items were NOK -5.4 million in the fourth quarter 2021 (-3.6) and NOK -22.0 million for the full year 2021 (-15.9). The increased cost mainly reflects higher net debt.

Results

Loss before tax was NOK 91.3 million in the fourth quarter 2021, compared to a loss of NOK 38.0 million in the fourth quarter 2020. Loss before tax for the full year 2021 amounted to NOK 153.2 million, compared to a loss of NOK 61.7 million in 2020.

Cash flow

Figures in brackets relate to the corresponding period in 2020.

Cash flow from operating activities

Net cash flow from operating activities was a negative NOK 0.6 million in the fourth quarter, supported by higher customer pre-payments.

For the full year 2021, net cash flow from operating activities was a negative NOK 30.8 million, compared to a negative NOK 10.6 million in 2020.

Cash flow from investing activities

Net cash flow from investing activities was a negative NOK 57.9 million in the fourth quarter, of which the acquisition of Keyforce accounted for NOK 40.9 million and payments for capitalized software development costs for 10.4 million. Changes in other non-current liabilities accounted for NOK 6.5 million of the cash outflow, related to the Egreement-acquisition in September.

Net cash flow from investing activities was a negative NOK 138.0 million for the full year 2021 (-21.1), of which NOK 98.2 million related to acquisitions and NOK 33.0 million related to R&D CAPEX.

Cash flow from financing activities

Cash flow from financing activities was a negative NOK 13.0 million in the fourth quarter. This reflects lease payments of NOK 2.4 million, debt repayments of NOK 6.5 million mainly related to acquired companies, interest payments on loans of NOK 3.3 million, other financial expenses of NOK 1.1 million and net proceeds from share issuance of NOK 0.3 million.

For the full year 2021 cash flow from financing activities was a negative NOK 35.6 million, whereas it was a positive NOK 296.7 million in 2020 after cash contribution related to the IPO and subsequent listing on Euronext Growth in October 2020.

Cash and cash equivalents overall declined to NOK 143.0 million at the end of 2021, down from NOK 213.7 million at the end of the third quarter and NOK 346.7 million at the end of 2020.

Financial position

Figures in brackets relate to IFRS year-end 2020 figures.

Assets

Total non-current assets amounted to NOK 297.6 million at the end of 2021 (159.1). This mainly reflects intangible assets of NOK 231.9 million including goodwill (137.5).

Right-of-use assets amounted to NOK 22.7 million (10.2), and deferred tax assets to NOK 35.1 million (9.9). Property, plant and equipment were NOK 0.8 million (0.9) and other long-term receivables NOK 7.1 million (0.6).

Current assets amounted to NOK 63.2 million at the end of the third quarter (37.5), excluding cash and cash equivalents. Cost to obtain contracts accounted for NOK 32.2 million (25.3) and trade and other receivables for NOK 30.9 million (12.0),

whereas inventories remained modest at NOK 0.2 million (0.2). Cash and cash equivalents amounted to NOK 143.0 million (346.7).

Equity and liabilities

House of Control had total equity of NOK 216.5 million (337.5) of a total balance of NOK 503.9 million (543.2), corresponding to an equity ratio of 43% at the end of the year (62%). The decline over the past year reflects the losses in the period, including the impairment of NOK 52.8 million related to the divestment in January 2022 of 'on-premises' contracts acquired through DinERP AS. The impairment reflects a decrease in the recoverable amount of capitalized development costs and customer contracts, based on future expected cash flows from the retained business.

Total liabilities amounted to NOK 287.4 million at the end of 2021 (205.7), of which NOK 152.9 million in current liabilities (106.8) and NOK 134.5 million in non-current liabilities (99.0). The latter reflects long-term borrowings of NOK 95.8 million (89.5), non-current lease liabilities of NOK 15.9 million (5.8), and other non-current liabilities of NOK 22.8 million (3.6) which mainly reflects estimated future payments under earn-out clauses from acquisitions.

Current liabilities comprised deferred revenue of NOK 77.2 million (63.1) reflecting the company's revenue model with pre-paid subscriptions, current lease liabilities of NOK 8.2 million (5.3), trade creditors of NOK 5.3 million (3.9), public duties payable of NOK 22.3 million (16.4), and other short-term liabilities of NOK 39.8 million (18.0).

Share information

At the end of 2021, House of Control had 57.1 million shares. The 20 largest shareholders hold 88% of the shares.

20 largest shareholders February 2022

Shareholder	Shares	% Stake
Viking Venture 7 AS	10 372 500	18.2 %
Morgan Stanley & Co. LLC	8 308 444	14.6 %
Goldman Sachs & Co. LLC	4 259 565	7.5 %
The Northern Trust Comp.	3 742 934	6.6 %
Bjørk Invest AS	2 920 950	5.1 %
Dunvik AS	2 539 500	4.4 %
Viking Venture 8 AS	2 247 400	3.9 %
DZ Privatbank S.A.	2 000 000	3.5 %
RBC Investor Services Trust	1 858 924	3.3 %
Din ERP Holding AS	1 804 766	3.2 %
Citibank, N.A.	1 618 686	2.8 %
J.P. Morgan AG	1 491 200	2.6 %
Viking Venture 7B AS	1 401 700	2.5 %
The Northern Trust Comp.	1 053 995	1.8 %
Danske Bank A/S	1 050 000	1.8 %
BNP Paribas	988 990	1.7 %
Citibank, N.A.	988 744	1.7 %
J.P. Morgan AG	718 163	1.3 %
NIKFAN AS	549 600	1.0 %
FAT CITY AS	407 403	0.7 %
Total	50 323 464	88.1%
Other owners	6 776 186	11.9%
Total	57 099 650	100.0%

Risk and uncertainties

House of Control does not see material changes in financial risk factors compared to the assessment given in the Annual Report for 2020.

The Group does currently not use any financial instruments to limit credit, interest rate or exchange rate risks.

Credit risk

The Group has not experienced any significant losses on receivables. Recurring invoices are invoiced yearly in advance, and the credit risk is perceived as low. The horizontal nature of the product offering provides a highly diversified customer base with regards to industries and sectors, and the five largest customers represent less than 10% of total revenues.

Interest rate risk

Long-term borrowings amounted to NOK 95.8 million per the end of 2021, reflecting loan agreements with AshGrove Capital and Innovasjon Norge. The interest-bearing debt is denominated in NOK, and the company has not fixed the interest rate which is tied to NIBOR. The company's cash holding is held in bank accounts, also denominated in NOK.

Exchange rate risk

Exchange rate risk is limited with the current geographic footprint. Most of the company's revenues and operational expenses are in NOK. The currency baskets for revenue and operating costs are well balanced as the Danish and Swedish entities receive revenue and incur cost in local currencies.

Liquidity risk

The Group's liquidity is considered good. Cash and cash equivalents amounted to NOK 143.0 million per the end of 2021, and the company has undrawn acquisition financing facilities of NOK 198 million. The Group's liquidity is considered good. House of Control has outlined a strategy to build a portfolio with an ARR of NOK 500 million by the end of 2025. The company's growth plan is fully financed, and it is the Board's and management' assessment that further equity financing will not be necessary to reach this goal.

Events after the balance sheet date

As described under the Operational Review, House of Control in January 2022 entered an agreement with Cillco Technology AS, who will take over the on-premises customer contracts and 26 FTEs from House of Control's subsidiary DinERP AS.

Annual recurring revenue (ARR) from the contracts included in the agreement was approximately NOK 14 million at the end of 2021, and House of Control expects annual cost savings of approximately NOK 30 million due to the reduction of the workforce.

Cillco Technology will retain the responsibility to service and further develop SaaS solutions developed by DinERP that will continue to be marketed and sold by House of Control.

The agreement with Cillco Technology will take effect from 1 March 2022. Please see note 11 – Subsequent events for further information.

Outlook

House of Control has established a leading position in the Nordic market, with a continuously broader offering of subscription-based Software-as-a-Service (SaaS) solutions.

At the end of 2021, the company had an annual recurring revenue base (ARR) of NOK 211 million, which was an increase of 45% over the past 12 months. Organic ARR growth was 19%, with the remainder gained through the acquisitions of Business Analyze, Egreement, and Keyforce.

Including these acquisitions, the company has established a growth portfolio across four product segments: Control, Business Processes, Compliance & Forecasting, and Insight.

After the end of the year, House of Control has sold its non-core on-premises contracts. While this reduces ARR by approximately NOK 14 million, it also lowers the annual cost base by approximately NOK 30 million.

Following this transaction, House of Control expects to generate positive EBITDA in 2022 and positive cash flow after investments in 2023. House of Control reiterates its ambitions to grow to an ARR level of NOK 500 million by 2025, and believes it is fully funded to finance growth towards this target.

With increased scale the company expects that operational leverage over time will allow for a long-term EBITDA-margin level of 40%.

Declaration by the board of directors and CEO

We hereby confirm that, to the best of our knowledge, the interim financial statements for the period from 1 January to 31 December 2021 have been prepared in accordance with IFRS, and that the information in the financial statements gives a true and fair view of the group's assets, liabilities, financial position and profit or loss taken as a whole.

We also confirm that, to the best of our knowledge, the interim report for the fourth quarter and full year 2021 gives a true and fair view of important events in the accounting period and their influence on the interim report for the periods, as well as the principal risks and uncertainties facing the business in the next accounting period.

The Board of Directors of House of Control Group AS
Oslo 16 February 2022



Digitally signed with technology
from House of Control

Erik Fjellvær Hagen (sign)
Board Member

Jostein Vik (sign)
Chairman of the Board

Heidi Thaulow (sign)
Board Member

Radmila Stoltz (sign)
Board Member

Øyvind Bauer (sign)
Board Member

Lasse Sten (sign)
CEO

Interim condensed consolidated financial statements

Consolidated Statement of Comprehensive Income

<i>Amounts in NOK 1000</i>	Note	Fourth quarter 2021	Fourth quarter 2020	Year to date 2021	Year to date 2020
Revenue	3, 6	52 689	37 466	177 162	124 795
Total operating revenue		52 689	37 466	177 162	124 795
Operational service expenses	3	1 951	484	4 076	1 254
Personnel expenses	3	52 136	42 504	154 982	106 304
Other operating expenses	3	15 655	7 743	43 089	22 331
Transaction related costs	3, 4	1 338	11 412	3 404	13 830
Total operating expenses		71 080	62 143	205 551	143 719
Earnings before interest, tax, depr. and amort. ("EBITDA")		-18 391	-24 677	-28 389	-18 924
Depreciation and amortization	5	14 767	9 680	50 105	26 811
Impairment losses	11	52 761	-	52 761	-
Operating profit / (loss)		-85 919	-34 357	-131 256	-45 735
Financial income		714	967	1 433	1 109
Financial expenses	8	6 142	4 600	23 410	17 035
Net financial items		-5 428	-3 633	-21 977	-15 926
Profit / (Loss) before income tax		-91 347	-37 990	-153 233	-61 661
Income tax		-19 272	-3 143	-32 398	-7 448
Profit / (Loss) for the year		-72 075	-34 848	-120 835	-54 213
Other comprehensive income					
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>					
Translation differences on foreign operations		-1 475	-217	-1 420	-115
Other comprehensive income		-1 475	-217	-1 420	-115
Total comprehensive income for the year		-73 550	-35 065	-122 255	-54 329

Earnings per share in NOK:					
Basic earnings per share		-1,28	-0,65	-2,12	-1,41
Diluted earnings per share		-1,28	-0,65	-2,12	-1,41

Profit attributable to:					
Equity holders (parent company)		-72 075	-34 848	-120 835	-54 213
Non-controlling interests		-	-	-	-
Total		-72 075	-34 848	-120 835	-54 213

Total comprehensive income attributable to:					
Equity holders (parent company)		-73 550	-35 065	-122 255	-54 329
Non-controlling interests		-	-	-	-
Total		-73 550	-35 065	-122 255	-54 329

Consolidated Statement of Financial Position

<i>Amounts in NOK 1000</i>	Note	31 December 2021	31 December 2020
Assets			
Intangible assets including goodwill	4, 5	231 895	137 480
Property, plant & equipment		838	946
Right-of-use assets		22 718	10 169
Deferred tax assets		35 058	9 930
Other long-term receivables	8	7 071	578
Total non-current assets		297 580	159 104
Cost to obtain contracts	7	32 155	25 277
Inventories		184	188
Trade and other receivables		30 897	11 999
Cash and cash equivalents		143 049	346 680
Total current assets		206 284	384 143
Total assets		503 864	543 246

<i>Amounts in NOK 1000</i>	Note	31 December 2021	31 December 2020
Equity and Liabilities			
Share capital	9	11 420	11 383
Share premium	9	438 716	437 489
Other equity	9	-233 626	-111 371
Total equity		216 510	337 500
Interest bearing debt	8	95 781	89 532
Non-current lease liabilities	8	15 913	5 818
Other non-current liabilities		22 781	3 635
Total non-current liabilities		134 475	98 985
Current lease liabilities	8	8 198	5 322
Deferred revenue		77 229	63 120
Trade creditors		5 320	3 920
Public duties payable		22 335	16 421
Other short-term liabilities	8	39 798	17 978
Total current liabilities		152 880	106 761
Total liabilities		287 355	205 746
Total equity and liabilities		503 864	543 246

Consolidated Statement of Changes in Equity

<i>Amounts in NOK 1000</i>	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Equity as at 1 January 2020	6 409	46 519	-279	-56 763	-4 114
Profit YTD				-54 213	-54 213
Translation differences			-115		-115
Total comprehensive income for the year	-	-	-115	-54 213	-54 329
Issuance of shares related to the acquisition of DinERP	1 536	47 085			48 621
Employee share options	-	11 533			11 533
Capital increases (net of transactions costs)	3 438	332 352			335 789
Transactions with owners	4 973	390 970	-	-	395 943
Equity as at 31 December 2020	11 383	437 489	-394	-110 977	337 500
Equity as at 1 January 2021	11 383	437 489	-394	-110 977	337 500
Profit YTD				-120 835	-120 835
Translation differences			-1 420		-1 420
Total comprehensive income for the year	-	-	-1 420	-120 835	-122 255
Capital increases	37	1 227			1 264
Employee share options					-
Transactions with owners	37	1 227	-	-	1 264
Equity as at 31 December 2021	11 420	438 716	-1 815	-231 812	216 510

Consolidated Statement of Cash Flow
1 January - 31 December

<i>Amounts in NOK 1000</i>	Note	First quarter 2021	Second quarter 2021	Third quarter 2021	Fourth quarter 2021	Year to date 2021	Year to date 2020
Cash flow from operating activities							
Profit/(loss) before tax		-19 438	-17 135	-25 313	-91 347	-153 233	-61 661
Taxes paid		-	-	-209	-	-209	-
Depreciation and amortization	5	10 877	12 235	12 226	14 767	50 105	26 811
Impairment losses	11	-	-	-	52 761	52 761	-
Non-cash employee benefits expense		-	-	-	-	-	10 816
Changes in inventories		-	-	-	4	4	31
Changes in trade receivables		-290	-4 501	1 621	-4 275	-7 446	278
Changes in trade payables		176	473	-244	-1 110	-705	-881
Changes in other balance sheet items		9 363	-4 952	3 180	31 761	39 351	17 588
Payments of sales commissions	7	-6 990	-7 032	-5 719	-6 973	-26 714	-16 256
Interest and other financial items		4 327	4 679	2 455	3 857	15 318	12 712
Net cash flow from operating activities		-1 975	-16 233	-12 003	-557	-30 768	-10 562
Cash flow from investing activities							
Internally generated intangible assets	5	-8 622	-7 189	-6 845	-10 443	-33 099	-17 668
Net purchase of tangible assets		36	-59	-141	-58	-222	-549
Acquisition of subsidiaries, net of cash acquired	4	-	-24 666	-32 626	-40 886	-98 178	-2 416
Change in other non-current receivables		-	-	-	-	-	-418
Changes in other non-current liabilities	4	-	-	-	-6 493	-6 493	-
Net cash flow from investing activities		-8 586	-31 915	-39 611	-57 880	-137 992	-21 050
Cash flow from financing activities							
Net proceeds from borrowings	8	-	-	-	-	-	20 000
Repayment of borrowings	8	-313	-4 703	-313	-6 478	-11 806	-31 153
Principal element of lease payment		-1 704	-2 212	-2 332	-2 422	-8 670	-5 282
Financing costs of long term loans		-756	-765	-463	-1 057	-3 041	-6 427
Interest payment on long term loans		-4 048	-4 119	-1 906	-3 318	-13 391	-11 578
Net proceeds from share issuance	9	887	96	-8	288	1 264	331 112
Net cash flow from financing activities		-5 933	-11 703	-5 021	-12 987	-35 644	296 672
Exchange gains/losses on cash and cash eq.		-693	306	390	771	773	11
Net change in cash and cash equivalents		-17 188	-59 544	-56 245	-70 654	-203 631	265 071
Cash and cash equivalents at beginning balance		346 680	329 493	269 948	213 703	346 680	81 609
Cash and cash equivalents at ending balance		329 493	269 948	213 703	143 049	143 049	346 680

Notes to the House of Control financial statements

Note 1 - Reporting entity

The reporting entity reflected in these consolidated financial statements comprises House of Control Group AS (the "Company") and consolidated subsidiaries (the "Group"). The parent company, House of Control Group AS, is a publicly listed company on the Euronext Growth in Oslo. The Group's corporate headquarters is at Høvik, Norway.

The Group has operations in Norway, Sweden and Denmark and develops and sells Software-as-a-Service ("SaaS") solutions providing financial control and facilitating optimization of business processes.

The interim consolidated financial statements were approved by the Board on 16 February 2022.

Note 2 - Basis for preparation

These consolidated interim financial statements for the Group as of and for the period ended 31 December 2021 are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) effective as of 31 December 2021.

The accounting principles used in the interim financial statements are consistent with those used in the 2020 Financial Statements prepared in accordance with IFRS.

As the interim financial statements do not include all the information and disclosures required in the annual financial statements, they should be read in conjunction with the 2020 Financial Statements. The

interim financial statements are unaudited, except the annual 2020 figures that have been derived from the audited annual financial statements for 2020.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions. Actual results may differ. In preparing these interim financial statements, significant judgments made by the management in applying the Group's accounting policies and the key sources of uncertainty in the estimates were consistent with those described in the 2020 Financial Statements prepared in accordance with IFRS.

Note 3 - Segment information

Operating segments

The Group disclose segment information based upon the following reportable segments in accordance with IFRS 8: Norway, Sweden and Denmark. For more information about the segments and the Group's chief operating decision maker (CODM), please refer to the Consolidated Financial Statement at 31 December 2020.

The column unallocated and IFRS adjustments represents group activities, elimination of intercompany balances and transactions, and identified differences between NGAAP and IFRS in relation to the Group's conversion to IFRS in 2020. In 2021, all activities have been allocated to operating segments Norway, Sweden and Denmark.

As of and for the period ended 31 December 2021

<i>NOK 1000</i>	Norway	Sweden	Denmark	Unallocated and IFRS adjustments	Total
Revenue from customer contracts	139 267	22 484	15 410	-	177 162
Operating revenue	139 267	22 484	15 410	-	177 162
Personnel costs	126 314	20 244	8 425	-	154 982
Operational service expenses and other operating expenses	43 287	1 260	2 618	-	47 165
Transactions related costs	2 441	963	-	-	3 404
Total operating expenses	172 041	22 467	11 043	-	205 551
Earnings before interest, tax, depr. and amort. ("EBITDA")	-32 774	17	4 367	-	-28 389
Working capital					
Current assets	179 946	16 837	9 502	-	206 284
Current liabilities	128 824	14 973	9 082	-	152 880
Net working capital	51 121	1 864	420	-	53 405

As of and for the period ended 31 December 2020

<i>NOK 1000</i>	Norway	Sweden	Denmark	Unallocated and IFRS adjustments	Total
Revenue from customer contracts	108 359	10 263	11 250	-5 077	124 795
Operating revenue	108 359	10 263	11 250	-5 077	124 795
Personnel costs	76 372	7 046	7 518	15 369	106 304
Operational service expenses and other operating expenses	17 886	7 036	7 812	-9 149	23 585
Transactions related costs	-	-	-	13 830	13 830
Total operating expenses	94 258	14 082	15 329	20 050	143 719
Earnings before interest, tax, depr. and amort. ("EBITDA")	14 101	-3 819	-4 080	-25 127	-18 924
Working capital					
Current assets	457 878	6 939	4 299	-84 973	384 143
Current liabilities	140 397	36 104	6 418	-76 158	106 761
Net working capital	317 481	-29 165	-2 120	-8 814	277 382

Note 4 - Business combinations

Business Analyze AS

On 27 April 2021, the Group acquired 100% of the shares in Business Analyze AS. Business Analyze is a Norwegian company that provides Business Intelligence (BI) solutions that extract, analyze and present data from various stand-alone systems.

The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when the Group obtained control of the legal entity. The same date is relevant for tax and economic purposes.

The transaction was settled by NOK 29 million in cash. In addition, the agreement included an earn-out element to compensate the seller for future business achievements. The net present value of the earn-out is estimated to NOK 4.8 million. Transaction costs of NOK 1 million were expensed and are included in M&A costs for the second quarter of 2021.

Egreement AB

On 24 September 2021, the Group acquired 100% of the shares in Egreement AB, a Swedish digital signature and contract workflow company.

The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when the Group obtained control of the legal entity. The same date is relevant for tax and economic purposes.

The transaction was settled by NOK 36.8 million in cash. In addition, the purchase price includes a hold-back amount of NOK 6.5 million and an earn-out element of NOK 11.2 million to compensate the seller for future business achievements. Hold-back amount and the earn-out is measured to the net present value of the time of acquisition. Transaction costs of NOK 1 million were expensed and are included in M&A costs for the third quarter of 2021.

Keyforce AS

On 3 November 2021, the Group acquired 100% of the shares in Keyforce AS. Keyforce develops software for standard integrations that tie accounting systems from Microsoft and Visma together with SuperOffice CRM. With more than 20 years of experience, Keyforce AS delivers integrations to Scandinavia with subsidiaries in Norway, Sweden, and Denmark.

The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when the Group obtained control of the legal entity. The same date is relevant for tax and economic purposes.

The transaction was settled by NOK 42.5 million in cash. In addition, the agreement included an earn-out element to compensate the seller for future business achievements. The net present value of the earn-out is estimated to NOK 9.2 million. Transaction costs of NOK 0.9 million were expensed and are included in M&A costs for the fourth quarter of 2021.

	Main business activities	Date of acquisition	Proportion of voting equity acquired	Acquiring entity
Business Analyze AS	Insight	27.04.2021	100 %	House of Control Midco AS
Egreement AB	Business Process	24.09.2021	100 %	House of Control Midco AS
Keyforce AS	Business Process	03.11.2021	100 %	House of Control Midco AS

Purchase consideration NOK 1000	Business Analyze AS	Egreement AB	Keyforce AS
Cash paid	29 000	36 761	42 500
Earn-out (fair value estimate at date of acquisition)	4 849	11 194	9 179
Other contingent considerations	-	6 493	-
Total purchase consideration	33 849	54 448	51 679

<i>Opening balance sheet - Fair value at acquisition date of acquired companies</i>			
<i>NOK 1000</i>	Business Analyze AS	Egreement AB	Keyforce AS
Assets			
Goodwill	25 329	28 750	35 539
Capitalized development costs	13 559	12 499	16 008
Customer relationships	1 245	13 276	5 293
Order backlog	1 429	4 724	269
Property, plant & equipment	11	63	-
Right-of-use assets	1 914	241	1 404
Trade and other receivables	2 632	1 466	3 306
Cash and cash equivalents	4 334	4 135	1 614
Total assets	50 454	65 154	63 433
Liabilities			
Interest bearing debt	4 391	5 149	1 017
Deferred tax liability	841	4 207	4 262
Lease liabilities (current and non-current)	1 914	241	1 404
Trade creditors	716	665	724
Other short-term liabilities	8 743	445	4 348
Total Liabilities	16 605	10 706	11 755
Net identifiable assets	33 849	54 448	51 679
Total consideration for the shares			
Of which cash	33 849	54 448	51 679
Of which shares	-	-	-

Note 5 - Intangible assets

NOK 1000	Capitalized Development Costs				Customer Relationships	Order Backlog	Total
	Goodwill	Costs	Relationships	Backlog			
Acquisition cost 31 December 2020	-	152 462	58 091	-	-	210 553	
Additions		33 099				33 099	
Additions through business combinations	89 619	42 066	19 814	6 422		157 920	
Reclassifications of government grants		1 457				1 457	
Disposals						-	
Translation differences	-725	-920	-335	-119		-2 098	
Acquisition cost 31 December 2021	88 894	228 165	77 571	6 303		400 932	
Acc.amort. & write-downs 31 December 2020	-	52 571	20 502	-		73 073	
Amortization of the period		35 512	6 304	716		42 532	
Amortization of government grants		682				682	
Write-downs of the period		30 966	21 795			52 761	
Translation differences		-11				-11	
Acc.amort. & write-downs 31 December 2021	-	119 720	48 601	716		169 037	
Net book value 31 December 2020	-	99 891	37 589	-		137 480	
Net book value 31 December 2021	88 894	108 445	28 970	5 586		231 895	
Economic life	Indefinite	5/10 years	10 years	3 years			
Amortization method		Straight line method	Straight line method	Straight line method			

Goodwill

All of the goodwill presented in the table above derives from recent acquisitions in 2021, which are expected to have a positive development in future growth and earnings. NOK 25.3 million in goodwill was recognized as part of the acquisition of Business Analyze AS in April 2021, NOK 28.7 million was recognized as part of the acquisition of Egreement AB in September 2021, and NOK 35.5 million was recognized as part of the business combination of Keyforce AS in November 2021. For more information about additions from acquisitions refer to Note 4. Book value of goodwill is measured at the acquisition date as the excess of total consideration transferred over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed in accordance with IFRS 3.

The Group has performed an annual test of impairment of goodwill and intangible assets with indefinite useful lives at year-end in accordance with IAS 36. The Group's impairment test for goodwill and intangible assets with indefinite useful lives is based on value-in-use calculations. The test is performed at the cash-generating unit ("CGU") level for the total of all tangible and intangible assets in each unit. The CGU's have been identified to be each individual country in which the Group operates and is considered to be the smallest identifiable group of assets that generate cash flow that are largely independent from cash inflows from other assets or group of assets. Acquired intangible assets are allocated to the Group's CGUs based upon the location of the acquired company. More details related to the impairment-test of goodwill will be presented in the annual report of 2021.

The Group has no impairment indicators of goodwill related to recently acquired entities during 2021.

Capitalized development costs

Capitalized development costs consist of internally generated intangible assets and acquired technology from acquisitions. Both categories consist of technology developed by companies within the Group and are therefore presented as "Capitalized development costs". Capitalized development costs from acquisitions are presented as "Additions through business combinations".

Government grants

Government grants ("Skattefunn") related to internally generated intangible assets are presented as deferred income in the statement of financial position for 2021 in accordance with IAS 20. Government grants earned in 2020 was classified as deduction of assets in the statement of financial position for 2020. For the consolidated financial statement for 2021, all government grants are presented as deferred income and amortized in accordance with the related intangible asset.

Write-downs of the period

Write-downs in the period are related to impairment of capitalized development costs and customer relationships in the subsidiary DinERP AS. Please refer to Note 11 for more information. No goodwill was recognized in the purchase price allocation related to the acquisition of DinERP AS, therefore the calculated impairment is fully allocated to intangible assets with definite useful life.

Note 6 - Revenue from Contracts with customers

The Group's revenue from contracts with customers is presented in product categories in the table below.

Acquisitions of subsidiaries and a high focus of research and development has given the Group several new product categories in

2020 and 2021. Despite that, the main part of revenue is still generated from the SaaS Solution Complete Control. Relevant product categories is therefore categorised in "Complete Control licenses" and "Other provided licenses and services".

<i>NOK 1000</i>	Fourth quarter	Fourth quarter	Year to date	Year to date
	2021	2020	2021	2020
Complete Control licenses	34 015	27 945	127 320	105 420
Other provided licenses and services	18 674	9 520	49 842	19 375
Total	52 689	37 466	177 162	124 795

Note 7 - Cost to obtain contracts

Incremental costs of obtaining a contract

<i>NOK 1000</i>	31 December	31 December
	2021	2020
Costs as of 1 January	25 277	22 901
Additions	25 281	17 862
Amortization	-18 403	-15 487
Cost to obtain contracts at the balance sheet date	32 155	25 277

Note 8 - Interest bearing debt

Both the loan and the Capital and Acquisition Facility have a five year maturity and fall due on 18 December 2024, with no installments during the outstanding period.

House of Control Group AS has pledged all material assets, including

but not limited to shares in subsidiaries, bank accounts and intercompany receivables as security for the facilities.

The Group are in compliance with all covenants as of 31 December 2021.

Specification of non-current and current interest bearing debt

NOK 1000	31 December	31 December
	2021	2020
Non-current loans*	95 781	89 532
Non-current lease liabilities	15 913	5 818
Current portion of loans	1 250	1 250
Current lease liabilities	8 198	5 322
Total interest-bearing debt	121 142	101 922
Changes in liabilities arising from financing activities	19 220	14 743

* Non-current loans consist of long-term borrowing from AshGrove Capital of NOK 102 million less capitalized finance costs of NOK 7.2 million, and non-current portion of loan from Innovasjon Norge of NOK 0.9 million. In the balance sheet as pr 31 December 2020 capitalized fees related to the Group's Capital and Acquisition Facility ("CAF") were presented net the value of interest bearing debt. Since the CAF is considered by the Group to be a liquidity reserve, the fees are capitalized as a prepayment for liquidity services and amortized over the outstanding period of the facility. In the balance sheet as pr 31 December 2021 capitalized fees of NOK 6.5 million are therefore reclassified as part of non-current receivables.

Collateral and security as of 31 December

NOK 1000	31 December	31 December
	2021	2020
Book value of debt with collateral security:		
Loan and Capital Acquisition Facility from AshGrove Capital	94 844	87 344
Loan from Innovasjon Norge	2 188	3 438
Total book value of loans	97 031	90 782
Book value of assets included as security in House of Control Group AS:		
Cash and Cash equivalents	92 908	320 573
Intercompany receivables	240 318	28 559
Shares in subsidiaries	142 807	142 807
Total book value of security	476 033	491 939

Note 9 - Share information

Total shares outstanding

	31 December 2021	31 December 2020
Number of shares outstanding at 1 January	56 913 200	32 046 600
New shares issued	186 450	24 866 600
Number of shares outstanding	57 099 650	56 913 200

Shareholders at 31 December 2021

Shareholders	Shares	Ownership %
VIKING VENTURE 7 AS	10 372 500	18,2 %
Morgan Stanley & Co. LLC	8 316 420	14,6 %
Goldman Sachs & Co. LLC	4 268 619	7,5 %
BJØRK INVEST AS	2 920 950	5,1 %
DUNVIK AS	2 539 500	4,4 %
J.P. MORGAN BANK LUXEMBOURG S.A.	2 343 118	4,1 %
The Northern Trust Comp, London Br	2 267 934	4,0 %
VIKING VENTURE 8 AS	2 247 400	3,9 %
J.P. MORGAN BANK LUXEMBOURG S.A.	2 202 341	3,9 %
RBC INVESTOR SERVICES TRUST	2 099 434	3,7 %
DIN ERP HOLDING AS	1 804 766	3,2 %
DZ Privatbank S.A.	1 480 000	2,6 %
VIKING VENTURE 7B AS	1 401 700	2,5 %
Danske Bank A/S	1 050 000	1,8 %
The Northern Trust Comp, London Br	1 001 214	1,8 %
Citibank, N.A.	988 744	1,7 %
BNP Paribas	849 289	1,5 %
Citibank, N.A.	805 050	1,4 %
CLEARSTREAM BANKING S.A.	716 082	1,3 %
NIKFAN AS	549 600	1,0 %
Total	50 224 661	88,0 %
Other (ownership percentage < 1%)	6 874 989	12,0 %
Total shares	57 099 650	100,0 %

Note 10 - Commitments

Office lease contract in Stockholm, Sweden

On 11 October 2021, the Group renewed the lease contract for office rental in Stockholm, Sweden. The lease contract provides extended office premises for the Swedish branch House of Control Filial Sverige. The initial contract period is three years with commencement date at 1 January 2022. New yearly lease payment is NOK 1.7 million, increased from earlier yearly lease payment of NOK 0.6 million.

Office lease contract in Glostrup, Denmark

On 8 June 2021, the Group signed a new lease contract for office rental in Glostrup, Denmark that will replace the existing rented office for the subsidiary House of Control Denmark A/S. The contract period is five years with commencement date planned at 1 April 2022. Yearly lease payment for the first years of the lease period is NOK 1.5 million.

Note 11 - Subsequent events

On 27 January 2022, House of Control Group announced the closing of an agreement with Cillco Technology AS for transfer of assets owned by the subsidiary DinERP AS. Cillco Technology AS is a newly incorporated company founded by DinERP employees who will take over on-premises customer contracts outside of the House of Control Group's core business as well as 26 employees from the subsidiary DinERP AS. Annual recurring revenue (ARR) from the contracts is approximately NOK 14 million, and the Group expects annual cost savings of approximately NOK 30 million. The agreement with Cillco Technology will take effect from 1 March 2022.

Cillco Technology will retain the responsibility to service and further develop the above-mentioned SaaS solutions developed by DinERP that will continue to be marketed and sold by House of Control Group.

The divestment was a strategic step to focus on the Group's core products, and improved utilization of the Group's sales organization to strengthen further growth. The divestment will have significant positive effects on the Group's operations and finances. Following this transaction, the Group expects to reach EBITDA break-even in 2022 and a positive cash flow in 2023.

The transaction has implied impairment losses of NOK 52.8 million for the Group in 2021, reflecting a decrease in the recoverable amount of capitalized development costs and customer contracts in relation to DinERP AS. The impairment is recognized in accordance with IAS 36, based on future expected cash flow from the remaining business in DinERP AS in cooperation with Cillco Technology AS. The remaining value of the intangible assets related to DinERP AS is NOK 7.7 million.

There have been no other material events subsequent to the reporting period that might have a significant effect on the financial statements for 2021.

Alternative Performance Measures (APM)

This section includes information about Alternative Performance Measures (APM) applied by the Group.

These Alternative Performance Measures are shown to improve the ability of stakeholders to evaluate the Group's financial performance. The Group applies the following APMs;

Annual recurring revenue (ARR)

Annual recurring revenue (ARR) is the value of the contracted recurring revenue components of subscriptions at any given point in time, normalized to a one year period, including certain transaction based revenues tied to the subscriptions.

ARR is calculated based on monthly subscriptions fee for the ending period multiplied by 12 in order to represent an annualized figure. The Group presents ARR because it considers it to be an important supplemental measure for stakeholders to understand the overall picture of revenue generation in the Group's operating activities.

<i>Amounts in NOK 1000</i>	31 December 2021	31 December 2020
Annual recurring revenue (ARR)	210 939	145 839

Organic revenue growth

Organic revenue growth is used to measure the Group's ability to grow by additional sales to existing and new customers, as opposed to growth through acquisitions. Organic growth is defined as revenue adjusted for the effects from acquisitions, divestments and foreign currency effects. Organic growth is an important performance measure to House of Control and to stakeholders as it illustrates the underlying operational growth by excluding effects related to acquisition and other non-operational items. Organic revenue exclude revenues from DinERP in both 2020 and 2021 because the Group divested DinERP 'on-premises' contracts in January 2022.

<i>Amounts in NOK 1000</i>	Fourth quarter	Year to date
Revenue 31 December 2021	52 689	177 162
Excluding revenue consolidated from acquired companies	-16 866	-42 562
Sum organic revenue 31 December 2021	35 822	134 599

<i>Amounts in NOK 1000</i>	Fourth quarter	Year to date
Revenue 31 December 2020	37 466	124 795
Excluding revenue consolidated from acquired companies	-7 524	-13 121
Sum organic revenue 31 December 2020	29 942	111 674

Organic revenue growth	20 %	21 %
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EBITDA and Adjusted EBITDA

The Group's earnings before interest, tax, depreciation and amortization (EBITDA) is used to provide consistent information on House of Control's operating performance relative to other companies and frequently used by analysts, investors and other stakeholders. EBITDA includes total operating revenue. It excludes depreciation, amortization and impairment loss. For a reconciliation of EBITDA refer to the consolidated statement of comprehensive income.

Adjusted EBITDA is a measurement which is used in the internal reporting to management which is also considered to be relevant for external stakeholders. Adjusted EBITDA is used to better show the underlying performance, as it adjusts for certain items that are considered extraordinary, such as acquisition of companies and other non-recurring cost. House of Control's definition of adjusted EBITDA may differ from that of other companies.

EBITDA Margin is defined as EBITDA as a percentage of revenues. EBITDA Margin is a non-IFRS financial measure that the Group considers to be an APM, and which should not be viewed as a substitute for any IFRS financial measure. The Group presents this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of revenues. Adjusted EBITDA Margin is a non-IFRS financial measure that the Group considers to be an APM, and which should not be viewed as a substitute for any IFRS financial measure. The Group presents this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

<i>Amounts in NOK 1000</i>	Fourth quarter	Fourth quarter	Year to date	Year to date
	2021	2020	2021	2020
Revenue	52 689	37 466	177 162	124 795
EBITDA	-18 391	-24 677	-28 389	-18 924
EBITDA margin	-35 %	-66 %	-16 %	-15 %
Total special items	8 640	26 573	18 354	27 073
Adjusted EBITDA	-9 751	1 896	-10 035	8 149
Adjusted EBITDA margin	-19 %	5 %	-6 %	7 %