

CHIP BIDCO AS
FRN Senior Secured NOK 1,250,000,000 Bonds 2019/2024
ISIN NO 0010869761

Admission Document

This admission document (the "**Admission Document**") has been prepared by Chip Bidco AS (the "**Issuer**" or the "**Company**") in connection with listing of the bonds (the "**Bonds**") issued under the Company's FRN Senior Secured 1,250,000,000 Bonds with ISIN NO 0010869761 (the "**Bond Issue**"). The Bond Issue is guaranteed, inter alia, by Cegal Group AS (the "**Subsidiary**"), in which the Company holds 100% of the shares and certain other subsidiaries.

This Admission Document does not constitute a prospectus under the Prospectus Regulation (Regulation (EU) 2017/1129) or the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Prospectus Regulations**"), and has neither been prepared to comply with the Prospectus Regulation nor with any other ancillary rules and regulations relating to prospectuses. This Admission Document has been inspected by Nordic ABM as part of the Nordic ABM listing process, but has not been reviewed by or approved by the Norwegian Financial Supervisory Authority (*Finanstilsynet*) or any other public authority.

This Admission Document has been prepared solely for information purposes in connection with listing of the Bonds on the Nordic ABM, a list of registered bonds operated by Oslo Børs ASA and for which Oslo Børs ASA determines the rules (the "**ABM-rules**") in consultation with market participants. The Admission Document does not constitute or form part of any offer or other solicitation to subscribe for or purchase any bonds or other securities, and is not intended to form the basis of any investment decision.

Distribution of this Admission Document may be restricted by local securities legislation and failure to comply with these restrictions may constitute a violation of applicable securities legislation. Persons who become in possession of this Admission Document may be required to inform themselves about, and to observe, all such restrictions. None of the Issuer or their Affiliates (as defined in the bond terms attached hereto) shall be held responsible or liable for any violation of such restrictions by recipients of this Admission Document.

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES. ACCORDINGLY, THE BONDS MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A "US PERSON" EXCEPT IN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS.

The information included in this Admission Document is as of the date hereof. Any publication or distribution of this Admission Document subsequent to such date shall not be taken as a representation that the information included herein is still correct and accurate.

This Admission Document is subject to Norwegian law. Any dispute arising in respect of this Admission Document is subject to the exclusive jurisdiction of Norwegian courts, with Oslo District Court (*Nw.: Oslo Tingrett*) as legal venue.

The date of this Admission Document is 5 June 2020.

1. RESPONSIBILITY STATEMENT

Chip Bidco AS confirms, having taken all reasonable care to ensure that such is the case, that the information contained in the Admission Document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 27 May 2020

Chip Bidco AS

2. REQUIREMENTS FOR THE LISTING DOCUMENT

This document has been prepared in accordance with the ABM-rules section 2.7 to address the additional requirements for the listing document set out in the ABM-rules section 2.7.2.3:

1. Business name, registered office, and head office if different from the registered office

The Issuer has its registered office at Hieronymus Heyerdahls gate 1, 0160 Oslo.

The head office of the Subsidiary and its other subsidiaries (together with the Issuer, "Cegal" the "Group" or "Cegal Group") is Vestre Svanholmen 4, 4313 Sandnes.

2. Date of incorporation.

The Issuer was incorporated on 18 October 2019, and has thus existed for less than one year. However, the Subsidiary was incorporated on 27 October 2010.

3. The legislation to which the borrower is subject

The Issuer and the Subsidiary is incorporated under the laws of Norway.

4. Indication of the borrower's objects and purposes as set out in its articles of association

The Issuer invests in and own shares, financial instruments and units in other companies, and other activities associated with this.

The Subsidiary invest in and develop business concepts within traditional commerce, e-commerce, internet and related areas, especially within the ASP area, as well as participation in similar activities in other companies.

5. Company registration number

The Issuer's company registration number is 923 807 748.

The Subsidiary's company registration number is 996 127 044.

6. The borrower's equity capital and the distribution of this capital between distributable reserves and undistributable reserves. Details must be given of imminent changes in the issued capital that have been formally approved

Please refer to section "Group Annual Accounts 2019", p. 14 and 31 of the issuer's consolidated audited financial statements for the financial year of 2019 in Appendix 1 for an overview of the Issuer's equity capital and the distribution of such.

7. Information on the borrower's borrowings and outstanding loans. Any loss trend must be summarised and commented on

Apart from the Bond loan, the Group's borrowings and outstanding loans are set out in the table below:

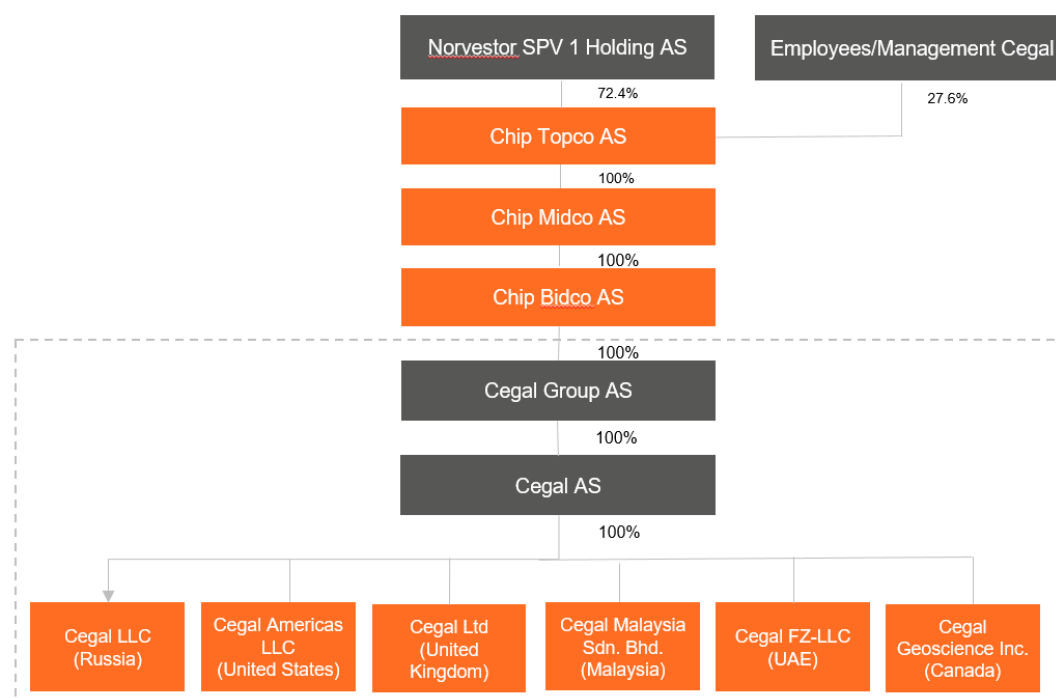
Facility description:	FX:	Original amount:	Maturity date:	Coupon:	Ranking:	Remarks:
Lease liabilities including IFRS16	NOK million	206.2	N/A	N/A	N/A	Comprise HW and IFRS16 leases

RCF (committed)	NOK million	50	Dec. 2024	NIBOR 3M +2.25% p.a.	Senior Secured	
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8. If the borrower belongs to a group, or to a group of undertakings that are interrelated through common ownership or common management, a brief description of the structure and ownership of the group and the borrower's role within the group

During Q4 2019 Norvestor V signed an agreement to divest Cegal Group AS. The buyer of the company is the newly formed fund vehicle Norvestor SPV I Holding AS with funds managed by the private equity team of DWS and Argentum acting as cornerstone investors. Following a structured sales process which produced several offers, a consortium of investors proposed a structure whereby Norvestor SPV I owns 74.2% of the new holding company and the company's management and employees holding the remaining part (the "**Transaction**").

The Issuer's role is to function as an SPV in the Transaction. All business operations are carried out through Cegal AS and its subsidiaries, as illustrated below:



The number, book value and nominal value of own shares owned by the borrower or by a company in which the borrower directly or indirectly owns more than 50% of the shares

As of the date of this Admission Document, the Issuer does not hold any treasury shares. The Subsidiary, however, holds 32 286 treasury shares with a book value of NOK 2,905.72 and nominal value of NOK 2,905.72.

9. Description of the borrower's principal activities, stating the main categories of products sold and/or services performed, as well as a description of the borrower's

corporate structure or organisational structure. If relevant, an indication of any significant new products and/or activities

The Issuer has no principal activities, except for issuing the Bonds and functioning as a special purpose vehicle in the completed Transaction, as further described in section 8 of this Admission Document.

The Group invest in and develop business concepts within traditional commerce, e-commerce, internet and related areas, especially within the ASP area, as well as participation in similar activities in other companies.

Cegal is a trusted provider of hybrid cloud solutions, software, and consultancy within IT, business, geoscience, and data management for the energy industry. Its employees are working from offices in Stavanger (HQ), Oslo, London, Aberdeen, Dubai, Houston, Calgary and Kuala Lumpur. The combination of IT and geoscience domain expertise makes us a unique IT and geoscience solutions provider to the energy industry. The Group have a business model based on the delivery of scalable and recurring As a Service solution. This enables the Group's energy customers to scale costs easily. With significant investments in its product and services portfolio over the last years, the Group now have a unique offering and are well positioned for the future.

The main categories of the Group's products offerings are within cloud, software and consulting:

- **Cloud:** Cegal's cloud-based solutions provides high performance IT systems and customized software solutions to more than 13 500 end users. Cegal support more than 1 300 applications, and its support center offers a single point of contact for all IT related questions. Cegal have customized its offering for the energy sector, in particular with respects to advanced geoscience applications and critical on/offshore operations. Cegal supports all main exploration and production applications based on best practices.
- **Software:** Cegal develops and sells software to extend, improve and speed up workflows within geology, geophysics, reservoir engineering and data management. In addition, Cegal offer the development of high-quality customized software solutions. Sold through own cloud portal or through 3rd parties.
- **Consulting:** Broad set of consulting services backed by skilled IT and software specialists in combination with geologists to ensure end-user industry knowledge. Cegal offers highly experienced on-site consultants and expert geomodelers. The Group provide consulting services including seismic interpretation, electromagnetic integration, structural modeling, geomodeling, well planning, volume calculations, flow simulation, data room, drilling decisions, Tracker services and data management. The Cegal IT consultancy group provide onsite IT infrastructure services and support for both short and long-term assignments, in addition to ad-hoc based technical work. Several of our consultants hold an offshore certificate and have experience from both domestic and international customer assignments

Organisational structure:

For an overview of the Group's organisational structure, please refer to Appendix 2.

10. Information on turnover and operating results during the past two financial years

Please refer to section "*Group Annual Accounts*", p. 10 (2019 reported) and 35 (2019 Pro Forma) of the issuer's consolidated audited financial statements for the financial year of 2019 and section "*Group Annual Accounts*", p. 9 of the issuer's consolidated audited financial statements for the financial year of 2018 in Appendix 1 for an overview of the Group's turnover and operating results for the past two financial years.

- 11. Location and size of establishments accounting for more than 10% of the borrower's turnover or production. A summary account of real estate of significance owned by the borrower**

The Issuer has no establishments accounting for more than 10% of its turnover or production.

- 12. For mining, power production, petroleum extraction and similar activities a description of deposits, an estimate of economically exploitable reserves and expected period of lifetime must be provided where this information is of material importance**

Not applicable.

- 13. Where the information given pursuant to 11 to 13 has been influenced by extraordinary circumstances, that fact shall be mentioned**

Not applicable.

- 14. Information on patents and licences, production, financing and sales agreements and on new production methods owned by the borrower and on which the borrower is dependent, where such factors are of significant importance to the borrower's business**

Sales agreements:

- **Wintershall Dea:** A customer of Cegal since 2008 with substantial growth since start up. In 2019, Cegal was awarded a new global contract with Wintershall Dea covering multiple sites in Europe, South America and North Africa providing recurring Cloud revenue and associated Cloud Services revenue and Business Consulting revenue. In addition, Wintershall Dea is also using Cegal's Software Product portfolio.
- **OMV:** Global contract awarded in 2017 with multiple sites in Europe and North Africa providing recurring Cloud revenue, Cloud Services revenue and Software Product revenue.
- **Neptune:** Contract awarded in 2012 servicing Norway with later expansion rolled out to UK, the Netherlands and France providing recurring Cloud revenue, Cloud Services revenue, HW/SW revenue, Business Consulting revenue and Software Product revenue.
- **OKEA:** Contract awarded in 2018 following OKEA's carve-out of Shell Draugen providing recurring Cloud revenue, Cloud Services revenue and Business Consulting revenue.

The Group does not have any other, patents and licenses, production, financing and sales agreements, or any new production methods, which it depends on and are of significant importance to its business.

- 15. Information on any legal disputes, arbitration proceedings, legal decisions, arbitration rulings or settlements not shown in the accounts appended to the**

admission document which have or may have a significant effect on the borrower's financial position

Not applicable.

- 16. Description, with figures, of the main investments made, including investment in shares, units, bonds etc., over the past three financial years and so far in the current financial year**

Investments 2020 as per the date of this Admission Document:

Not applicable.

Investments in 2019:

Not applicable.

Investments in 2018:

The Subsidiary signed in December 2018 an agreement to acquire all the shares in Avito Consulting AS, a subsidiary of Avito AS. Avito Consulting delivers strategic consultancy services that adds execution strength to projects, with a primary focus on IT projects in the energy industry. The agreed Purchase Price was NOK 62.6 million for the shares in Avito Consulting AS.

Investments in 2017:

Not applicable.

- 17. Information concerning the principal investments being made with the exception of interests being acquired in other undertakings. Distribution of these investments geographically and by method of financing**

No principal investments are currently being made by the Issuer.

- 18. Information concerning any major future investments planned by the borrower that have been approved by its corporate bodies**

There are no firm major investment decisions made by the Issuer's corporate bodies as at the date of this Admission Document.

- 19. Audited financial information in accordance with the accounting legislation to which the borrower is subject for the two preceding financial years or for such shorter accounting period as the borrower has been in existence. Oslo Børs ASA may require a statement based on the three preceding financial years if called for in special circumstances. Interim reports in accordance with section 3.4.4 shall be included if such reports have been published since the most recent annual report. It must be stated whether or not the interim report has been audited**

Please see Appendix 1 for an overview of the Issuer's consolidated audited financial information for 2019 and interim financial information for Q1 2020 and the Subsidiary's audited financial information for the financial year 2018. The interim financial information for Q1 2020 has not been audited.

- 20. General information on the development of the borrower's activities since the end of the financial year covered by the last published annual accounts. Information on the most significant recent trends in production, sales and stocks and the state of the order book, and recent trends in costs and selling prices and other factors of material**

significance for operations. Oslo Børs ASA reserves the right to require that pro forma figures are included

Subsequent events since the end of the financial year:

The recent global outbreak of the COVID-19 virus has affected the global economy. Cegal has so far been limited affected by the COVID-19 pandemic. Most of our employees are working remotely, and all services to customers have been performed according to agreements. So far, revenues have not been affected as Cegal is enabling its clients to operate digitally, providing remote access to critical data and applications. Cegal has no employees on temporary leave as of 14 May 2020.

While the oil price has decreased in Q1 2020, energy companies are generally maintaining activities related to production of existing fields. Low oil-prices over an extended period of time might have negative impact on Cegal's performance due to reduced activity levels, however the efforts taken by energy companies to reduce cost and improve efficiency increase the relevance of Cegal's product and service offering. As the technology leader in the cloud solutions in the energy sector, we offer solutions that is responding to lower oil prices at the same time enabling our clients to become digital organizations and providing remote access to critical data and critical applications.

There are no other significant recent trends in the Group's activities or other trends of material significance for the Group's operations since the end of the financial year covered by the latest published annual accounts of the Group.

21. **Names, addresses and functions in the issuing undertaking of the following persons, and an indication of the principal activities performed by them outside the borrower where these are significant in relation to the borrower:**

a) Members of the administrative, management or supervisory bodies

The Cegal Group's executive management	Function
Svein Torgersen	Chief Executive Officer
Trym Gudmundsen	Chief Financial Officer
Asbjørn Tonstad	Chief Technology Officer
Nina Amdal Fiskaaen	Chief Strategy Officer
Harald Sundalskleiv	Chief Commercial Officer
Poul Erik Jensen	Chief Services Officer
Eirik Madland	Chief Delivery Manager
Trygve Christiansen	Chief Business Consulting Officer
Pat Cauley	Regional Manager North & South America
Mitch Sunderland	Regional Manager United Kingdom and Africa
The Issuer's board of directors	Function
Fredrik Gyllenhammar Raaum	Chairman of the board of directors

b) General partners if the borrower is a limited partnership Company

Not applicable.

- 22. Identity of the parties who assisted the borrower in the preparation of the admission document. Where the admission document has been prepared by a party other than the borrower, this party's name must be provided. Where a party has prepared only parts of the admission document, the parts to which this applies must be specified**

Advokatfirmaet Schjødt AS has assisted the Issuer in the preparation of this Admission Document.

- 23. The name and address of the auditor who has audited the borrower's annual report and accounts for the last three financial years. If the auditor has deemed that the accounts should not be adopted as they stand or has made comments, qualifications or reservations in the audit report, this must be stated together with the reasons given. If the borrower has replaced the auditor during the past three years, or the auditor has stepped down and has given grounds for so doing, this must be mentioned. If the auditor has audited information in the admission document, the admission document shall state which information was audited**

The Issuer's auditor is Ernst & Young AS, Dronning Eufemias gate 6, 0191 Oslo. The auditor has audited the Group's financial statements for the year ended 31 December 2019.

- 24. Information on where the documents mentioned in the admission document in respect of the borrower are available for inspection**

This Admission Document, together with any appendices mentioned herein, may be inspected at the Subsidiary's registered offices at Vestre Svanholmen 4, 4313 Sandnes.

Appendices:

Appendix 1: The Issuer's consolidated audited financial statements for the financial year of 2019 and interim results for Q1 2020, and the Subsidiary's audited consolidated financial statements for the financial year of 2018.

Appendix 2 Organisational structure chart

APPENDIX 1

THE ISSUER'S CONSOLIDATED INTERIM RESULTS FOR Q1 2020

THE ISSUER'S CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR OF 2019

THE SUBSIDIARY'S CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR OF 2018

CHIP BIDCO AS

A Cegal Group company

INTERIM REPORT Q1 2020

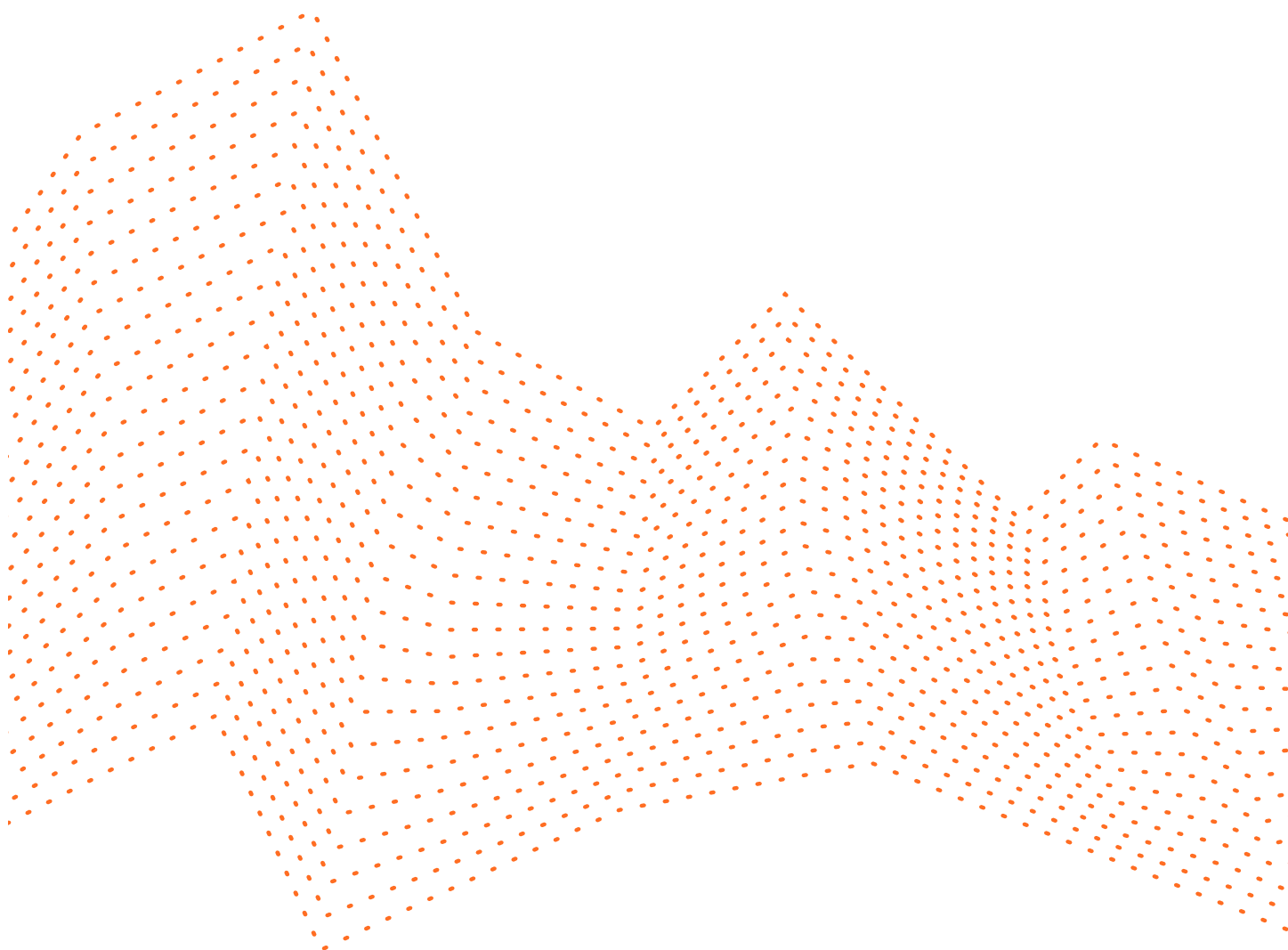


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Q1 2020 HIGHLIGHTS

KEY FINANCIAL METRICS

Figures in NOKm

	Q1 2020	LTM Q1 2020
Operating revenue	208.6	823.0
EBITDA (reported)	50.7	131.4
EBITDA (adjusted post IFRS16)	50.7	189.1
EBITDA (adjusted pre IFRS16)	43.7	161.8
Order backlog	2 735	2 735

KEY CREDIT METRICS

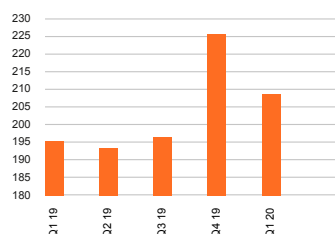
Figures in NOKm

	Q1 2020	LTM Q1 2020
NIBD (post IFRS16)	1 033.0	1 033.0
NIBD (pre IFRS16)	828.6	828.6
Leverage ratio NIBD/EBITDA (adjusted post IFRS16)*		5.5
Leverage ratio NIBD/EBITDA (adjusted pre IFRS16)**		5.1

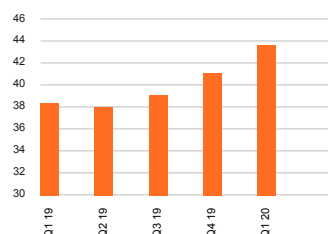
*Post IFRS16 leverage calculation includes NOK 204.4 million in leasing liabilities, whereof NOK 147.6 million is long-term debt and NOK 56.8 million is short-term debt.

**Pre IFRS16 leverage ratio calculation excludes NOK 78.2 million in leasing liabilities.

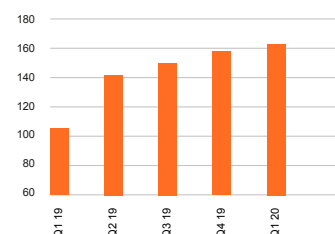
Operating revenue
NOKm



EBITDA (adjusted pre IFRS16)
NOKm



LTM EBITDA (adjusted pre IFRS16)
NOKm



- Revenues in Q1 2020 were NOK 208.6 million compared to NOK 195.0 million in Q1 2019, representing a 7 % increase. The increase in revenues is mainly related to Cloud, Cloud Services and Business Consulting following several contract wins and a general increase in demand for our services. Revenue growth in Q1 2020 was partly offset by a reduction in third-party pass-through revenue (with no margin) related to a legacy contract amounting to NOK 12.6 million in Q1 2019. Excluding the aforementioned pass-through revenue, Cegal grew revenues by 14 % in Q1 2020
- Reported Q1 2020 EBITDA was NOK 50.7 million compared to NOK 44.5 million in the same period last year, an increase of 13.9 % which is related to increase in revenues as well as harvesting from our automation program and general economies of scale compared to previous quarters
- Strong order backlog of NOK 2.7 billion following several international contract wins last year with the Wintershall Dea/Atos contract as the most important one
- Strong balance sheet with significant liquidity growth improving our in cash position from Q1 2019
- The positive trend has continued into April with increased LTM figures both on revenue and EBITDA compared to Q1. As of April, LTM revenue is NOK 827.9 million and LTM adjusted EBITDA pre IFRS 16 is NOK 162.0 million. The cash position has also improved since Q1, from NOK 71.4 million to NOK 105.8 million as at 30 April

ABOUT THE GROUP

Cegal is a trusted provider of hybrid cloud solutions, software, and consultancy within IT, business, geoscience, and data management for the energy industry.

Our employees are working from offices in Stavanger (HQ), Oslo, London, Aberdeen, Dubai, Houston, Calgary and Kuala Lumpur.

The combination of IT and geoscience domain expertise makes us a unique IT and geoscience solutions provider to the energy industry.

We have a business model based on the delivery of scalable and recurring as a Service solution. This enables our energy customers to scale costs easily. With significant investments in our product and services portfolio over the last years, we now have a unique offering and are well positioned for the future.

In November 2019 Chip Bidco AS entered into an agreement to acquire all of the shares and voting rights in Cegal Group AS and the acquisition was formally closed on 20 December 2019. The corresponding balance sheet figures for 2019 represents Cegal Group AS before the acquisition.

SUMMARY

Q1 2020

(Figures in brackets refer to the corresponding period of 2019)

Revenues for the first quarter amounted to NOK 208.6 million (195.0) with Cloud and Cloud Services growing by 17.4 % being the main contributors for the increase. EBITDA amounted to NOK 50.7 million (44.5) for the first quarter of 2020, corresponding to an increase of 13.9 % compared to same period last year. EBITDA margin increased to 24.3 % (22.8 %) as a result of revenue growth combined with effects from automation, economies of scale and solid cost control. In addition, the change of revenue mix with less third-party revenue and more Cloud and Cloud Services revenue are contributing factors for the increased EBITDA margin.

The Group is increasing its recurring revenue base and has a solid order backlog of NOK 2.7 billion following several international contract wins last year with the Wintershall Dea/Atos contract as the most prominent one. In Q1 2020, Cegal invested NOK 6.1 million (14.7) in equipment on behalf of customers and internal investments on our Cloud platform. In addition, Cegal invested NOK 6.6 million (5.3) in development of new software products and Cloud solutions.

By the end of the quarter, the number of employees were 382 (337).

BALANCE SHEET AND LIQUIDITY

Total reported assets (unaudited) as at 31 March 2020 were NOK 2 194.2 million compared to NOK 830.7 million as at 31 March 2019. This increase is primarily related to added goodwill and other intangible assets following the acquisition of Cegal Group AS in December 2019. Consolidated equity as at 31 March 2020 was NOK 755.6 million compared to NOK 73.7 million as at 31 March 2019. Again, the acquisition of Cegal Group AS in December 2019 is the reason for the increase in equity.

Cash flow from operating activities was NOK 11.8 million (54.1). The negative change in working capital of NOK 26.8 million is due to increased trade receivables and is the main reason why net cash flow from operations is lower than same period last year.

As at 31 March 2020, the Group had bank deposits of NOK 71.4 million. In addition, the Group had an unused credit facility of NOK 50 million, and as a result an available cash balance of NOK 121.4 million.

At the start of the COVID-19 pandemic, the Group experienced issues collecting receivables from clients which affected its working capital. To mitigate this trend, a dedicated team was established to closely monitor and improve the accounts receivable situation. As of the date of this report, the Group has collected the majority of the overdue invoices and improved the cash balance considerably.

BUSINESS SEGMENTS

CLOUD

Cegal's cloud-based solutions provides high performance IT systems and customized software solutions to more than 15 000 end users. We support more than 1 300 applications, and our support center offers a single point of contact for all IT related questions. We have customized our offering for the energy sector, in particular with respects to advanced geoscience applications and critical on/offshore operations. Cegal supports all main exploration and production applications based on best practices. In Q1 2020, Cloud represented 50.5 % of the Group's total revenues of which almost all is long-term recurring revenue.

SOFTWARE

Cegal develops and sells software to extend, improve and speed up workflows within geology, geophysics, reservoir engineering and data management. In addition, we offer the development of high-quality customized software solutions. In Q1 2020, software represented 12.9 % of our revenues.

CONSULTING

Cegal offers highly experienced on-site consultants and expert geomodelers. We provide consulting services including seismic interpretation, electromagnetic integration, structural modeling, geomodeling, well planning, volume calculations, flow simulation, data room, drilling decisions, Tracker services and data management. The Cegal IT consultancy group provide onsite IT infrastructure services and support for both short- and long-term assignments, in addition to ad-hoc based technical work. Several of our consultants hold an offshore certificate and have experience from both domestic and international customer assignments.

In Q1 2020, consulting represented 24.0 % of our revenues.

BUSINESS CONSULTING

Cegal Business Consulting consists of multi skilled consultants, organized in teams and in individual engagements providing value-adding services to our clients. Our service areas are Operator Readiness, Business Improvement Services and Business Professionals for hire. We have core competencies within program/project management, change management, process management and enterprise architecture. We typically provide specialized advisory roles within areas such as information security management, information management, test management, information management, application management, business intelligence and data science.

In Q1 2020, Business Consulting represented 6.6 % of our revenues.

3RD PARTY RESALE/OTHER SALES

In Q1 2020, 3rd party resale and other sales represented 6.0 % of our revenues.

FUTURE OUTLOOK

Cegal has so far been limited affected by the COVID-19 pandemic. Most of our employees are working remotely, and all services to customers have been performed according to agreements. So far, revenues have not been affected as Cegal is enabling its clients to operate digitally, providing remote access to critical data and applications. Cegal has no employees on temporary leave as of 14 May 2020.

While the oil price has decreased in Q1 2020, energy companies are generally maintaining activities related to production of existing fields. Low oil-prices over an extended period of time might have negative impact on Cegal's performance due to reduced activity levels, however the efforts taken by energy companies to reduce cost and improve efficiency increase the relevance of Cegal's product and service offering. As the technology leader in the cloud solutions in the energy sector, we offer solutions that is responding to lower oil prices at the same time enabling our clients to become digital organizations and providing remote access to critical data and critical applications.

Recent reports from Cegal's HR department are indicating good productivity from employees at home office, encouraging scores on the company's monthly HCI (Human Capital Index) survey and also reduced sick leave compared to previous months. The Group has experienced some minor supply chain disruption issues related to hardware deliveries. However, mitigating actions have been taking with the aim of reducing such disruptions to a minimum, making sure that future deliveries will go as planned.

APRIL 2020 TRADING UPDATE

April revenues amounted to NOK 68.7 million compared to NOK 63.8 million in April 2019, an increase which is primarily associated with growing the Group's recurring cloud revenue base.

EBITDA for April was NOK 15.2 million compared to NOK 15.0 million last year.

Cash and cash equivalents grew from NOK 71.4 million as at 31 March to NOK 105.8 million as at 30 April. It should be noted, however, that NOK 12 million is related to the deferred public duties payments program initiated by Norwegian authorities. Currently, as it stands, this will be paid to the tax authorities in June.

ANNOUNCEMENT OF APPOINTMENT OF NEW BOARD MEMBERS IN CEGAL GROUP AS

We are pleased to announce that Cegal Group AS (a subsidiary of Chip Bidco AS) has elected three new Board members to strengthen the competence of the Board:

Lasse Andresen: Lasse Andresen has twenty-plus years of experience in the tech industry including leading roles at Texas Instruments and Sun Microsystems, where he was CTO of Central and Northern Europe. Lasse co-founded ForgeRock, the identity and access management company he led as CEO through the startup phase and is now Chief Technology Officer of ForgeRock. As an active advisor to startups, Lasse serves as a mentor and coach for Nordic Innovation House portfolio companies and as an advisor at StartupLab, the leading Norwegian technology incubator. Lasse maintains a vast international network of contacts throughout the identity, cyber security, developer, IoT, and funding communities.

Davor Peter Sutija: Davor Sutija was until recently SVP Sales & Marketing at Cognite, and previously CEO of Thin Film Electronics. He has served as SVP, Strategic Business Development, at FAST, founding CEO at SiNOR (a PV ingot manufacturer), and GM at Elkem Ceramtec Analytical. He is on the Orbotech Advisory Board, and was non-executive director at Comperio, Oweria, SensoNor, and Birdstep. Dr. Sutija is a renowned speaker on Industrial AI and the Internet of Things, including as invited keynote at Mobile World Congress. Dr. Sutija is a graduate of the Management and Technology program at Wharton, and holds a Ph.D. Chemical Engineering from UC Berkeley, where he was Hertz Fellow at LBNL.

Dagfinn Ringås: Dagfinn Ringås is the Group CEO of SYSCO, a Nordic technology company specialized in the Energy sector. Mr. Ringås has more than 20 years of experience from the IT-industry, with various leadership roles at Microsoft and as Country President of Schneider Electric Norway. He has an MBA from Sydney Business School, an Executive Leadership Program from Insead and a bachelors' degree in American studies and political science from the University of Oslo.

The Cegal Group AS Board:

Chairman of the Board

Kjell-Erik Østdahl

Board members:

Alexander Tharaldsen (employee elected representative)

Kristen Love Arvesen (employee elected representative)

Fredrik Gyllenhammar Raaum

Stian Vemmestad

Lasse Andresen

Davor Peter Sutija

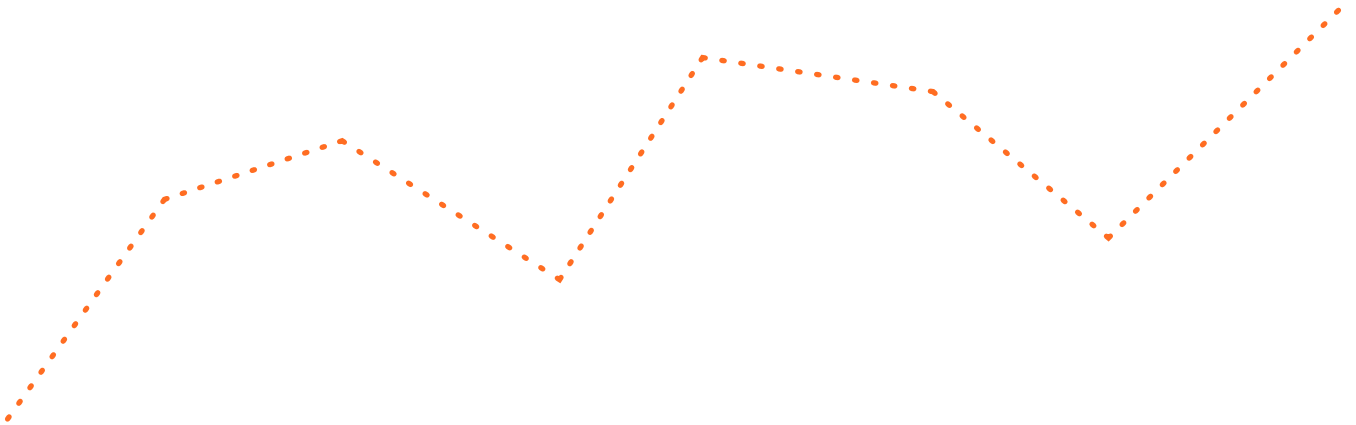
Dagfinn Ringås

The Board of Directors, Chip Bidco AS

Sandnes, 15 May 2020

INTERIM CONSOLIDATED FINANCIAL INFORMATION

- Profit & loss
- Balance sheet
- Cash flow statement
- April trading update
- General Accounting principles



INTERIM CONSOLIDATED
FINANCIAL INFORMATION
Amount in NOK million

PROFIT & LOSS (PRO FORMA)	Unaudited	Unaudited	Unaudited	Unaudited
	Q1		LTM Q1	
	2020	2019	2020	2019
Operating revenue	208.6	195.0	823.0	698.8
Cost of goods sold	56.2	63.1	249.9	249.4
Salaries	85.4	75.5	352.8	268.1
Other operating costs	16.4	12.0	88.8	58.0
EBITDA	50.7	44.5	131.4	123.3
Depreciations	22.0	19.8	84.2	72.5
Amortisations	26.1	26.5	108.9	108.8
EBIT	2.6	(1.9)	(61.6)	(58.0)
Net financial items	(12.0)	(22.6)	(75.8)	(73.4)
EBT (profit before tax)	(9.4)	(24.5)	(137.4)	(131.4)
Estimated tax	2.1	5.4	30.2	28.9
Net profit	(7.4)	(19.1)	(107.1)	(102.5)
EBITDA margin %	24.3 %	22.8 %	16.0 %	17.6 %
EBITDA adjustments and IFRS16				
Non-recurring items	-	-	57.6	8.4
Adjusted EBITDA post IFRS16	50.7	44.5	189.1	131.7
IFRS16 lease adjustments	(6.9)	(5.9)	(27.3)	(24.0)
Adjusted EBITDA pre IFRS16	43.7	38.5	161.8	107.7
EBITDA margin % post IFRS16 (adjusted)	24.3 %	22.8 %	23.0 %	18.9 %
EBITDA margin % pre IFRS16 (adjusted)	21.0 %	19.7 %	19.7 %	15.4 %

INTERIM CONSOLIDATED
FINANCIAL INFORMATION
Amount in NOK million

BALANCE SHEET (REPORTED)	Unaudited 31.03.2020	Unaudited 31.03.2019
Assets		
Goodwill	996.5	302.3
Intangible assets	699.3	59.9
Tangible fixed assets	225.4	216.8
Other assets	0.4	(3.5)
Total non-current assets	1 921.6	575.4
Trade receivables	139.4	124.4
Other receivables	61.8	79.7
Bank deposits, cash and similar	71.4	51.3
Total current assets	272.6	255.3
Total assets	2 194.2	830.7
Equity and liabilities		
Share capital	0.1	1.3
Share premium reserve	757.1	39.7
Retained earnings	(1.6)	32.7
Total equity	755.6	73.7
Deferred tax	133.9	
Interest-bearing long-term liabilities	1 016.7	361.7
Other long-term liabilities	12.9	82.6
Total non-current liabilities	1 163.5	444.3
Interest-bearing current liabilities	41.0	80.0
Accounts payable	44.6	51.5
Income taxes payable	1.4	4.6
VAT & social security payable	34.1	19.5
Other current liabilities	154.1	157.1
Total current liabilities	275.2	312.7
Total liabilities	1 438.6	757.0
Total equity and liabilities	2 194.2	830.7

INTERIM CONSOLIDATED
FINANCIAL INFORMATION
Amount in NOK million

CASH FLOW STATEMENT (REPORTED)	Unaudited	Unaudited
	Q1	
	2020	2019
Profit before tax	(9.4)	(24.5)
Depreciations and write-downs	48.1	46.3
Change in net working capital	(26.8)	32.2
Net cash flow from operations	11.8	54.1
Acquisition of tangible assets	(6.1)	(14.7)
Acquisition of intangible assets	(6.6)	(5.3)
Other investments	0.0	0.0
Net cash flow from investment activities	(12.6)	(20.0)
Repayment of debt to financial institutions	(3.0)	(18.2)
Other financing activities	0.0	
Net cash flow from financing activities	(3.0)	(18.2)
Net change in cash and cash equivalents	(3.8)	15.9
Cash and cash equivalents at start of period	75.2	35.4
Cash and cash equivalents at end of period	71.4	51.3

INTERIM CONSOLIDATED
FINANCIAL INFORMATION
Amount in NOK million

PROFIT & LOSS (PRO FORMA)	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	April		YTD April		LTM April	
	2020	2019	2020	2019	2020	2019
Operating revenue	68.7	63.8	277.3	258.8	827.9	716.7
Cost of goods sold	18.2	20.5	74.5	83.6	247.7	255.2
Salaries	30.4	25.5	115.8	101.0	357.7	274.2
Other operating costs	4.8	2.9	21.1	14.8	90.6	56.0
EBITDA	15.2	15.0	65.9	59.4	131.9	131.3
EBITDA margin %	22.2 %	23.4 %	23.8 %	23.0 %	15.9 %	18.3 %
EBITDA adjustments and IFRS16						
Non-recurring items	-	-	-	-	57.6	8.4
Adjusted EBITDA post IFRS16	15.2	15.0	65.9	59.4	189.5	139.7
IFRS16 lease adjustments	(2.4)	(2.2)	(9.3)	(8.8)	(27.5)	(24.0)
Adjusted EBITDA pre IFRS16	12.8	12.8	56.6	50.6	162.0	115.7
EBITDA margin % post IFRS16 (adjusted)	22.2 %	23.4 %	23.8 %	23.0 %	22.9 %	19.5 %
EBITDA margin % pre IFRS16 (adjusted)	18.7 %	20.0 %	20.4 %	19.6 %	19.6 %	16.1 %

GENERAL ACCOUNTING PRINCIPLES

The Group consists of the parent company Chip Bidco AS and its subsidiaries in the Cegal Group AS. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for 2019.

The financial statements have been prepared in accordance with the Norwegian Accounting Act § 3-9 and specific regulations, related to what is often referred to as "the simplified application of international financial reporting standards (IFRSs)", issued by the Ministry of Finance January 21, 2008. The accounting principles used for this interim report are consistent with accounting principles in the Group's financial statements for 2019.

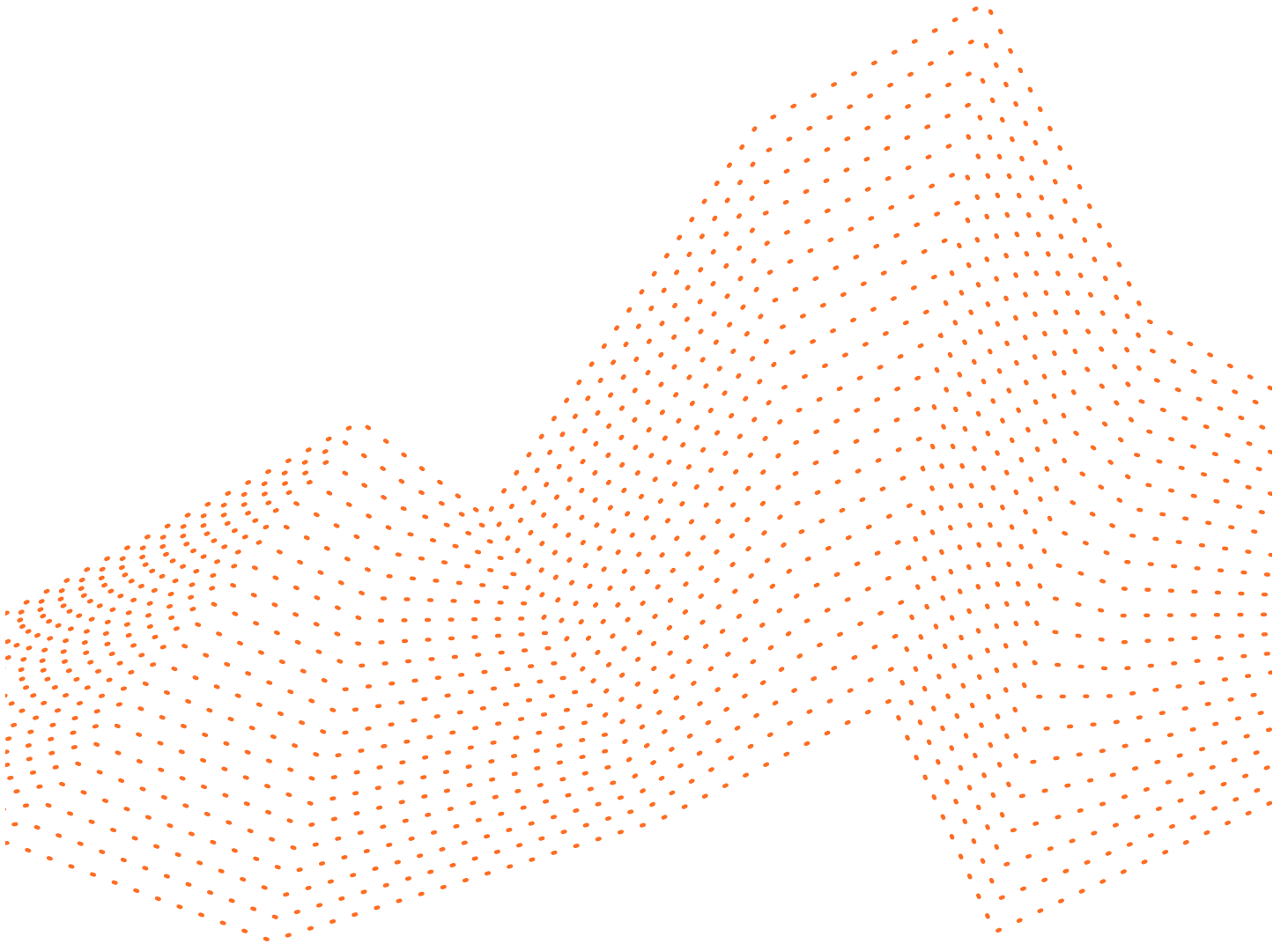
In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are in all material respect the same as those that applied in the annual financial statements for 2019.

The comparative figures in the profit and loss statement has been presented in notes to the financial statement indicating how the statement would have been if the acquisition of Cegal Group AS occurred on 1 January 2019. The figures have been prepared by applying the Group's accounting policies and adjusting the results to reflect additional depreciation and amortisation that would have been charged assuming the fair value adjustments to intangible assets had been applied from 1 January 2019. Further, interest expenses have been adjusted, reflecting the interest expense for the year on the Group's financing structure post transaction. The comparative figures in the balance sheet and the cash flow statements represents the figures for Cegal Group for the corresponding period and does not take into account the impact of the acquisition.

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CHIP BIDCO AS

Annual Report 2019

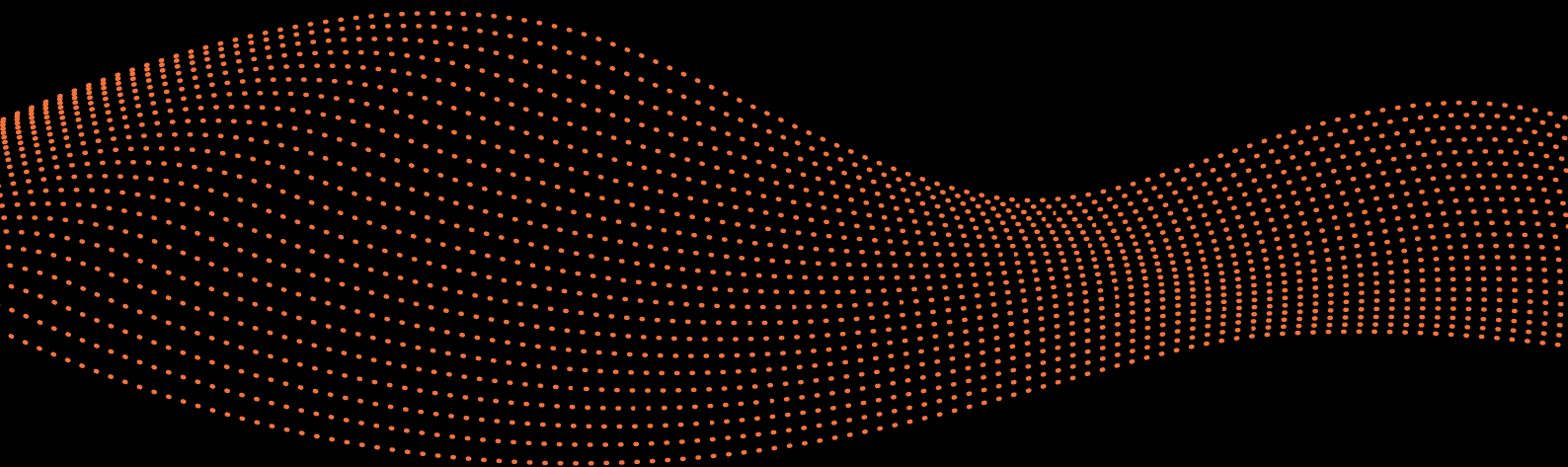
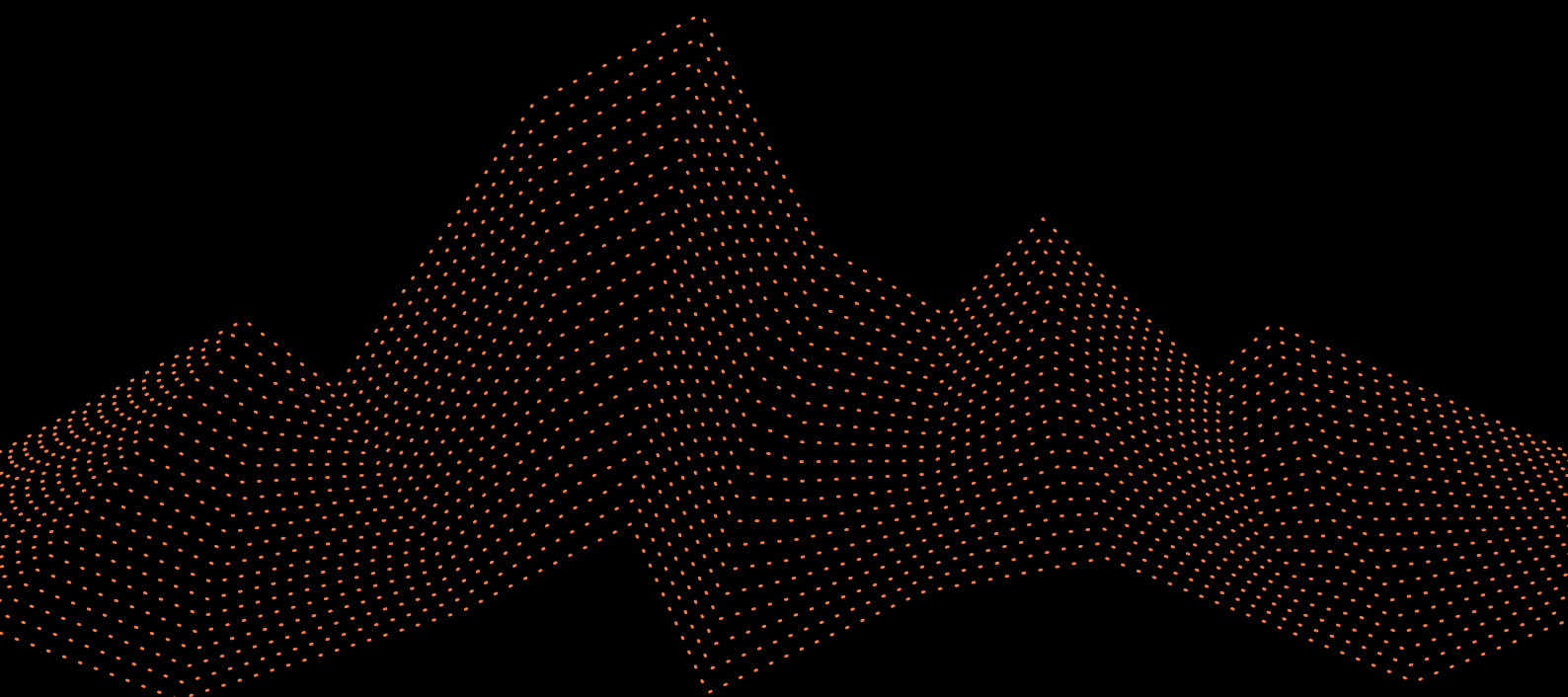


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DEAR EMPLOYEES, CUSTOMERS AND SHAREHOLDERS

2019 has been a strong year for Cegal and we are proud to be the new owners of the Cegal Group! Cegal increased revenues by 26.4% in 2019 and have secured new important contracts that gives strong momentum for our Cloud, Cloud Services and Consulting initiatives. During Q4 2019, Chip Bidco signed an agreement to acquire all the shares in Cegal Group AS. Chip Bidco is a company controlled by the newly formed fund vehicle Norvestor SPV I Holding AS with funds managed by the private equity team of DWS, a large German asset manager, and Argentum acting as cornerstone investors. We are proud to have the opportunity to build a strong relationship with our new owners and the underlaying private equity team of DWS and Argentum.

Customers in the energy industry are focusing on the future of energy and efficient business operations, which generates increasing demand for digitalization and new technology. As a response to these needs, we are strengthening our role as industry specialist with continuous improvements to deliver a relevant long-term value proposition for our customers.

We have spent the year well, positioning ourselves as a full-service, independent technology company focusing on the global energy sector with deep expertise and knowledge of the exploration and production industry. Our business model is based on delivery of scalable and recurring “as a service” solutions. This enables our customer to scale fast on a global level with predictable costs.

In beginning of this year, Cegal were able to extend the service offering by including business consulting services into our portfolio, following the acquisition

of Avito Consulting AS at the end of 2018. Since then, Cegal has been able to create a diverse and competent Business Consulting team of more than 30 skilled colleagues who bring added value to Cegal’s unique combination of IT and business expertise.

Cegal is investing in technology development and continued international expansion and global partnerships. A big milestone of our international growth strategy was the opening of our Kuala Lumpur office in December. The new presence strengthens Cegal’s product and support offering in Malaysia and Southeast Asian nations and is crucial for developing client relationships in the region.

As a result of these activities, substantial international contracts have been signed, which demonstrates the demand for public and hybrid cloud in the energy industry.

It has been a busy year for Cegal’s global sales and delivery teams and there has been significant growth for our existing customers. In December, we signed a long-term contract with our biggest customer, Wintershall Dea. In a joint effort with Atos, Cegal will be responsible for new infrastructure, including operations, cloud services and workspace equipment. This is an important step for our strategic positioning as facilitator of collaborate, digital workspaces in the energy industry.

In our cloud business, we expanded our position as vendor-neutral cloud provider for the industry by releasing GeoCloud on Azure, Microsoft’s public cloud computing platform. As a high-performance platform with outstanding data and

graphics utilization, the product meets the challenging requirements for petrotechnical workloads. Scalability and flexibility will become more and more important in the years to come. I look forward to developing our partnership with Microsoft and to enable digitalization for more customers in the industry.

I am proud of the achievements of our entire team and confident that we will continue to expand on our business opportunities nationally and internationally in the years to come. Together we are what makes Cegal a unique and innovative workplace.

As I am writing this, the world is facing unsettling times caused by escalation of COVID-19. Necessary measures are implemented, and we are continuously monitoring the development of the situation. Cegal is delivering business critical data and applications and we are a key vendor for our clients through this crisis. Keeping our employees and customers healthy and ensuring business continuity will be focus for us in the time to come. Our solutions give

our clients access to their data from anywhere at any time, which is relevant to ensure operations and productivity. Despite today's uncertainty, we expect that Cegal will get through this, continue to grow and become a stronger organization for the future.

I would like to thank the Cegal team, our shareholders, customers and partners for their effort in these unsettling times. I am sure that together we will become an even stronger team going forward.



Best,

Svein Torgersen
CEO

BOARD OF DIRECTORS' REPORT

CHIP BIDCO AS

Chip Bidco AS is a company controlled by Norvestor SPV I Holding AS, a newly formed fund vehicle managed by Norvestor and funded mainly by the private equity team of DWS, a large German asset manager, and Argentum acting as cornerstone investors, in addition to other minority shareholders. Chip Bidco AS was established on 18 October 2019.

On 22 November 2019 Chip Bidco AS entered into an agreement to acquire all of the shares and voting rights in Cegal Group AS for NOK 1 251 million and the acquisition was formally closed on 20 December 2019. Cegal is a trusted provider of hybrid cloud solutions, software, and consultancy within IT, business geoscience, and data management for the energy industry. The acquisition of Cegal Group AS is the first acquisition for Chip Bidco AS and as such the transaction that established the Group. The acquisition was financed through a combination of equity and external bond financing.

SCOPE OF BUSINESS IN THE ACQUIRED GROUP

Cegal's mission is to be the most innovative provider of IT services and geoscience solutions to the global energy industry. Cegal is filling the gap between IT and energy.

The headquarter of the Group is located in Stavanger, Norway. The Group is located in Stavanger, Oslo, Trondheim, London, Aberdeen, Houston, Kuala Lumpur, Calgary and Dubai.

PRODUCTS AND SERVICES

Cloud and cloud services

Cegal's cloud based solutions provides high performance IT systems and customized software solutions to more than 15,000 end users. We support more than 1,300 applications, and our support center offers a single point of contact for all IT related questions. We have 7 datacenters and more than

210 energy customers. Cegal is at the forefront of digitalising the energy industry with its "GeoCloud" value proposition - an open integration platform tailored to the industry. Cegal's offering delivers the benefits of cloud computing to its customers, all within one user friendly digital workspace interface.

As a strategic partner with deep domain knowledge, Cegal enables its customers to manage and structure their data in order to perform advanced analytics, thereby increasing productivity and efficiency in their exploration and production. We have customized our offering to the oil and gas industry, in particular with respect to advanced geoscience applications and critical on/offshore operations. Cegal supports all main exploration and production applications based on best practices. In 2019, cloud including cloud services represented 64.2% of our revenues in the underlying Group and in the consolidated financial statements of Chip Bidco AS if the acquisition had occurred on 1 January 2019. The same assumptions apply for the below comments.

Software

Cegal develops and sells software to extend, improve and speed up workflows within geology, geophysics, reservoir engineering and data management. In addition, we offer development of high quality customized software solutions. In 2019, software products and services represented 15.4% of revenues.

Geoscience consulting

Cegal offers highly experienced on-site consultants and expert geomodelers. In 2019, geoscience consulting represented 2.6% of our revenues.

Business Consulting

Cegal Business Consulting consists of multi skilled consultants, organized in teams and in individual engagements providing value-adding services to our

clients. Our service areas are Operator Readiness, Business Improvement Services and Business Professionals for hire. We have core competencies within program/project management, change management, process management and enterprise architecture. We typically provide specialized advisory roles within areas such as information security management, information management, application management, business intelligence and data science. In 2019, Business Consulting revenue represented 5.9% of our revenues.

Other

Mainly 3rd party resale of hardware and other software to IT cloud customers. In 2019, other revenue represented 11.9% of our revenues.

STATEMENT OF INCOME, FINANCIAL POSITION AND STATEMENT OF CASH FLOWS

Chip Bidco's consolidated financial statement for 2019 has been prepared in accordance with the Norwegian Accounting Act § 3-9 and specific regulations, often referred to as "the simplified application of international financial reporting standards (IFRSs)".

Chip Bidco AS acquired Cegal Group AS with its subsidiaries on December 20, 2019. As a practical approach, management has chosen to use 31 December 2019 as the acquisition date for accounting purposes as there were no significant activity in the Group from acquisition to the balance sheet date.

As a consequence, there is limited activity reflected in the consolidated statement of income and comprehensive income.

Operating loss was NOK - 32.8 million which is related to transaction costs following the acquisition. Transaction costs are not deductible for tax purposes. Net financial items amounted to NOK -3.4 million in 2019, tax was 0.0 million, resulting in a net loss for the year of NOK -36.2 million.

Cash flow and financial positions

Total cash flow from operations for the Group was NOK -32.8 million.

Cash flow from investment activities was NOK -985.2 million, which is the net cash consideration paid for the assets acquired and liabilities assumed in the Cegal Group transaction, net of cash in the acquired group. Cash flow from financing activities was NOK 1 090.7 million in 2019, which is related to proceeds from issuance of long-term debt of NOK 867.5 million, issuance of capital of NOK 556.6 million less repayment of loans of NOK 333.3 million.

Total assets at the end of the year was NOK 2 117.1 million and the equity ratio was 34.1%. Total assets includes fair values of asset acquired in the transaction and consists mainly of goodwill and other intangible assets acquired in addition to fixed assets and other current assets.

As at 31 December 2019, the Group had bank deposits totaling NOK 72.7 million plus available bank overdraft facilities of NOK 50.0 million. The Group's current assets amounted to 10.5% of total assets per 31 December 2019.

IMPACT ON THE CONSOLIDATED STATEMENT OF INCOME IF THE ACQUISITION HAD OCCURRED IN THE BEGINNING OF THE YEAR

A separate consolidated statement of income has been presented in notes to the financial statement indicating how the statement of income would have been if the transaction occurred on 1 January 2019.

The statement has been prepared by applying the Group's accounting policies and adjusting the results to reflect additional depreciation and amortisation that would have been charged assuming the fair value adjustments to intangible assets had been applied from 1 January 2019. Operating expenses have been adjusted with bonus payments relating to the period prior to the transaction. Operating revenues and EBITDA is further commented on below.

Operating Revenue

Turnover in the Group would have been NOK 809.9 million in 2019, reflecting the activity in Cegal Group during the full year.

Operating Result (EBITDA)

The Group's earnings before interest, tax, depreciation and amortization (EBITDA) would have been NOK 149.5 million in 2019 comprising cost of sale of NOK 257.0 million, payroll expenses of NOK 322.0 million and other operating expenses of NOK 81.4 million. Due to the acquisition of Cegal Group, Chip Bidco incurred non-recurring transaction costs of NOK 32.8 million in 2019. Hence, adjusted EBITDA would have been NOK 182.3 million without the non-recurring transaction costs.

FINANCIAL STATEMENTS FOR THE PARENT COMPANY

The financial statements for the parent company has been prepared based on the Norwegian accounting act and generally accepted accounting principles in Norway. Net loss for the year of NOK – 3.4 million consists mainly of interest expenses on the bond loan since draw down. Total assets amounts to NOK 1 624.7 million and consists mainly of shares in Cegal Group. Long term financing consists of a bond loan with net book value of NOK 867.5 million. The bond is listed on the Frankfurt Open Market Stock Exchange. Total equity is NOK 753.8 million or 46.4% of total assets. The acquisition of the shares was financed through a combination of equity and bond financing as reflected in the statement of cash flows.

GOING CONCERN

In accordance with the Accounting Act (Regnskapsloven) § 3-3a it is confirmed that the going concern assumption is present. This assumption is based on the current cash balances and the overdraft facility and the forecasts for 2020 and its long-term strategic prognosis.

Although the majority of Group's revenues is generated in the energy sector, our business model has proven robust even in tough times. We see the digitalization in the energy sector as a growth opportunity as we offer products and services that will enable our customers

more flexibility and also to operate more cost efficient.

Recently COVID-19 has affected the global economy. The Group is carefully monitoring the global situation, following advice from national and world health organizations and, most importantly, maintain a dynamic business continuity plan that addresses the concerns and wellbeing of the organization's employees as well its physical and financial assets including customer relationships. Our business continuity plan is the risk mitigating cornerstone in our monitoring of these risks associated with COVID-19. We have evaluated the impact of the COVID-19 on our employees, physical assets, brand and balance sheet. Necessary measures are implemented, and we are continuously monitoring the development of the situation. The Group is delivering business critical data and applications and we are a key vendor for our clients through this crisis. Keeping our employees healthy and maintaining our operation will be our focus for us in the time to come. Although there are uncertainties and risks that are difficult to manage and project the Board is as of this date comfortable that sufficient mitigating factors and plans are in place to handle these risks.

RISK FACTORS

Market risk

The Group has exposure to currency and interest rate risk. Currency risk includes risk from contractual purchase or sale denominated in foreign currencies, in addition to investments and future cash flow from these investments. This currency risk is reduced by having parts of the cost base in foreign currencies as well. The Group is on an ongoing basis considering various risk mitigating factors including hedging of foreign currency risks.

The Group is also exposed to changes in interest rates.

Credit risk and oil price risk

The loss on receivables has historically been low, and the risk of losses on receivables is considered limited. We see, however, that the COVID-19 effect combined with oil price decline is increasing this risk. We are increasing our monitoring activity and are following up

CHIP BIDCO AS

Amounts in NOK thousands

any outstanding payments with our clients. Our core offerings has historically proved resilient to changes in the oil price.

Liquidity risk

The Group held liquid assets of NOK 72.7 million at the end of the year, as well as having access to bank overdraft facilities of NOK 50.0 million. The Group considers its liquidity as good, and its exposure to liquidity risk is considered to being limited.

WORK ENVIRONMENT

Sick leave in the Group was approximately 2.4% in 2019. During the course of the year, it has not occurred or been reported serious workplace accidents, which resulted in significant damage or injuries. The working environment is good, and improvements are being continuously evaluated and implemented.

EQUALITY

The Board of Chip Bidco AS consists of one male member, the Chairman of the Board. At the end of 2019, the Group consisted of a total of 368 employees, including 53 women and 315 men. The goal is to be a workplace where there is full gender equality. The Board and management are aware of the societal expectations on measures to promote gender.

DISCRIMINATION

The Anti-Discrimination Act is to promote equality, ensure equal opportunities and rights and prevent discrimination based on ethnicity, national origin, ancestry, color, language, religion and belief. The Group works actively, purposefully and systematically to promote the purpose within our business. The activities include recruitment, pay and working conditions, promotion, development and protection against harassment.

The Group aims to be a workplace where there is no discrimination on grounds of disability. The Group works actively and purposefully to design and facilitate the physical conditions so that the different functions can be used by as many people as possible. For employees or applicants with disabilities, individual

arrangements are made with regards to workplaces and work tasks.

ENVIRONMENT

The operations do not affect the external environment beyond the normal for the company business.

EVENTS AFTER THE YEAR-END CLOSING OF THE ACCOUNTS

No significant events after the balance sheet date, except for the development of COVID-19.

FUTURE OUTLOOK

The Group's main market is expected to be growing. As the market leader for cloud enablement on the Norwegian Continental Shelf ("NCS"), a global centre for innovation in O&G E&P, with a portfolio of software customers in 43 countries across the world, the Group is well positioned to continue its strong and profitable growth path.

Based on the current demand from our customers, a focused organization, new unique products and a strong order backlog, the company expects some growth, increased profitability and positive cash flow going forward.

NET LOSS AND ALLOCATIONS

The Board proposes the following allocation of the loss for Chip Bidco AS:

Transferred to other equity	NOK -3 387
Total allocation	NOK -3 387

No dividend is proposed in respect of the 2019 financial year.

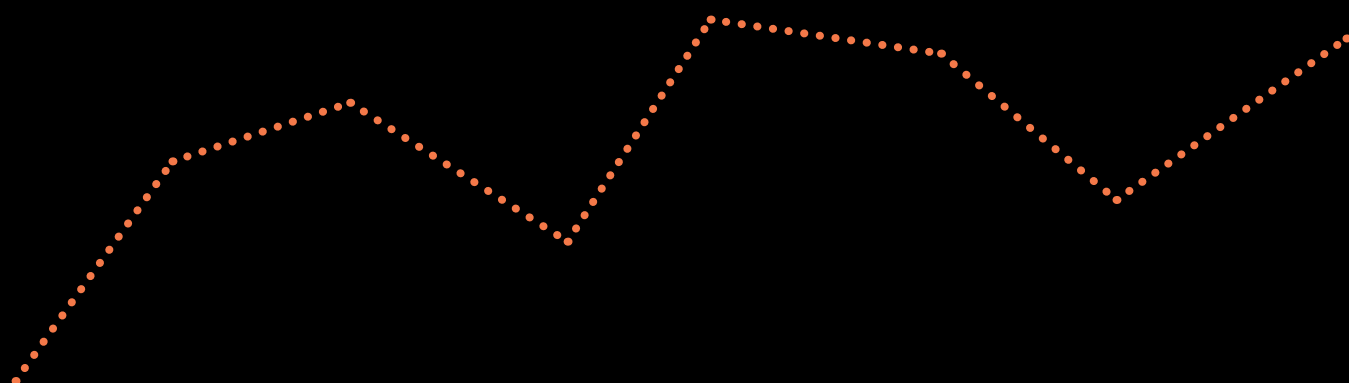
Stavanger, 30 April 2020



Fredrik Gyllenhammar Raaum
Chairman

GROUP ANNUAL ACCOUNTS 2019

- Statement of comprehensive income
- Statement of financial position (balance sheet)
- Statement of changes in equity
- Statement of cash flows
- Notes



CHIP BIDCO AS
Amounts in NOK thousands

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the period from establishment of the group up to 31. Dec	NOTE	2019
Operating expenses		
Other operating expenses	15	32 777
Total operating expenses		32 777
Operating profit/-loss		-32 777
Financial income and expenses		
Interest expenses	12	3 429
Net financial items		-3 429
Loss before tax		-36 206
Tax on ordinary result	9	0
Net profit/(loss) for the year		-36 206
Other comprehensive income		
Other comprehensive income		0
Other comprehensive income		0
Total comprehensive income for the year, net of tax		-36 206

CHIP BIDCO AS
Amounts in NOK thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	NOTE	2019
Assets		
Intangible assets		
Goodwill	4, 15	976 622
Software, customer relations and order backlog	4	687 594
Total intangible assets		1 664 215
Tangible assets		
Property, plant and equipment	5	228 624
Total tangible assets		228 624
Financial assets		
Other receivables		472
Total financial assets		472
Non-current assets		1 893 311
Current assets		
Trade receivables		137 706
Other receivables		1 698
Prepayments		11 632
Total current assets		151 036
Cash and cash equivalents	6	72 762
Total current assets		223 798
Total assets		2 117 109

CHIP BIDCO AS
Amounts in NOK thousands

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	NOTE	2019
Equity and liabilities		
Paid-in capital		
Share capital	13	60
Share premium reserve	13	757 136
Total paid-in capital		757 196
Retained earnings		
Other equity		-36 206
Total retained earnings		-36 206
Total equity		720 990
Provisions		
Deferred tax	9	133 896
Total provisions		133 896
Long-term liabilities		
Interest bearing loans and borrowings	10	867 451
Lease liabilities	10	145 008
Total other long-term liabilities		1 012 459
Current liabilities		
Lease liabilities	10	61 208
Trade creditors		51 311
Public duties payable		43 937
Tax payable	9	1 840
Other short-term liabilities	11	91 468
Total current liabilities		249 765
Total liabilities		1 396 120
Total equity and liabilities		2 117 109

CHIP BIDCO AS

31 December 2019
Stavanger, 30 April 2020



Fredrik Gyllenhammar Raaum
Chairman

CHIP BIDCO AS
Amounts in NOK thousands

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019	NOTE	SHARE CAPITAL	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Paid in capital at foundation		30	-	-	30
Capital injection - cash	13	15	556 557	-	556 572
Capital injection - in kind	13	15	200 578	-	200 593
Profit/(Loss) for the year		-	-	-36 206	-36 206
Other comprehensive income		-	-	-	-
Equity as at 31 December 2019		60	757 136	-36 206	720 990

CHIP BIDCO AS
Amounts in NOK thousands

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	2019
Profit/(loss) before tax		-36 206
Changes in trade receivable		0
Changes in trade creditors		0
Changes in other current balance sheet items		3 459
Net cash flow from operating activities		-32 747
Acquisition of Cegal Group, net of cash acquired	15	-985 234
Net cash flow from investing activities		-985 234
Proceeds from issuance of long-term debt	10	867 451
Repayment of loans to financial institutions	10	-333 280
Issuance of capital	13	556 572
Net cash flow from financing activities		1 090 743
Net change in cash and cash equivalents		72 762
Cash and cash equivalents at the start of the period		0
Cash and cash equivalents 31.12		72 762

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2019

GENERAL INFORMATION

Chip Bidco AS and the headquarter is located in Stavanger, Norway. Chip Bidco AS was established on 18 October 2019. The Group was established following the acquisition of Cegal Group AS and the acquisition was formally closed on 20 December 2019. As a practical approach, management has chosen to use 31 December 2019 as the acquisition date for accounting purposes. See note 15 for additional information.

Basis of presentation

The company's financial statements have been prepared in accordance with the Norwegian Accounting Act § 3-9 and specific regulations, related to what is often referred to as "the simplified application of international financial reporting standards (IFRSs)", issued by the Ministry of Finance January 21, 2008. Under this regulation, recognition and measurement rules are based on international financial reporting standards (IFRSs), while presentation and disclosures are in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

The financial statements have been prepared under the assumption of going concern. The financial statements are presented in NOK.

Business combinations are accounted for using the acquisition method. Acquisition-related costs are expensed in the periods in which the costs are incurred, and the services are received.

The consideration paid in a business combination is measured at fair value at the acquisition date.

When acquiring a business all financial assets and liabilities are assumed for appropriate classification and designation in accordance with contractual terms, economic circumstances and pertinent conditions at the acquisition date.

Goodwill is recognised as the difference between the consideration transferred, including an equivalent amount for any non-controlling interest, and the net of the acquisition-date fair values of identifiable assets acquired and liabilities assumed. Goodwill is not depreciated, but tested for impairment at least annually. For goodwill impairment purposes, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the business combination.

CHIP BIDCO AS
Amounts in NOK thousands

NOTE 1 ACCOUNTING PRINCIPLES

1.1 Functional currency and presentation currency

Functional currency

The functional currency is determined in each entity in the Group based on the currency within the entity's primary economic environment. Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate, non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Changes in the exchange rate are recognised continuously in the accounting period.

Presentation currency

The Group's presentation currency is NOK. The statement of financial position figures of entities with a different functional currency are translated at the exchange rate prevailing at the end of the reporting period for balance sheet items, including goodwill, and the exchange rate at the date of the transaction for profit and loss items. The monthly average exchange rates are used as an approximation of the transaction exchange rate. Exchange differences are recognised in other comprehensive income ("OCI").

When investments in foreign subsidiaries are sold, the accumulated translation differences relating to the subsidiary attributable to the equity holders of the parent are recognised in the statement of comprehensive income. When a loss of control, significant influence or joint control is present the accumulated exchange differences related to investments allocated to controlled interests is recognised in profit and loss. When a partial disposal of a subsidiary (not loss of control) is present the proportionate share of the accumulated exchange differences is allocated to non-controlling interests.

1.2 Basis for consolidation

Subsidiaries are companies in which the Group has a controlling interest. A company has been assessed as being controlled by the Group when the Group is exposed for or have the rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the Group's returns. Thus, the Group controls an entity if and only if the Group has all the following:

- power over the entity;
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect the amount of the Group's returns.

There is a presumption that if the Group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the entity. Including ownership interests, voting rights, ownership structure and relative power, as well as options controlled by the Group and shareholder's agreement or other contractual agreements. The assessments are done for each individual investment.

The Group re-assesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting

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Amounts in NOK thousands

policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests is presented separately under equity in the Group's balance sheet.

The consolidated financial statements are prepared such that the group of companies are presented as a single economic entity. Intercompany transactions have been eliminated in the preparation of the consolidated financial statements. The accounting principles for the consolidated financial statements have been applied consistently for all periods presented.

Acquired subsidiaries are accounted for on the basis of the parent company's acquisition cost. The acquisition costs are attributed based on fair values of the separable net assets acquired. Values in excess of fair value of the separable net assets are presented as goodwill in the statement of financial position.

Change in ownership interest without loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The consideration is recognised at fair value and the difference between the consideration and the carrying amount of the non-controlling interests is recognised at the equity attributable to the parent.

Loss of control

In cases where changes in the ownership interest of a subsidiary lead to loss of control, the consideration is measured at fair value. Assets (including goodwill) and liabilities of the subsidiary and non-controlling interest at their carrying amounts are derecognized at the date when the control is lost.

The fair value of the consideration received is recognised and any investment retained is recognised at fair value. Gain or loss is recognised in profit and loss at the date when the control is lost.

1.3 Statement of financial position classification

The Group presents assets and liabilities in the statement of financial position based on their current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Current assets are valued at the lower of cost and net realisable value. Current liabilities are recognised at nominal value. Fixed assets are initially measured at cost, and subsequently at cost less accumulated depreciation and impairment charges. Long-term liabilities are recognised at amortized cost.

1.4 Segments

For management reporting purposes, the Group is organised into business units based on its activities and has one reportable segment.

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Amounts in NOK thousands

1.5 Sales revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue from services is recognised when performed. Revenue from sale of goods is recognized at transfer of risk and control. Sale of licenses (right to use) that are distinct are recognised at a point in time when the customer is able to use and benefit from the license. Maintenance revenue is recognised on a straight-line basis over the maintenance period.

Sale of licenses that are part of a bundled contract (right to access) are not distinct and are recognised over the contract period. Sale of perpetual license rights are recognized when the customer gets access to the software.

1.6 Tangible assets

Tangible assets are capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are capitalized and depreciated together with the underlying asset. If the carrying amount of a non-current asset exceeds the estimated recoverable amount, the asset is written down to its recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present values.

1.7 Intangible assets

Intangible assets comprise software. Software is identifiable and controlled by the company. An intangible asset is capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. The intangible assets are depreciated over the estimated useful economic life. If the carrying amount of an intangible asset exceeds the estimated recoverable amount, the asset is written

down to its recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present values.

1.8 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior year impairments of tangible fixed assets and intangible assets are reviewed for possible reversal at each financial reporting date.

1.9 Trade and other receivables

Trade receivables and other current receivables are recorded in the statement of financial position at nominal value less provisions for doubtful debts. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Financial assets and liabilities are only offset, and net reported in the balance sheet, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis. The Group recognises an allowance for expected credit losses (ECLs) for all trade and other receivables. The Group applies a simplified approach in calculating ECLs.

1.10 Trade payables/creditors

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

1.11 Income tax

The tax expense for the period comprises current and deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

1.12 Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Loans, borrowings and payables are recognised at amortised cost net of directly attributable transaction costs.

Loans and long-term debt

After initial recognition, interest-bearing loans and debt are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

1.13 Finance income and costs

Finance income comprises interest income on bank deposits and foreign exchange gains. Finance costs comprise interest expense on borrowings and foreign exchange losses, and losses on derivatives not designated as hedging instruments.

1.14 Cash and cash equivalents

In the Statement of Financial Position and the Statement of Cash Flows, cash and cash equivalents includes cash on hand and deposits at banks.

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1.15 Equity

Transaction costs directly related to an equity transaction are recognised directly in equity after deducting tax expenses.

1.16 Leasing / leases

Lease contracts where the Group is a lessee are capitalised. Upon commencement of the lease the right-of-use asset is recognised at cost being the present value of the lease payment in the contract during the lease term as defined by IFRS 16, in addition to initial direct costs. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option. The corresponding lease liability is recognised in the balance sheet at present value using the interest rate implicit in the lease, if that rate can be readily determined, or else the lessee's incremental borrowing rate. The lease liability is subsequently increased by the effective interest in the lease and reduced by payments made. The lease liability is also reassessed subsequently if the payments or the interest rate changes. The change in liability is added to or deducted from the right-of-use asset.

The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The right-of-use asset acquired under leases is depreciated over the asset's useful life or the lease term, if shorter, if the lease does not transfer ownership at the end of the lease term, or there is no purchase option that is in the money. The Group applies the depreciation requirements in IAS 16 Property, Plant and Equipment

in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

1.17 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 investments with original maturities of three months or less.

1.18 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)

In accordance with IAS.85 and IAS.85A, the Group has presented an additional (non-GAAP) subtotal in the statement of comprehensive income. This subtotal is considered relevant to the understanding of the entity's financial performance.

1.19 Events after the reporting period

New information on the Group's financial position at the end of the reporting period which becomes known after the reporting period, is recorded in the annual accounts. Events after the reporting period that do not affect the Group's financial position on the end of the reporting period, but which will affect the Group's financial position in the future are disclosed if significant.

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Amounts in NOK thousands

NOTE 2 ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, management has made several judgements and estimates. All estimates are assessed to the most probable outcome based on the management's best knowledge. Changes in key assumptions may have significant effect and may cause material adjustments to the carrying amounts of assets and liabilities, equity and the profit for the year.

The Group's most important accounting estimates are the following:

- The fair value of assets acquired and liabilities assumed relating to the acquisition of Cegal Group AS (note 15)
- Impairment testing of goodwill (Note 14)
- Identification of cash generating units and operating segments

Purchase price allocation relating to the assets acquired and liabilities assumed in the acquisition of Cegal Group AS

The Group is required to allocate the purchase price of acquired companies to the assets acquired and liabilities assumed based on their estimated fair values. The Group engaged an independent third-party to assist in determining the fair values of the assets acquired and liabilities assumed. Such valuations require management to make significant judgements in selecting valuation methods, estimates and assumptions. In order to calculate the fair values of the tangible assets, intangible assets and liabilities to be allocated the expected future cash flows have been reconciled to the purchase price. The reconciliation requires management to make estimates on future cash flows and discount rates.

The intangible assets that was valued separately include the order backlog, customer relationships, technology and the assembled workforce. For all other

assets and liabilities, net book value was assumed to represent fair value as of the valuation date. The estimated value of the identifiable intangible assets, the order backlog, customer relationships and the technology, was recognized separately. The value of the assembled workforce is recognized as part of goodwill.

The key assumptions in the valuation of the customer relationships are the expected remaining lifetime for the relationship, the expected EBITDA margin on the sales, an estimated contributory asset charge (CAC) and determining an appropriate discount rate. The valuation of the technology is based on cost savings from owning the technology estimated by using a royalty rate based on comparable licensors. The value of the order backlog was found material and is valued separately from customer relationships. The key assumptions in the valuation include the expected revenue and EBITDA and CAC on the contracts.

The remaining consideration is allocated to goodwill. The amount allocated to goodwill is significant and using different estimates in the valuation of the identifiable intangible assets could result in a material impact on the recognized amount of goodwill. Management's estimates of fair value and useful lives are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates.

Impairment testing of goodwill

For impairment testing, goodwill acquired through business combinations is allocated to the Group's CGU. The Group performs its annual impairment test in December 2019 and considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment.

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The acquisition of Cegal Group AS was made in December 2019. For impairment test purposes the test is based on cash flow estimates and assumptions consistent with the ones used in the purchase price allocation as no impairment indicators were identified. Hence, no impairment of goodwill was recognized in the financial statements.

Identification of cash generating units (CGU's) and operating segments

From the acquisition date, acquired goodwill is to be allocated to each of the acquirer's CGUs, or to a group of CGUs, that are expected to benefit from the synergies of the combination. Each CGU or group of CGUs to which the goodwill is so allocated must represent the lowest level within the entity at which the goodwill is monitored for internal management purposes; and not be larger than an operating segment determined in accordance with IFRS 8 – Operating Segments.

The different revenue streams in the Group, such as software, cloud and business consulting are often sold together and based on a separate assessment management concluded that the different revenue streams are not largely independent and are therefore seen together as one CGU. Further, management assessed if there is more than one operating segment in the Group. Even though revenues from the different revenue streams are reported separately, operating results are viewed on a total basis by the Group Management, hence it was concluded that there is only one operating segment.

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Amounts in NOK thousands

NOTE 3 FINANCIAL RISKS AND RISK MANAGEMENT

The Group's principal financial liabilities, comprise lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, cash and cash equivalents that derive directly from its operations.

Additional or alternative financing shall be secured in line with objectives and guidelines set forth by the Board of Directors and with due consideration to financing costs, repayment terms and the ability to satisfy lender covenant requirements.

Overriding principles

The Company's Board of Directors is responsible for defining the Company's risk profile and for ensuring that appropriate risk management and governance is exercised by the Company. As a guiding principle, the Company's strategy is to meet its stated objectives without exposing itself to material financial risk. Furthermore, the Company will not seek to increase profitability through actively seeking to increase its financial risk exposure, but will instead seek to ensure that financial risks are managed to within acceptable thresholds.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks.

Market risk: Interest rate risk

Market risk is the risk that the future cash flows or fair value of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest risk and currency risk. Financial instruments affected by market risk include liabilities to financial institutions, deposits and debt.

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of

changes in market interest rates. The Group is exposed to significant interest rate risk, primarily as a consequence of its third party bond debt that is offered on floating rate terms.

Market risk: Foreign currency risk

Foreign currency risk is the risk that the future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Currency risk includes risk from contractual purchase or sale denominated in foreign currencies, in addition to foreign investments and future cash flow from these investments. This currency risk is reduced by having parts of the cost base in foreign currencies.

Foreign currency risk is the risk that the future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Currency risk includes risk from contractual purchase or sale denominated in foreign currencies, in addition to foreign investments and future cash flow from these investments. This currency risk is reduced by having parts of the cost base in foreign currencies.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, debt instruments and account receivables. The loss on receivables has historically been low, and the risk of losses on receivables is considered limited.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to fulfill its financial obligation as they fall due. The Group's approach to managing liquidity is to ensure,

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as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The amounts disclosed in the table below are the financial liability contractual undiscounted cash flows at 31 December 2019:

NOK thousands	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	3-4 YEARS	MORE THAN 4 YEARS	TOTAL
Interest bearing loans and borrowings	-	-	-	-	900 000	900 000
Interest bearing loans and borrowings - interests	66 612	66 612	66 612	66 612	66 612	333 060
Lease liabilities	61 208	45 075	28 006	22 040	49 887	206 216
Trade and other payables	51 311	-	-	-	-	51 311
Public duties payable	43 937	-	-	-	-	43 937
Other short-term liabilities	52 342	-	-	-	-	52 342
Total at 31 December 2019	275 410	111 687	94 618	88 652	1 016 499	1 586 866

Fair value estimation

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data. The Group only has financial instruments in level 2.

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Amounts in NOK thousands

NOTE 4 INTANGIBLE ASSETS

	GOODWILL	CUSTOMER RELATIONS	SOFTWARE	ORDER BACKLOG	TOTAL
Acquisition cost at 01.01	-	-	-	-	-
Additions	976 622	208 868	231 191	247 535	1 664 215
Acquisition cost 31.12.	976 622	208 868	231 191	247 535	1 664 215
Carrying amount at 31.12.	976 622	208 868	231 191	247 535	1 664 215
Useful economic life		2-11 years	3-10 years	6 years	
Amortization plan		Linear	Linear	Linear	

NOTE 5 TANGIBLE ASSETS

	RIGHT-OF-USE ASSET IT-EQUIPMENT	RIGHT-OF-USE ASSET OFFICE LEASES	TANGIBLE ASSETS	TOTAL
Acquisition cost at 01.01	-	-	-	-
Additions	86 688	109 090	32 846	228 624
Acquisition cost 31.12.	86 688	109 090	32 846	228 624
Carrying amount at 31.12.	86 688	109 090	32 846	228 624
Useful economic life	2 - 5 years	2 - 5 years	2 - 5 years	
Depreciation plan	Linear	Linear	Linear	

Lease expenses recognized in other operating expenses

The Group leases personal computers, IT equipment and machinery with contract terms of 1 to 3 years. The Group has elected to apply the practical expedient of low value assets for some of these leases

and does not recognize lease liabilities or right-of-use assets. The leases are instead expensed when they incur. The Group has also applied the practical expedient to not recognize lease liabilities and right-of-use assets for short-term leases.

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NOTE 6 BANK DEPOSIT

The cash and deposits for the Group includes restricted funds of NOK 17 041 related to employee taxes as of 31 December 2019.

The Group has bank guarantees of NOK 10 853 for property lease agreements.

NOTE 7 LIST OF SUBSIDIARIES

The consolidated financial statements comprise the following entities:

ENTITIES	COUNTRY OF INCORPORATION	MAIN OPERATIONS	OWNERSHIP INTEREST 2019	VOTING POWER 2019
Chip Bidco AS	Norway	Holding company	100%	100%
Cegal Group AS	Norway	IT and SW sales	100%	100%
Cegal AS	Norway	IT and SW sales	100%	100%
Cegal Ltd	UK	IT and SW sales	100%	100%
Cegal LLC	USA	IT and SW sales	100%	100%
Cegal Geoscience Inc.	Canada	IT and SW sales	100%	100%
Cegal FZ – LLC	Dubai	IT and SW sales	100%	100%
Cegal Russia LLC	Russia	IT and SW sales	100%	100%
Cegal Malaysia Sdn. Bhd.	Malaysia	IT and SW sales	100%	100%

NOTE 8 NUMBER OF EMPLOYEES, REMUNERATION, LOANS TO EMPLOYEES AND AUDITOR'S FEE

The total number of employees in the Group at the end of the year: 368.

At 31.12.2019 the Group has granted loans to employees of NOK 1 472.

The Group is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk

tjenestepensjon"). The Group's pension scheme meets the requirements of that law. The Group has a defined contribution plan.

As the transaction date for the acquisition of Cegal Group AS is set to 31 December 2019 (see note 15), no audit or Group Management remuneration have been recognized in the consolidated statement of comprehensive income for the Chip Bidco Group.

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Amounts in NOK thousands

NOTE 9 TAXES

SPECIFICATION OF TOTAL TAX COST	2019
Total Payable tax	-
Changes in deferred taxes	-
Total tax expense for the year	-
Tax expense relating to operations outside Norway	-
SPECIFICATION OF BASE OF PAYABLE TAXES	2019
Net income before tax	-36 206
Permanent differences	32 775
Changes in temporary differences	0
Tax basis acquired as part of business combination	6 438
Base for payable tax	3 008
PAYABLE TAXES	2019
Payable taxes acquired in business combination	1 840
Sum taxes payable in the balance sheet	1 840
SPECIFICATION OF BASE FOR DEFERRED TAX	2019
Assets, including intangible assets	641 430
Leasing	-10 439
Short-term debt	-22 853
Loss carry forward	- 2 322
Temporary differences	605 816
Loss carry forward not recognized **	2 322
Other differences not basis for deferred tax asset	180
Basis for deferred tax	608 318
Deferred tax/- deferred tax assets	133 896
Deferred tax/- deferred tax assets in Norway	134 088
Deferred tax/- deferred tax assets abroad	-192

** Loss carry forward not recognized relates to Cegal FZ LCC and Cegal Canada.

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RECONCILIATION EFFECTIVE TAX RATE	2019
Expected income taxes, statutory rate 22%	-7 965
Permanent differences	7 211
Loss carry forward not recognized	755
Total tax cost	0

NOTE 10 LONG-TERM LIABILITIES

As of 31 December 2019 the long-term liabilities consists of external bond and lease liabilities in NOK thousand as described below:

LIABILITY	CURRENCY	TYPE	NOMINAL AMOUNT	NET BOOK VALUE	LIMIT	MATURITY
Interest bearing loans and borrowings	NOK	Bond	900 000	867 451	1 250 000	13 Dec. 2024
Leases	NOK	Lease agreements	145 008	145 008	-	*
Total			1 045 008	1 012 459	1 250 000	

* See Note 3.

The acquisition of Cegal Group AS with its subsidiaries was partly financed through a combination of equity (Note 13) and external bond financing. The bond was issued at the amount of NOK 900 million, adjusted for transaction costs amounting to approximately NOK 33 million.

As part of the acquisition of Cegal Group AS external bank financing towards Sparebank 1 SR-Bank ASA was assumed. Shortly after the closing of the transaction, the loan was repaid in full by Chip Bidco AS on behalf of Cegal Group AS, and the loan was settled at the balance sheet date. The total repayment amounted to NOK 333 million.

Interest bearing loans and borrowings - Bond

Chip Bidco AS has resolved to issue a series of bonds in the maximum amount of NOK 1 250 million in December 2019. The bonds may be issued on different issue dates and the initial bond issue was in the amount of NOK 900 million. Additional bonds may be issued subject to certain conditions. The terms of the bonds have requirements for the bonds to be listed within six months following the issuing date. The terms of the bonds hold no specific financial cove-nants, but require the Company to report a compliance certificate quarterly basis stating that there has been no material adverse change to the financial condition since the date of the last financial reports.

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The bond terms hold certain requirements to interest cover ratio and leverage ratio for distributions to be allowed and additional bonds to be issued. The bond was listed at Frankfurt Open Market Stock Exchange 13 December 2019.

The bond has been recognized at amortised cost by using the effective interest rate method.

Maturity

The outstanding bonds will mature in full on the 13 December 2024 and shall be redeemed by Chip Bidco AS on the maturity date at a price equal to 100 per cent. of the nominal amount. The bonds may be redeemed at an earlier date subject to certain conditions as set out in the agreement.

Interest rate

The interest rate for the bonds is NIBOR plus a margin of 5.5 per cent. pa. Interests are paid on a quarterly basis and the first interest payment date is 13 March 2020.

Pledged as security

The shares in Chip Bidco AS has been pledged as security for the bonds. In addition, the bonds hold a negative pledge in all of the Group's assets.

The Group has an overdraft facility of 50 MNOK, in which NOK 0 is used at the balance sheet date. Further, the bank has granted a leasing facility of 40 MNOK. Accounts receivable, inventory, shares and fixed assets in Cegal Group and Cegal AS are pledged as security for the bank overdraft facility. The security is limited to NOK 75 000.

NOTE 11 SHORT-TERM DEBT

	2019
Deferred revenue	39 126
Salary	41 036
Other short-term debt	7 877
Interest expenses	3 429
Total	91 468

Short-term debt is due for payment within one year.

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Amounts in NOK thousands

NOTE 12 FINANCIAL INCOME AND EXPENSES

	2019
Interest expenses	3 429
Total	3 429

NOTE 13 SHARE CAPITAL AND SHAREHOLDER INFORMATION

SHARE CAPITAL:	NUMBER OF SHARES	FACE VALUE (NOK)	NOMINAL VALUE (NOK'000)	SHARE PREMIUM (NOK'000)
Shares at establishment	30 000	1	30	-
Share capital increase - cash contribution			15	556 557
Share capital increase - contribution in kind			15	200 578
Total at 31 December	30 000	2	60	757 136
Main shareholder per 31.12:				
		SHARES	VOTING RIGHTS	OWNERSHIP SHARE
Chip Midco AS		30 000	100.00%	100.00%
Total		30 000	100.00%	100.00%

During the year the following changes has been made to the share capital:

Chip Bidco was founded in October 2019 with a share capital of NOK 30 000.

To partly finance the acquisition of Cegal Group AS the shareholder Chip Midco AS made two capital injections with an increase in share capital and share premium reserves. Share capital injections were carried out by way of cash contribution (NOK 556 million) and contribution in kind (NOK 200 million) by settlement through set-off of receivables Chip Midco AS acquired

against the company. The receivables were acquired by share subscribers in Chip Topco AS (shareholder of Chip Midco AS) in connection with the sale of shares in Cegal Group AS to Chip Bidco AS.

The share capital was increased by increasing the nominal value of each existing share. The capital injections were approved, but not registered at the balance sheet date. The capital increases were registered in Brønnøysund on 11 February, 2020 and were recognized in the balance sheet as of 31 December 2019.

CHIP BIDCO AS
Amounts in NOK thousands

NOTE 14 IMPAIRMENT TESTING OF GOODWILL

The Group has one cash generating unit (CGU), which is also the Groups only operating and reportable segment. For impairment testing goodwill acquired through business combinations is allocated to the CGU.

Recognized goodwill in the Group amounts to NOK 976 622 as of 31.12.2019 and relates to the acquisition of Cegal Group AS.

The Group performed its annual impairment test in December 2019 following the acquisition of Cegal Group in December 2019. For impairment test purposes the test is based on cash flow estimates and assumptions consistent with the ones used in the purchase price allocation as no impairment indicators were identified.

The impairment test was prepared using the following key assumptions:

	2019
Discount rate	11.90%
Terminal growth rate	2%

The recoverable amount of the CGU is determined based on a value in use calculation using cash flow estimates and assumptions consistent with the ones used in the purchase price allocation. The acquisition was closed shortly before the balance sheet date. No adjustments to the assumptions in the PPA was found necessary and no impairment indicators were identified. Hence, no impairment was made.

CHIP BIDCO AS

Amounts in NOK thousands

NOTE 15 ACQUISITION

On 22 November 2019 the Chip Bidco AS entered into an agreement to acquire 100% of the shares and voting rights in Cegal Group AS with its subsidiaries (Cegal) for NOK 1 251 million. Cegal is a trusted provider of hybrid cloud solutions, software, and consultancy within IT, business geoscience, and data management for the energy industry.

The acquisition of the shares was the first acquisition for Chip Bidco AS and as such the transaction that established the Group. The acquisition was financed through a combination of equity (Note 13) and external bond financing (Note 10).

The shares were acquired on 20 December 2019, which was the day the Group obtained control of the subsidiary. The transaction date for accounting purposes is set to 31 December 2019 as management assumes no material changes in the period from 20 December 2019 to 31 December 2019, other than settlement of external debt (see note 10), which is considered in the purchase price allocation.

Chip Bidco AS is controlled by the newly formed fund vehicle Norvestor SPV I Holding AS with funds managed by the private equity team of DWS Group, a large German asset manager, and Argentum acting as main investors.

The fair values of the identifiable assets and liabilities of Cegal as at 31 December 2019:

	FAIR VALUE RECOGNIZED ON ACQUISITION
Assets	
Customer relations (Note 4)	208 868
Software (Note 4)	231 191
Order backlog (Note 4)	247 535
Deferred tax asset	7 120
Fixed assets (Note 5)	228 624
Trade receivables	137 706
Other receivables	13 802
Cash and cash equivalents	65 502
Total fair values of assets acquired	1 140 348

CHIP BIDCO AS
Amounts in NOK thousands

	FAIR VALUE RECOGNIZED ON ACQUISITION
Liabilities	
Long-term leasing liability (Note 10)	145 008
Liabilities to financial institutions (*)	333 280
Accounts payable	51 311
Deferred tax liability	141 016
Income taxes payable	1 840
Public duties payable	43 937
Current lease liabilities	61 208
Other short-term liabilities (Note 11)	88 039
Total fair values of liabilities assumed	865 640
Total identifiable net assets at fair value	274 708
Goodwill	976 622
Purchase consideration transferred	1 251 329

(*) Following of the acquisition, Chip Bidco AS settled the external bank financing towards Sparebank 1 Sr-Bank ASA on behalf of Cegal Group AS. The loan, including accrued interests, amounted to NOK 333 million at the time of the transaction. See Note 10 for description.

The acquisition has been accounted for and treated as a business combination. The company constitutes of one CGU, where to tangible and intangible assets, liabilities and goodwill have been allocated. As of 31 December 2019, Chip Bidco AS has recognized, separately from goodwill, the identifiable assets acquired, the liabilities assumed measured at their fair value as of that date.

Goodwill represents the excess purchase price after all the identifiable assets are recognized. Total goodwill is estimated to NOK 976 million including assembled workforce and technical goodwill resulting from the deferred tax on fair value adjustments. Goodwill relates to the expected growth and the value of Cegal Group's workforce which cannot be separately recognized as an intangible asset. The goodwill is not deductible for tax purposes.

CHIP BIDCO AS
Amounts in NOK thousands

Purchase consideration	
Cash	1 050 736
Sellers credit	200 593
Total consideration	1 251 329

Analysis of cash flows on acquisition:	
Transaction costs of the acquisition (included in cash flows from operating activities)	32 818
Cash consideration	1 050 736
Net cash acquired with the subsidiary (included in cash flows from investing activities)	65 502
Net cash flow on acquisition (included in investing activities)	985 234

Transaction costs of NOK 33 million were expensed and are included in administrative expenses.

Cegal Group's contribution to the Group results

Consolidated statement of comprehensive income - As if Cegal was acquired on 1 January 2019

	2019
Sales revenue	809 948
Cost of sale	257 033
Payroll expenses	321 969
Other operating expenses	81 432
Total operating expenses	660 434

EBITDA	149 515
Depreciation and amortization	191 312
Operating profit/-loss	-41 797
Interest income and Other financial income	11 943
Interest expenses	84 082
Other financial expenses	19 542
Net financial items	-91 682
Loss before tax	-133 479
Tax on ordinary result	21 154
Net profit or loss for the year	-112 325

CHIP BIDCO AS

Amounts in NOK thousands

As of the acquisition date, Cegal Group AS did not contribute with any amounts to the Group's revenues or profit as the transaction was completed close to the balance sheet date. Had the acquisition occurred on 1 January 2019, the Group's revenue for the period to 31 December 2019 would have been NOK 809 million and the Group's loss before tax for the period would have been NOK -133 million as shown in table above. These amounts have been determined by applying the Group's accounting policies and adjusting the results

to reflect additional depreciation and amortisation that would have been charged assuming the fair value adjustments to intangible assets had been applied from 1 January 2019. Further, interest expenses have been adjusted, reflecting the interest expense for the year on the Group's financing structure post transaction. Operating expenses have been adjusted with bonus payments relating to the period prior to the transaction. All adjustments have been performed together with their consequential tax effects.

NOTE 16 SUBSEQUENT EVENTS

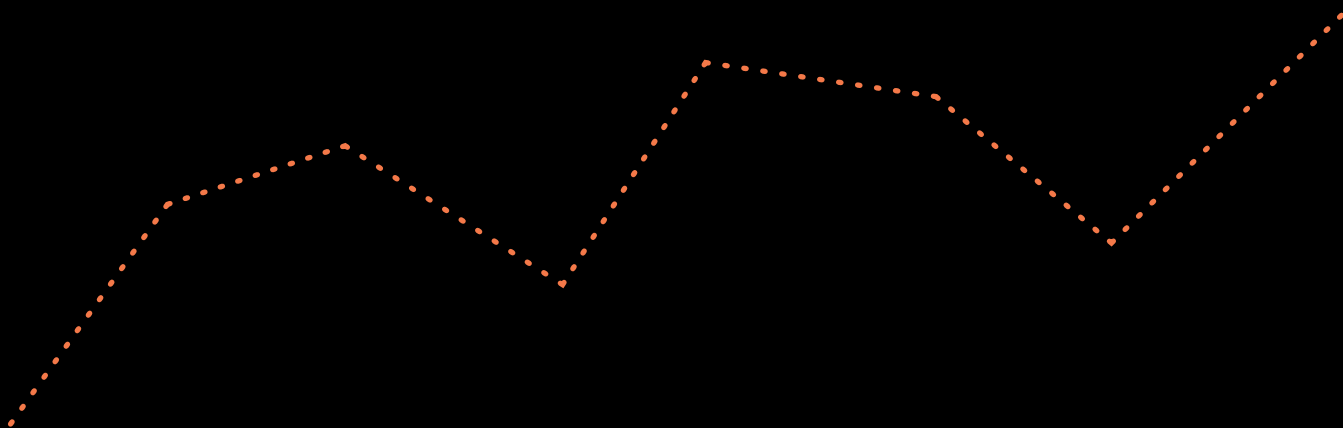
Recently COVID-19 has affected the global economy. The Group is carefully monitoring the global situation, and follow from national and world health organizations and, most importantly, maintain a dynamic business continuity plan that addresses the concerns and wellbeing of the organization's employees as well its physical and financial assets including customer relationships. Our business continuity plan is the risk mitigating cornerstone in our monitoring of these risks associated with COVID-19.

We have evaluated the impact of the COVID-19 to our organization's employees, physical assets, brand and

balance sheet. Necessary measures are implemented, and we are continuously monitoring the development of the situation. The Group is delivering business critical data and applications and we are a key vendor for our clients through this crisis. Keeping our employees healthy and maintaining our operation will be focus for us in the time to come. Although there are uncertainties and risks that are difficult to manage and project, the Board are comfortable that sufficient mitigating factors and plans are in place to handle these risks.

COMPANY ANNUAL ACCOUNTS 2019

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



CHIP BIDCO AS
Amounts in NOK thousands

INCOME STATEMENT	NOTE	2019
Operating expenses		
Other operating expenses		1
Operating result		-1
Financial income and expenses		
Other financial income		0
Other financial expenses		3 386
Net financial items		-3 386
Ordinary result before tax		-3 387
Net profit or loss for the year		-3 387
Allocated as follows		-3 387
Transferred to other equity	4	-3 387

CHIP BIDCO AS
Amounts in NOK thousands

BALANCE SHEET AS OF DECEMBER 31	NOTE	2019
Fixed assets		
Financial assets		
Investments in subsidiaries	6	1 617 428
Total financial assets		1 617 428
Total fixed assets		1 617 428
Current assets		
Cash and cash equivalents	3	7 260
Total current assets		7 260
Total assets		1 624 688

CHIP BIDCO AS
Amounts in NOK thousands

BALANCE SHEET AS OF DECEMBER 31	NOTE	2019
Equity		
Paid-in capital		
Share capital	4, 5	60
Share premium reserve	4	757 136
Total paid-in capital		757 196
Retained earnings		
Other equity	4	-3 387
Total retained earnings		-3 387
Total equity		753 808
Liabilities		
Other long-term liabilities		
Bonds	7	867 451
Total other long term liabilities		867 451
Current liabilities		
Other short-term liabilities	7	3 429
Total current liabilities		3 429
Total liabilities		870 880
Total equity and liabilities		1 624 688

CHIP BIDCO AS
Amounts in NOK thousands

CASH FLOW STATEMENT	2019
Cash flow from operating activities	
Profit/(loss) before tax	-3 387
Changes in other current balance sheet items	3 429
Net cash flow from operating activities	42
Cash flow from investing activities	
Investment in subsidiary	-1 083 555
Net cash flow from investing activities	-1 083 555
Cash flow from financing activities	
Proceeds from issuance of long-term debt net of transaction cost	867 451
Repayment of long-term loans	-333 280
Issue of share capital	556 602
Net cash flow from financing activities	1 090 773
Net change in cash and cash equivalents	7 260
Cash and cash equivalents at 01.01	0
Cash and cash equivalents at 31.12	7 260

NOTES TO THE ACCOUNTS FOR 2019

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 are 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.

LONG-TERM LIABILITIES

Interest bearing loans and borrowings are recognized at amortized cost net of directly attributable transaction costs.

After initial recognition loans and borrowings are subsequently measured at amortized cost using the

effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

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 not is 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 includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

NOTE 2 WAGE COSTS, NUMBER OF EMPLOYEES, REMUNERATION, LOANS TO EMPLOYEES AND AUDITOR'S FEE

The total number of employees in the company during the year: 0 labour year.

The company has no own employees.
No audit remuneration has been recognized in 2019.

CHIP BIDCO AS
Amounts in NOK thousands

NOTE 3 BANK DEPOSIT

The company has no restricted cash deposits as of 31.12.2019.

NOTE 4 SHAREHOLDER'S EQUITY

	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER EQUITY	TOTAL
Owners equity at foundation	30	0	0	30
Loss for the year	0	0	-3 387	-3 387
Cash contribution	15	556 557	0	556 572
Contribution in kind	15	200 578	0	200 593
Owner's equity 31.12.	60	757 136	-3 387	753 808

During the year the following changes has been made to the share capital:

Chip Bidco was founded in October 2019 with a share capital of NOK 30 000.

To partly finance the acquisition of Cegal Group AS the shareholder Chip Midco AS made two capital injections with an increase in share capital and share premium reserves. Share capital injections were carried out by way of cash contribution (NOK 556 million) and contribution in kind (NOK 200 million) by settlement through set-off of receivables Chip Midco AS acquired

against the company. The receivables were acquired by share subscribers in Chip Topco AS (shareholder of Chip Midco AS) in connection with the sale of shares in Cegal Group AS to Chip Bidco AS. The share capital was increased by increasing the nominal value of each existing share.

The capital injections were approved, but not registered at the balance sheet date. The capital increases were registered in Brønnøysund on 11 February, 2020 and were recognized in the balance sheet as of 31 December 2019.

NOTE 5 SHARE CAPITAL AND SHAREHOLDER INFORMATION

SHARE CAPITAL:	NUMBER OF SHARES	FACE VALUE	BOOK VALUE
Ordinary shares	30 000	2	60

Chip Midco AS owns all shares in the company.

CHIP BIDCO AS
Amounts in NOK thousands

NOTE 6 INVESTMENT IN SUBSIDIARIES

COMPANY	ACQUISITION DATE	LOCATION	SHARE OWNERS	VOTING RIGHTS	NET PROFIT 2019	EQUITY 31.12.	BOOK VALUE 31.12.
Cegal Group AS	20-12-2019	Norge	100%	100%	6 218	411 495	1 617 428

NOTE 7 LONG-TERM LIABILITIES

LONG-TERM LIABILITIES DUE IN MORE THAN 5 YEARS	2019
Interest bearing loans and borrowings	-867 451
Accrued interest expense	-3 429

The acquisition of Cegal Group AS with its subsidiaries was partly financed through a combination of equity and external bond financing. The bond was issued at the amount of NOK 900 million, adjusted for transaction costs amounting to approximately NOK 33 million.

As part of the acquisition of Cegal Group AS external bank financing towards Sparebank 1 SR-Bank ASA was assumed. Shortly after the closing of the transaction, the loan was repaid in full by Chip Bidco AS on behalf of Cegal Group AS, and the loan was settled at the balance sheet date. The total repayment amounted to NOK 333 million.

INTEREST BEARING LOANS AND BORROWINGS - BOND:

Chip Bidco AS has resolved to issue a series of bonds in the maximum amount of NOK 1 250 million in December 2019. The bonds may be issued on different issue dates and the initial bond issue was in the

amount of NOK 900 million. Additional bonds may be issued subject to certain conditions. The terms of the bonds have requirements for the bonds to be listed within six months following the issuing date. The terms of the bonds hold no specific financial covenants, but require the Company to report a compliance certificate quarterly basis stating that there has been no material adverse change to the financial condition since the date of the last financial reports. The bond terms hold certain requirements to interest cover ratio and leverage ratio for distributions to be allowed and additional bonds to be issued. The bond was issued at Frankfurt Stock Exchange 13 December 2019. The bond has been recognized at amortised cost by using the effective interest rate method.

MATURITY

The outstanding bonds will mature in full on the maturity date and shall be redeemed by the issuer on the maturity date at a price equal to 100 per cent of the

CHIP BIDCO AS

Amounts in NOK thousands

nominal amount. The bonds may be redeemed at an earlier date subject to certain conditions as set out in the agreement.

INTEREST RATE

The interest rate for the bonds are NIBOR plus a margin of 5.5 per cent. pa. Interests are paid on

a quarterly basis and the first interest payment date is 13 March 2020.

PLEDGED AS SECURITY

The shares in Chip Bidco AS has been pledged as security for the bonds. In addition, the bonds hold a negative pledge in all of the Group's assets."

NOTE 8 INCOME TAXES

TAX BASE ESTIMATION	2019
Ordinary result before tax	-3 387
Tax base	-3 387
TEMPORARY DIFFERENCES	2019
	-3 387
Tax loss carried forward	-3 387
	-745
Deferred tax (22%)	
EFFECTIVE TAX RATE	2019
Expected income taxes, statutory tax rate 22%	-745
Not capitalized deferred tax benefit	745

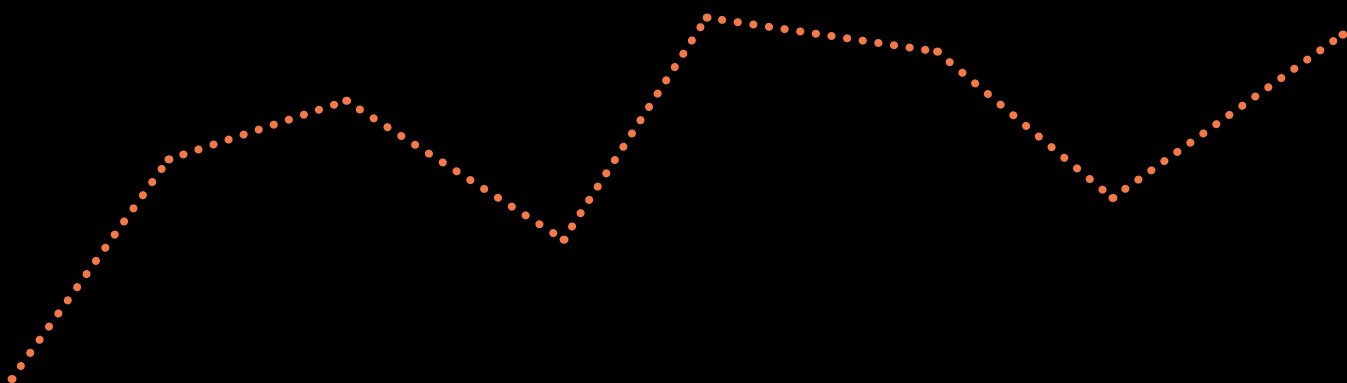
CHIP BIDCO AS
Amounts in NOK thousands

NOTE 9 SUBSEQUENT EVENTS

Recently COVID-19 has affected the global economy. Cegal is carefully monitoring the global situation, and follow from national and world health organizations and, most importantly, maintain a dynamic business continuity plan that addresses the concerns and wellbeing of the organization's employees as well its physical and financial assets including customer relationships. Our business continuity plan is the risk mitigating cornerstone in our monitoring of these risks associated with COVID-19. We have evaluated the impact of the COVID-19 to our organization's

employees, physical assets, brand and balance sheet. Necessary measures are implemented, and we are continuously monitoring the development of the situation. Cegal is delivering business critical data and applications and we are a key vendor for our clients through this crisis. Keeping our employees healthy and maintaining our operation will be focus for us in the time to come. Although there are uncertainties and risks that are difficult to manage and project, the Board are comfortable that sufficient mitigating factors and plans are in place to handle these risks.

AUDITOR'S REPORT





Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Chip Bidco AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Chip Bidco AS comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the balance sheet as at 31 December 2019, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements comprise the statement of financial position as at 31 December 2019, statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2019 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

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

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.



Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Stavanger, 30 April 2020
ERNST & YOUNG AS

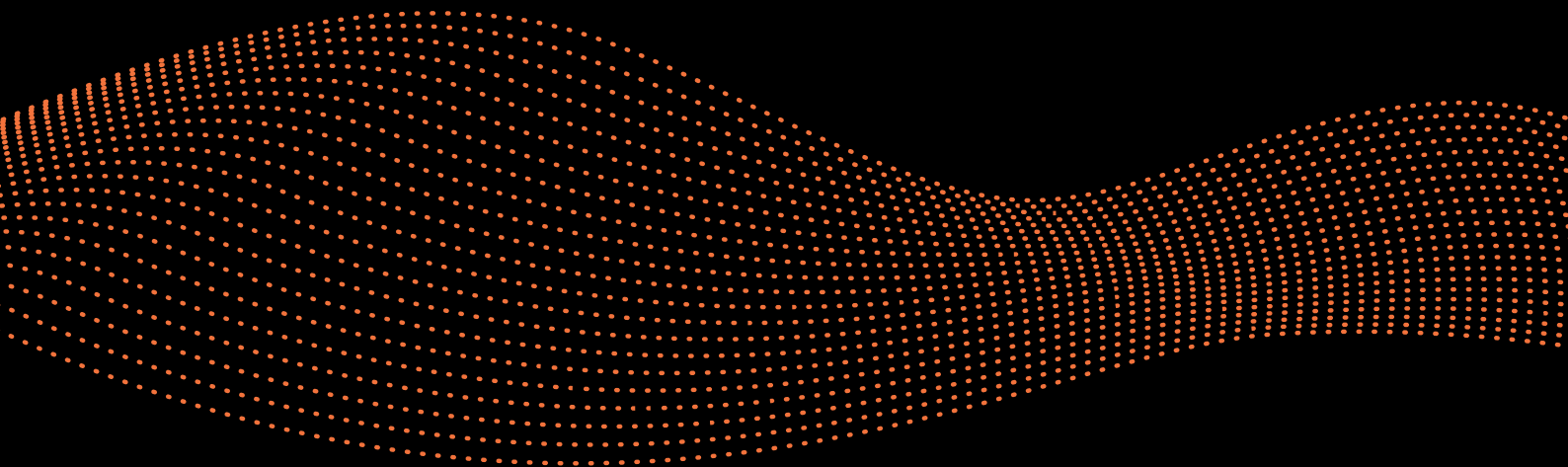


Jan Kvalvik
State Authorised Public Accountant (Norway)

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CEGAL GROUP AS

Annual Report 2018

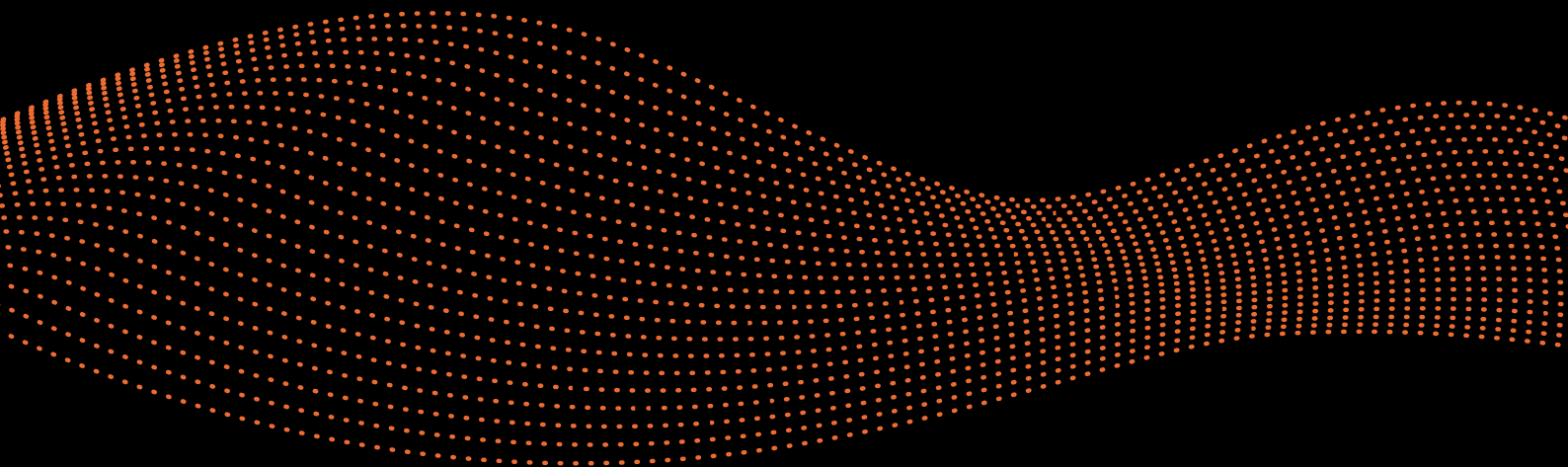
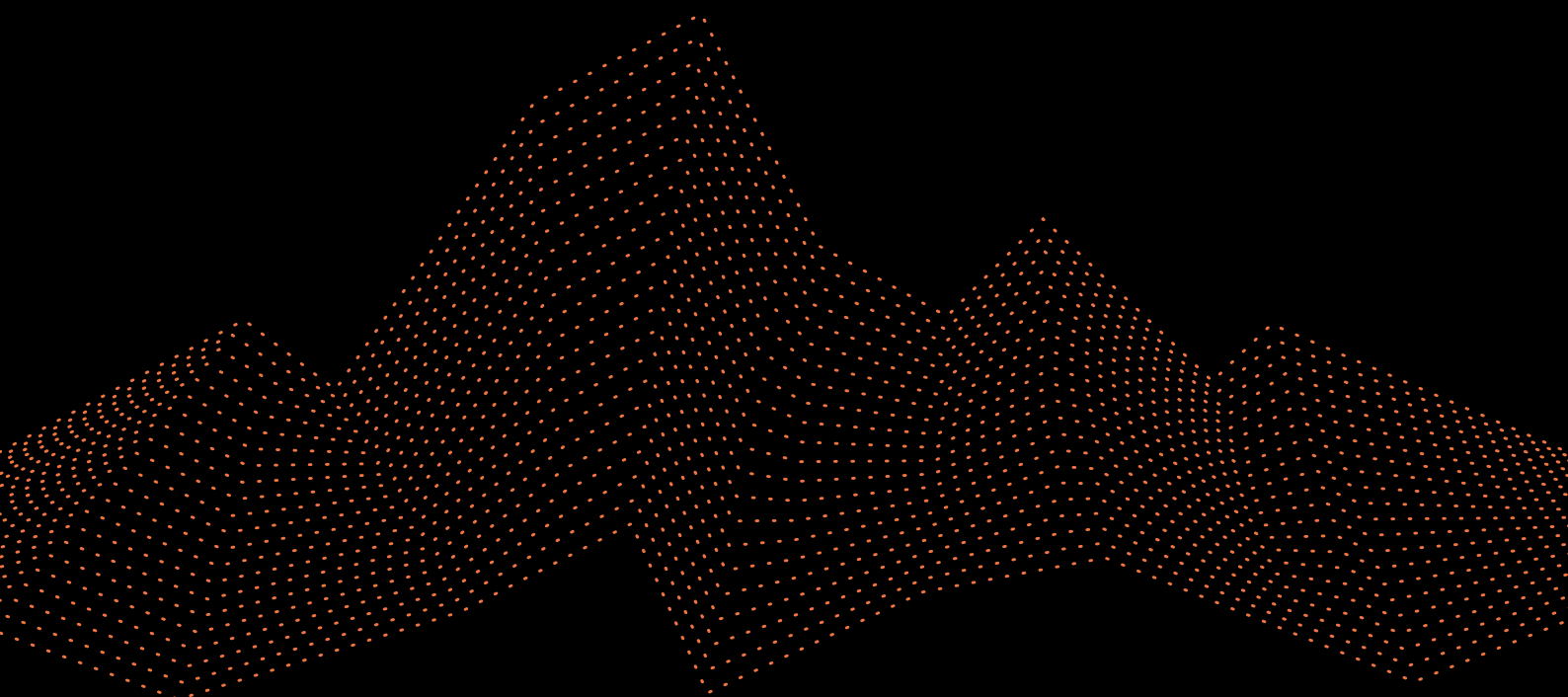


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DEAR EMPLOYEES, CUSTOMERS AND SHAREHOLDERS

2018 was a great year for Cegal! We have delivered significant revenue growth and improved our EBITDA margins. We have spent the time wisely, invested in product development, and broadened our value proposition for the oil and gas industry.

Our customers are focusing on efficiency gains and production optimization. This drives the demand for gaining the benefits that digital technology represents. Disruptive innovation within advanced analytics, process digitalization, and robotics technology is at its rise. The industry is focused and there are unleashed opportunities across the value chain that will unlock comprehensive savings and efficiency gains.

Cegal strengthened its domain expertise by acquiring Avito Consulting AS, a subsidiary of Avito AS as announced in December 2018. The expertise in Avito Consulting AS is an important contribution to complement Cegal's offering throughout the value chain. Avito's skilled staff have expertise within the energy industry that will supplement and add value to Cegal's unique combination of IT and geoscience expertise. The combination of our two companies will represent increased power combining technical expertise with business and domain advisory as an embedded part of deliveries that customers of both companies will benefit from. I am very happy to have the Avito Consulting employees as a part of the Cegal team!

Cegal's has a role as an industry specialist and is an important part of the industry's digital transformation journey. We see that interaction between business, people and technology is a key factor for retaining a competitive edge. We delivered a relevant value proposition with products, services and domain knowledge to the industry. Domain knowledge is our key differentiator. We understand our client's business and we help them understand and use technology creating business value.

The Sales team has been busy, and we have signed several significant new contracts during the year. In addition, there has been significant growth within our existing customers. It has been a busy year for the project and delivering team's rolling out GeoCloud internationally, delivering rig installation in record time and a large carveout project on the Norwegian Continental Shelf, also done in record time. The international footprint has increased and we see large global opportunities for our solutions. We are in the beginning of a very exciting global journey for the years to come.

Our value proposition is most relevant to our customers and I am confident that we are in a good position for facing the future. The Cegal employees constitute a fantastic team with excellent skills and proves over and over again high work ethics and capacity. I am proud of the team and my colleagues! You make Cegal a great work place.

Thanks for a fantastic 2018, I look forward to 2019 and beyond!

Svein Torgersen
CEO



BOARD OF DIRECTORS' REPORT CEGAL GROUP AS

SCOPE OF BUSINESS

Cegal's mission is to be the most innovative provider of IT services and geoscience solutions to the global oil and gas industry. Cegal is filling the gap between IT and E&P.

Cegal Group AS and the headquarter is located in Stavanger, Norway. The group is also located in Oslo, Trondheim, Moscow, London, Aberdeen, Houston, Calgary and Dubai.

BUSINESS SEGMENTS

Cloud and cloud services

Cegal's cloud based solutions provides high performance IT systems and customized software solutions to more than 15.000 end users. We support more than 1.000 applications, and our support center offers a single point of contact for all IT related questions. We have seven data centers and more than 210 oil and gas customers. Cegal is at the forefront of digitalizing the oil and gas industry with its GeoCloud value proposition - an open integration platform tailored to the industry.

Cegal's offering delivers the benefits of cloud computing to its customers, all within one user friendly digital workspace interface.

As a strategic partner with deep domain knowledge, Cegal enables its customers to manage and structure their data in order to perform advanced analytics, thereby increasing productivity and efficiency in their exploration and production. We have customized our offering to the oil and gas industry, in particular with respect to advanced geoscience applications and critical on/offshore operations. Cegal supports all main exploration and production applications based on best practices. In 2018, Cloud including Cloud services represented 72.7 % of our revenues. Long term recurring cloud revenue represents approximately 67% of total cloud revenues.

Software

Cegal develops and sells software to extend, improve and speed up workflows within geology, geophysics,

reservoir engineering and data management.

In addition, we offer development of high quality customized software solutions. In 2018, software products and services represented 17.1% of revenues.

Geoscience consulting

Cegal offers highly experienced on-site consultants and expert geomodelers. In 2018, geoscience consulting represented 2.8 % of our revenues.

Other

Mainly 3rd party resale of hardware and other software to IT cloud customers. In 2018, other revenue represented 6.6% of our revenues.

Acquisition of Avito Consulting AS

Cegal Group AS signed in December 2018 an agreement to acquire all the shares in Avito Consulting AS, a subsidiary of Avito AS. Avito Consulting delivers strategic consultancy services that adds execution strength to projects, with a primary focus on IT projects in the energy industry. Cegal will continue the collaboration with the remaining business in the Avito Group. All employees in Avito Consulting will be integrated into the Cegal organization.

Avito Consulting's skilled staff has expertise within the energy industry that will supplement and add value to Cegal's unique combination of IT and geoscience expertise, complementing Cegal's offering throughout the whole value chain. The combination of the two companies will represent increased power to combine technical expertise with business and domain advisory as an embedded part of deliveries that customers will benefit from.

STATEMENT OF INCOME

Cegal Group financial statement for 2018 has been prepared in accordance with the Norwegian Accounting Act § 3-9 and specific regulations, often referred to as "the simplified application of international financial reporting standards (IFRSs)".

Operating Revenue

Actual turnover in the group was NOK 640.9 million in 2018 compared to NOK 530.2 million in 2017, representing an increase of 20.9%. The increase in revenue is mainly related to Cloud and Cloud Services

Operating Result (EBITDA)

The group's earnings before interest, tax, depreciation and amortization (EBITDA) was in 2018 NOK 123.3 million, representing an increase of 39.8% compared to 2017.

Depreciations

Depreciation of tangible assets was NOK 62.3 million compared to 38.3 million in 2017, whereas amortization of intangible assets was NOK 30.9 million compared to NOK 30.2 million in 2017.

Net financial items and profit before and after tax

Net financial items amounted to NOK -22.2 million compared to NOK -19.3 million in 2017. Profit before tax was NOK 7.9 million compared to NOK 0.3 million in 2017. Tax was NOK 1.3 million resulting in a net profit of 6.6 million.

Cash flow and financial positions

Total cash flow from operations for the group was NOK 102.3 million. The difference between profit before tax and cash flow from operations is due to taxes, depreciation and changes in working capital.

The cash flow from investment activities was NOK -307.8 million, which was related to purchase of tangible and intangible assets and also the acquisition of Avito Consulting.

Purchase of tangible assets was NOK 99.2 million. Investments in internal IT amounted to NOK 8.9 million and NOK 90.4 million was related to investments in Geocloud infrastructure, whereof NOK 57.3 million was directly related to ramp-up of existing clients and onboarding of new clients. The remaining NOK 33.1 million was related to investments in maintenance, tech re-fresh and expansion of multi client infrastructure.

These investments will facilitate growth in long-term Geocloud revenue.

Cash flow from financing activities was NOK 220.4 million including issuance of new long term debt and increase financial lease liability. The company made a repayment of paid-in capital of NOK 100.0 million in 2018. In the view of the Board, this will leave sufficient head room in the loan covenants, secure sufficient equity in the company and leave room for organic growth.

As at 31 December 2018, the group had bank deposits totaling NOK 35.4 million. Cegal has complied with all loan covenants during 2018.

The Group's current assets amounted to 27.8% of total assets per 31 December 2018. Total assets at the end of the year NOK 816.9 million and the equity ratio was 7.9%.

Due to early adoption of IFRS16 accounting standard as of January 1 2018, costs such as office rent costs and data center costs under the previous accounting standard has been classified as ROU assets (right of use assets) amounting to NOK 129 million on the balance sheet which will be depreciated over the contract period. Conversely, the group has recorded a corresponding lease liability of NOK 129 million.

The early adoption has also affected the P&L accounts by increasing EBITDA by NOK 23.8 million. However, due to increased amortizations and interest costs, the profit before tax has decreased by NOK 5.5 million.

GOING CONCERN

In accordance with the Accounting Act (Regnskapsloven) § 3-3a it is confirmed that the going concern assumption is present. This assumption is based on profit forecasts for 2019 and its long-term strategic prognosis.

Although the majority of Cegal's revenue is generated from the oil and gas sector, our business model has proven robust even in tough times. We see the

digitalization in the oil sector as a growth opportunity as we offer products and services that will enable our customers to find more oil and operate more cost efficient.

RISK FACTORS

Market risk

The group has exposure to currency and interest rate risk. Currency risk includes risk from contractual purchase or sale denominated in foreign currencies, in addition to foreign investments and future cash flow from these investments. This currency risk is reduced by having parts of the cost base in foreign currencies as well.

The group is also exposed to changes in interest rates.

Credit risk

The loss on receivables has historically been low, and the risk of losses on receivables is considered limited.

Liquidity risk

Cegal generated 118.5 cash flow from operations in 2018, and held liquid assets of NOK 35.4 million at the close of the year. The Group considers its liquidity as good, and its exposure to liquidity risk is considered to being limited.

WORK ENVIRONMENT

Sick leave in the Group was approximately 2.8% in 2018. During the course of the year, it has not occurred or been reported serious workplace accidents, which resulted in significant damage or injuries. The working environment is good, and improvements are being continuously evaluated and implemented.

EQUALITY

The Board of Cegal Group AS consists of seven male members. At the end of 2018, the group consisted of a total of 318 employees, including 47 women and 271 men. The goal is to be a workplace where there is full gender equality. The Board and management are aware of the societal expectations on measures to promote gender equality.

DISCRIMINATION

The Anti-Discrimination Act is to promote equality, ensure equal opportunities and rights and prevent discrimination based on ethnicity, national origin, ancestry, color, language, religion and belief. The Group works actively, purposefully and systematically to promote the purpose within our business. The activities include recruitment, pay and working conditions, promotion, development and protection against harassment.

The Group aims to be a workplace where there is no discrimination on grounds of disability. The group works actively and purposefully to design and facilitate the physical conditions so that the different functions can be used by as many people as possible. For employees or applicants with disabilities, individual arrangements are made with regards to workplace and work tasks.

Environment

The operations do not affect the external environment beyond the normal for the company business.

EVENTS AFTER THE YEAR-END CLOSING OF THE ACCOUNTS

No significant events after the balance sheet date.

FUTURE OUTLOOK

Cegal's main market is expected to be growing. As the market leader for cloud enablement on the Norwegian Continental Shelf (NCS), a global centre for innovation in oil and gas E&P, with a portfolio of software customers in 43 countries across the world, Cegal is well positioned to continue on its strong and profitable growth path.

Based on the current demand from our customers, a focused organization, new unique products and a strong order backlog, the company expects some growth, increased profitability and positive cash flow going forward.

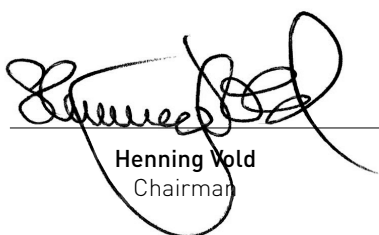
NET PROFIT AND ALLOCATIONS

The Board proposes the following allocation the profit for Cegal Group AS:

Transferred to other equity	NOK 6.638.000
Total allocation	NOK 6.638.000

No dividend is proposed in respect of the 2018 financial year.

Stavanger, 28 March 2019



Henning Vold
Chairman



Arne Kristoffer Norborg
Board member



Per-Ola Baalerud
Board member



Frank Robert Garneng
Board member




Stian Vemmestad
Board member



Arve Osmundsen
Board member



Kjell-Erik Østdahl
Board member



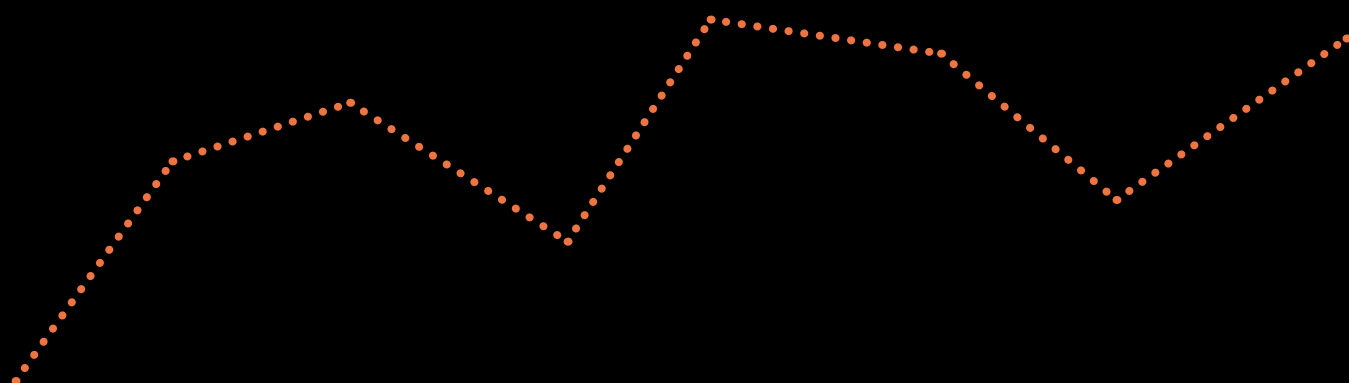
Ole Johannes Rossebø
Board member



Svein Torgersen
CEO

GROUP ANNUAL ACCOUNTS 2018

- Statement of comprehensive income
- Statement of financial position (balance)
- Statement of cash flow
- Statement of changes in equity
- Notes



CEGAL GROUP AS – GROUP
Amount in NOK thousands

STATEMENT OF COMPREHENSIVE INCOME	NOTE	2018	2017
Revenue			
Sales revenue	15	640 904	530 173
Total revenue		640 904	530 173
Operating expenses			
Cost of sale		227 427	153 344
Payroll expenses	7	254 168	243 220
Other operating expenses	6, 7	36 034	45 414
Total operating expenses		517 628	441 979
EBITDA	1	123 276	88 195
Depreciation and amortization	3, 4	93 166	68 525
Operating profit/-loss		30 109	19 669
Financial income and expenses			
Interest income		2 083	1 192
Other financial income	12	18 146	14 511
Interest expenses		23 379	13 617
Other financial expenses	12	19 012	21 420
Net financial items		-22 162	-19 334
Profit before tax		7 947	335
Tax on ordinary result	8	1 309	-928
Net profit or loss for the year		6 638	1 263
Other comprehensive income			
Items which will not be reclassified over profit and loss		0	0
Currency translation differences		-564	807
Items which may be reclassified over profit and loss in subsequent periods		-564	807
Net other comprehensive income		-564	807
Total comprehensive income for the year		6 074	2 071

CEGAL GROUP AS – GROUP
Amount in NOK thousands

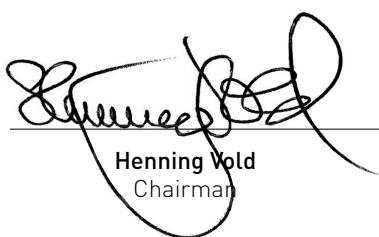
STATEMENT OF FINANCIAL POSITION	NOTE	2018	2017
Assets			
Intangible assets			
Goodwill	16	301 898	251 289
Software	3	50 039	64 251
Intangible assets	3	7 952	0
Deferred tax assets	8	7 275	10 143
Total intangible assets		367 164	325 683
Tangible assets			
Servers, office furniture, etc	4	221 193	55 182
Total tangible assets		221 193	55 182
Financial assets			
Other receivables		1 284	1 634
Total financial assets		1 284	1 634
Non-current assets		589 641	382 498
Current assets			
Trade receivables		152 045	83 742
Other receivables		28 941	10 919
Prepayments		10 774	27 779
Total current assets		191 761	122 440
Cash and cash equivalents	5	35 448	20 544
Total current assets		227 209	142 984
Total assets		816 851	525 482

CEGAL GROUP AS – GROUP
Amount in NOK thousands

STATEMENT OF FINANCIAL POSITION	NOTE	2018	2017
Equity and liabilities			
Paid-in capital			
Share capital	13	1 258	1 258
Share premium reserve		39 721	139 714
Own shares		-7	-6
Total paid-in capital		40 972	140 966
Retained earnings			
Other equity		23 415	17 008
Total retained earnings		23 415	17 008
Total equity		64 387	157 974
Provisions			
Deferred tax	8	0	1 825
Total provisions		0	1 825
Liabilities			
Liabilities to financial institutions	9	324 713	156 510
Other long-term liabilities	11	145 843	17 489
Total other long term liabilities		470 556	173 999
Current liabilities			
Liabilities to financial institutions	5, 9	45 185	59 057
Trade creditors		57 620	31 205
Public duties payable		34 453	22 039
Tax payable	8	4 046	2 115
Other short-term liabilities	10	140 605	77 268
Total current liabilities		281 908	191 684
Total liabilities		752 464	367 508
Total equity and liabilities		816 851	525 482

CEGAL GROUP AS – GROUP

31 December 2018
Stavanger, 28 March 2019



Henning Vold
Chairman



Arne Kristoffer Norborg
Board member



Per-Ola Baalerud
Board member



Frank Robert Garneng
Board member



Stian Vemmestad
Board member



Arve Osmundsen
Board member



Kjell-Erik Østdahl
Board member



Ole Johannes Rossebø
Board member



Svein Torgersen
CEO

CEGAL GROUP AS – GROUP
Amount in NOK thousands

STATEMENT OF CASH FLOW	2018	2017
Profit/(loss) before tax	7 947	335
Taxes paid	-2 093	-811
Depreciation and amortization	93 166	68 525
Interest income	-2 083	-1 192
Interest expense	23 379	13 617
Changes in trade receivable	-68 303	7 316
Changes in trade creditors	26 415	3 969
Interests received	2 083	1 192
Interests paid	-23 379	-13 617
Changes in other current balance sheet items	45 145	-41 569
Net cash flow from operating activities	102 276	37 766
Increase financial lease asset	-208 622	0
Purchase of tangible and intangible assets	-36 546	-30 763
Acquisition of group companies	-62 600	0
Net cash flow from investing activities	-307 768	-30 763
Proceeds from issuance of long term debt	208 000	200 000
Repayment of short term loans to financial institutions	-24 444	-245 250
Increase/(decrease) short term loan to financial institutions	-26 539	35 057
Payment financial lease	-45 559	-22 001
Increase financial lease liability	208 598	0
Payment of dividend	-99 993	0
Sale/(purchase) own shares	332	-160
Net cash flow from financing activities	220 395	-32 354
Net change in cash and cash equivalents	14 904	-25 351
Cash and cash equivalents 01.01	20 544	45 895
Cash and cash equivalents 31.12	35 448	20 544

CEGAL GROUP AS – GROUP
Amount in NOK thousands

STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	OWN SHARES	SHARE PREMIUM RESERVE	OTHER EQUITY	TOTAL EQUITY
Equity as at 01.01.2017	1 258	-6	139 714	15 097	156 063
Profit for the year				1 263	1 263
Purchase/sale of own shares				-160	-160
Currency translation differences				807	807
Equity as at 31.12.2017	1 258	-6	139 714	17 008	157 974
Equity as at 01.01.2018	1 258	-6	139 714	17 008	157 974
Profit for the year				6 638	6 638
Purchase/sale of own shares		-1		333	332
Repayment of capital			-99 993		-99 993
Currency translation differences				-564	-564
Equity as at 31.12.2018	1 258	-7	39 721	23 415	64 387

CEGAL GROUP AS – GROUP
Amount in NOK thousands

NOTES TO THE GROUP FINANCIAL STATEMENT 2018

NOTE 1 ACCOUNTING PRINCIPLES

The company's financial statements have been prepared in accordance with the Norwegian Accounting Act § 3-9 and specific regulations, related to what is often referred to as "the simplified application of international financial reporting standards (IFRSs)", issued by the Ministry of Finance January 21, 2008. Under this regulation, recognition and measurement rules are based on international financial reporting standards (IFRSs), while presentation and disclosures are in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

1.1 Basis for consolidation

The consolidated financial statements comprise the following entities:

- Cegal Group AS
- Cegal AS
- Cegal Ltd
- Cegal LLC
- Cegal Geoscience Inc
- Cegal FZ - LLC
- Cegal Russia LLC
- Avito Consulting AS

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 consolidated financial statements are prepared such that the group of companies are presented as a single economic entity. Intercompany transactions have been eliminated in the preparation of the consolidated financial statements. The accounting principles for the consolidated financial statements have been applied consistently for all periods presented.

Acquired subsidiaries are accounted for on the basis of the parent company's acquisition cost. The acqui-

sition costs are attributed based on fair values of the separable net assets acquired. Values in excess of fair value of the separable net assets are presented as goodwill in the statement of financial position. Subsidiaries are consolidated in the financial statements from the date control is achieved until the date control ceases to exist.

1.2 Sales revenue

Revenue from services is recognised when performed. Revenue from sale of goods is recognized at transfer of risk and control.

Sale of licenses (right to use) that are distinct are recognised at a point in time when the customer is able to use and benefit from the license. Sale of licenses that are part of a bundled contract (right to access) are not distinct and are recognised over the contract period. Sale of perpetual license rights are recognized when the customer gets access to the software.

Maintenance revenue is recognised on a straight line basis over the maintenance period.

1.3 Statement of financial position classification

Current assets and liabilities comprise items due within one year, or items related to the normal operating cycle. Other assets and liabilities are classified as non-current assets and long-term debt, respectively.

Current assets are valued at the lower of cost and net realisable value. Current liabilities are recognised at nominal value.

Fixed assets are initially measured at cost, and subsequently at cost less accumulated depreciation and impairment charges. Long-term liabilities are recognised at amortized cost.

CEGAL GROUP AS – GROUP

Amount in NOK thousands

1.4 Tangible assets

Tangible assets are capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are capitalized and depreciated together with the underlying asset. If the carrying amount of a non-current asset exceeds the estimated recoverable amount, the asset is written down to its recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present values.

1.5 Intangible assets

Intangible assets comprise software. Software is identifiable and controlled by the company. An intangible asset is capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. The intangible assets are depreciated over the estimated useful economic life. If the carrying amount of an intangible asset exceeds the estimated recoverable amount, the asset is written down to its recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present values.

1.6 Trade and other receivables

Trade receivables and other current receivables are recorded in the statement of financial position at nominal value less provisions for doubtful debts.

The Group recognises an allowance for expected credit losses (ECLs) for all trade and other receivables. The Group applies a simplified approach in calculating ECLs.

1.7 Income tax

Tax expenses in profit and loss comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated using the tax percentage in the country the subsidiary is in, on the basis of existing temporary differences between

accounting profit and taxable profit as well as losses carried forward at year end. Net deferred tax assets are recorded in the statement of financial position to the extent it is more likely than not that the tax assets will be utilized.

1.8 Long term debt

Costs related to acquiring long-term debt are capitalized and amortized over the loan term using the effective interest rate method.

1.9 Leasing / leases

Lease contracts where the group is a lessee are capitalised. Upon commencement of the lease the right-of-use asset is recognised at cost being the present value of the lease payment in the contract as defined by IFRS 16 in addition to initial direct costs. The corresponding lease liability is recognised in the balance sheet at present value using the interest rate implicit in the lease, if that rate can be readily determined, or else the lessee's incremental borrowing rate. The lease liability is subsequently increased by the effective interest in the lease and reduced by payments made. The lease liability is also reassessed subsequently if the payments or the interest rate changes. The change in liability is added to or deducted from the right-of-use asset.

The right-of-use asset acquired under leases is depreciated over the asset's useful life or the lease term, if shorter, if the lease does not transfer ownership at the end of the lease term, or there is no purchase option that is in the money. The right-of-use asset is tested for impairment as for similar assets owned by the entity.

1.10 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. Acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received. The consideration paid in a business combination is measured at fair value at the acquisition date.

CEGAL GROUP AS – GROUP

Amount in NOK thousands

When acquiring a business all financial assets and liabilities are assumed for appropriate classification and designation in accordance with contractual terms, economic circumstances and pertinent conditions at the acquisition date.

Goodwill is recognised as the difference between the consideration transferred, including an equivalent amount for any non-controlling interest, and the net of the acquisition-date fair values of identifiable assets acquired and liabilities assumed. Goodwill is not depreciated, but tested for impairment at least annually. For goodwill impairment purposes, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the business combination.

1.11 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 investments with original maturities of three months or less.

1.12 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)

In accordance with IAS.85 and IAS.85A, the Group has presented an additional (non-GAAP) subtotal in the statement of comprehensive income. This subtotal is considered relevant to the understanding of the entity's financial performance.

1.13 Changes in accounting policies and disclosures

The following new and amended standards and interpretations have been implemented for the first time in 2018:

IFRS 9 - Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The standard

replaces IAS 39. Implementation of IFRS 9 has not involved any material changes compared to how the Group reported according to IAS 39.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted IFRS 15 using the modified retrospective approach. Implementation of IFRS 15 has not involved any material changes compared to how the Group reported according to previous revenue standards.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27. Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The new standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties in a lease, i.e. the customer (lessee) and provider (lessor). The new standard requires that the lessee recognises assets and liabilities for most leases, which is a significant change from current policies. For lessors, IFRS 16 essentially continues existing principles from IAS 17. In line with

CEGAL GROUP AS – GROUP

Amount in NOK thousands

this, a lessor shall continue to classify their leases as operating leases or finance leases and report these two types of leases separately.

The Group has opted for the early adoption of IFRS 16 “Leases” starting January 1, 2018. The Group has chosen to apply IFRS 16 using the modified retrospective approach, setting the right-of-use asset equal to the lease liability as of 1.1.2018.

The Group has elected to use the two exemptions proposed by the standard on the following contracts:

- Lease contracts with a duration of less than 12 months
- Lease contracts for which the underlying asset has a value in new of below 50 000 NOK

The impact of IFRS 16 on the opening balance sheet as of January 1, 2018 are as follows:

- Recognition of a right of use asset amounting to NOK 129 mill
- Recognition of a lease liability amounting to NOK 129 mill

NOTE 2 ESTIMATION UNCERTAINTY

In the process of applying the Group’s accounting policies in according to simplified IFRS, management has made several judgements and estimates. All estimates are assessed to the most probable outcome based on the managements best knowledge. Changes in key assumptions may have significant effect and

may cause material adjustments to the carrying amounts of assets and liabilities, equity and the profit for the year.

The company’s most important accounting estimates are the following items:

BALANCE SHEET ITEM	NOTE	ESTIMATE/ASSUMPTIONS	NET BOOK VALUE
Goodwill	3,16	Net present value of expected future cash flow	301 898
Intangible assets	3	Net present value of expected future cash flow	57 991
Tangible assets	4	Net present value of expected future cash flow	28 450
Deferred tax asset	8	Net present value of expected future cash flow	7 275

CEGAL GROUP AS – GROUP

Amount in NOK thousands

Depreciation of tangible and intangible fixed assets

Depreciation is based on management's estimate of useful life. Such estimates may change as a result of technological developments, competition, changes in market conditions and other matters. This may cause change in the estimated useful life and accordingly in depreciation.

Impairment of goodwill and other assets

The Group tests goodwill for impairment annually. The book value of goodwill in the Group's cash-generating units (CGU) is measured against the value in use of goodwill in these units. The recoverable amount from cash generating units is determined through calculations of value in use. These calculations are based on discounted cash flows that involve uncertainty and require the use of estimates. A change in the yield requirement used for discounting future cash flows will affect the book value of goodwill. An increase in the yield requirement will, in isolation, cause a lower value in use which in turn will cause a fall in the value of goodwill.

Other tangible and intangible assets are tested for impairment to the extent there are indications of a material loss of value.

Capitalisation of development projects (software)

When capitalising development costs that relate to the use of internal resources, costs are estimated using an hourly rate based on the direct costs per employee. In the event of any indication of the need for a write-down in respect of an individual development project, the recoverable amount is tested against the book value. The recoverable amount assigned to the development project is determined on the basis of calculations of value in use. These calculations are based on discounting future cash flows that involve uncertainty and require the use of estimates. A change in the forecast revenue or margin used when estimating future cash flows will affect the estimated value of the development project in question.

Deferred tax asset

Deferred tax assets are recognised when it is probable that sufficient future taxable profits exists and can be utilized towards the deferred tax assets. The parent company, Cegal Group As has significant tax loss carry forwards at the balance sheet date as a result of previous periods losses. As a consequence, it is uncertain when future taxable profits can be reported, however, the management and the board are in the opinion that future taxable profits will be sufficient to make use of the tax loss, and a deferred tax asset for the parent company and correspondingly for the group can be recognized in the financial statement for 2018. In addition, the group has tax losses in Canada and Dubai. Due to low activity in Canada and Dubai, the management and the board are of the opinion that a deferred tax asset for these operations cannot be recognised in the financial statements for 2018.

CEGAL GROUP AS – GROUP
Amount in NOK thousands

NOTE 3 INTANGIBLE ASSETS

	CUSTOMER RELATIONS	SOFTWARE	TOTAL
Acquisition cost at 01.01	0	109 507	165 389
Additions	7 952	16 665	24 617
Acquisition cost 31.12.	7 952	126 171	190 006
Acc. amortization at 01.01.	0	101 138	101 138
Amortization for the year	0	30 877	30 877
Net carrying amount at 31.12	7 952	50 039	57 991
Useful economic life	3–5 years	3–5 years	3–5 years
Amortization plan	Linear	Linear	Linear

Goodwill

Recognised goodwill is NOK 301 898. The goodwill relates to the acquisition of the subsidiaries Cegal AS, Unitron AS, Escape Business Technologies Ltd and Cegal Geoscience AS with subsidiaries. Unitron AS was in 2012 merged into Cegal AS. Cegal Geoscience AS with subsidiaries was acquired in 2014. Escape Ltd was acquired in 2015. Total acquisition cost was NOK 266 747 and £ 2 996, and amount of £ 2996 is valued at exchange rate per year end.

In 2018 the Group acquired Avito Consulting AS, and the purchase price has been allocated to goodwill of NOK 50 519 and customer relations and order backlog of NOK 7 952.

The goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, in accordance with IAS 36 (IFRS 3.54, IAS 36.10).

CEGAL GROUP AS – GROUP
Amount in NOK thousands

NOTE 4 TANGIBLE ASSETS

	FINANCIAL LEASING IT-EQUIPMENT	TANGIBLE ASSETS	TOTAL
Acquisition cost at 31.12	184 115	89 176	273 291
IFRS 16 implementation	129 296	0	129 296
Acquisition cost at 01.01	313 411	89 176	402 587
Additions	79 325	19 882	99 207
Translation differences	0	17	17
Acquisition cost 31.12.	392 737	109 074	501 811
Acc. depreciation 01.01	148 554	69 664	218 218
Translation differences	138	-27	111
Depreciation for the year	51 303	10 987	62 289
Net carrying amount at 31.12.	192 743	28 450	221 193
Useful economic life	2–5 years	2–5 years	
Depreciation plan	Linear	Linear	

CEGAL GROUP AS – GROUP
Amount in NOK thousands

NOTE 5 BANK DEPOSIT

The cash and deposits for the Group includes restricted funds of NOK 9 723 related to employee taxes as of 31 December 2018.

The Group has bank guarantees of NOK 10 853.

The Group has a bank overdraft facility of NOK 50 000, in which NOK 8 518 is used. Accounts receivable,

inventory, shares and fixed assets in Cegal Group and Cegal AS are pledged as security for the bank overdraft facility. The security is limited to NOK 350 000.

The Cegal Group companies in Norway are organized in a group account structure where Cegal Group AS is the owner of the group accounts.

NOTE 6 OPERATING LEASE AGREEMENTS

The Group has of 31 December 2018 the following operating leasing agreements:

	2018
Transportation, inventory, computer equipment Total	1 159
Total	1 159

Information about financial leasing, see note 12.

CEGAL GROUP AS – GROUP
Amount in NOK thousands

**NOTE 7 WAGE COSTS, NUMBER OF EMPLOYEES, REMUNERATION,
LOANS TO EMPLOYEES AND AUDITOR'S FEE**

WAGE COSTS	2018	2017
Salaries	223 500	217 809
Payroll tax	30 067	28 431
Pension costs	7 579	8 088
Other remuneration	6 539	7 397
Capitalized development cost	-13 517	-18 504
Total	254 168	243 220
The total number of employees in the company during the year:	318	275

MANAGEMENT REMUNERATION

	General manager	Board of Directors remuneration
Salary	1 339	250
Pension expenses	47	0
Other payments	12	0

The general manager has no agreements regarding severance pay.

The Group is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The Group's pension scheme meets the requirements of that law. The Group has a defined contribution plan.

AUDITOR REMUNERATION HAS BEEN DIVIDED AS FOLLOWS	2018
Audit remuneration	471
Other services	182

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

CEGAL GROUP AS – GROUP
Amount in NOK thousands

NOTE 8 TAXES

SPECIFICATION OF TOTAL TAX COST	2018	2017
Total payable tax	2 829	2 982
Correction previous years	-467	-803
Effect change of tax rate	110	357
Translation effect	-95	0
Changes in deferred taxes	-1 069	-3 464
Total tax cost for the year	1 309	-928
SPECIFICATION OF BASE OF PAYABLE TAXES	2018	2017
Net income before tax	7 947	335
Permanent differences	187	-382
Changes in temporary differences	10 323	8 516
Tax base pre loss carry forward	18 456	8 469
Used previous year's tax loss carry forward	-9 803	-4 162
Base for payable tax	8 653	4 307
SPECIFICATION OF BASE FOR DEFERRED TAX BENEFIT	2018	2017
Assets	5 273	8 386
Leasing	-6 025	-230
Long term debt	4 176	1 490
Short term debt	-15 848	-20 283
Loss carry forward	-38 538	-41 519
Temporary differences	-50 962	-52 156
Loss carry forward not recognized **	9 371	11 458
Other differences not basis for deferred tax asset	361	4 472
Basis for deferred tax	-41 230	-36 226
Deferred tax/- deferred tax assets	-7 275	-10 143

** Loss carry forward not recognized relates to Cegal FZ LCC and Cegal Canada.

CEGAL GROUP AS – GROUP

Amount in NOK thousands

RECONCILIATION EFFECTIVE TAX RATE	2018	2017
Expected income taxes, statutory rate 23 % (24 % 2017)	1 828	84
Correction previous years	-467	485
Effect different tax rates	157	561
Effect change of tax rate	357	351
Translation effect	-237	-437
Change not booked deferred tax asset	-298	-1 880
Permanent differences	-30	-92
Total tax cost	1 309	-928

NOTE 9 LIABILITIES

REPAYMENT SCHEDULE LONG TERM LIABILITIES	2018	2017
Within one year*	36 667	24 000
Between one and five years*	328 889	158 000
Total	365 556	182 000

* Cost related to acquiring the long term debt are capitalized and amortized over the loan period. Capitalized costs amount to NOK 4 176 is classified as a reduction of long term loan.

The total frame of the long-term financing is 370 MNOK split in three parts on 120 MNOK (A), 200 MNOK (B) and 50 MNOK (C). The (A) part of the financing is a amortizing loan with equal payment of installments over 4.5 years, part (B) is a bullet loan where the principal is due for payment after 5 years and part (C) is a amortizing loan with equal payment of installments over 5 years.

In addition to the long term financing an overdraft facility of 50 MNOK is secured and the bank have granted a leasing facility of 40 MNOK. The new financing structure is subject to 3 separate loan covenants in relation to equity share, NIBD/12 LTM EBITDA, current assets/current liabilities.

CEGAL GROUP AS – GROUP
Amount in NOK thousands

NOTE 10 SHORT TERM DEBT

SHORT TERM DEBT	2018
Deferred revenue	40 631
Salary	35 047
Short term leasing	53 244
Other short term debt	11 683
Total	140 605

NOTE 11 FINANCIAL LEASE

REPAYMENT SCHEDULE	2018
Within one year	53 244
Between one and five years	145 843
Total	199 087

NOTE 12 FINANCE ITEMS

OTHER FINANCIAL INCOME	2018
Agio	18 143
Other financial income	3
Total	18 146

OTHER FINANCIAL EXPENSES	2018
Disagio	18 174
Other financial expenses	838
Total	19 012

CEGAL GROUP AS – GROUP
Amount in NOK

NOTE 13 SHARE CAPITAL AND SHAREHOLDER INFORMATION

SHARE CAPITAL:	NUMBER OF SHARES	FACE VALUE	NOMINAL VALUE
A-shares	12 390 433	0,09 NOK	1 115 139
B-shares	1 587 017	0,09 NOK	142 832
Total	13 977 450		1 257 971

MAIN SHAREHOLDERS PER 31.12:	A-SHARES	B-SHARES	OWNERSHIP SHARE
Norvestor V LP	7 199 207	72 719	52,03 %
ST Innovation AS*	529 041	132 260	4,73 %
Garneng Kapital AS***	386 209	106 819	3,53 %
John Nygård	260 802	65 201	2,33 %
Dag Ydstebø	260 802	65 201	2,33 %
Sveinung Rage	260 802	65 201	2,33 %
Pagoda AS	229 134	62 371	2,09 %
Fivel Holding AS	224 771	61 639	2,05 %
Paleonor AS**	193 677	56 419	1,79 %
Reservoir Dimensions ApS	173 812	42 778	1,55 %
Chrisfam AS	183 831	30 303	1,52 %
Splinetail AS	168 648	42 162	1,51 %
Wellwork Innovation AS****	144 055	42 499	1,33 %
Meah AS	133 370	35 606	1,21 %
Arve Osmundsen*****	45 263	105 613	1,08 %
Espen Espedal	119 342	31 079	1,08 %
Transalp Invest AS	149 664	0	1,07 %
Rune Aartun	116 782	31 070	1,06 %
Ole Johannes Rossebø, Board Member	117 759	29 865	1,06 %
Christian Cock	108 556	34 122	1,02 %
Total	11 005 527	1 112 927	86,70 %
Other (less than 1% ownership)	1 384 906	474 090	13,30 %
Total number of shares	12 390 433	1 587 017	100,00 %

A-shares and B-shares have equal voting rights.

* Owned by general manager of Cegal Group AS. ** Owned by board member Arne Kristoffer Norborg.

*** Owned by board member Frank Garneng. **** Board member Stian Vemmestad owns shares in Wellwork Innovation AS.

***** Owned by board member Arve Osmundsen.

CEGAL GROUP AS – GROUP
Amount in NOK thousands

NOTE 14 RELATED PARTY TRANSACTIONS

Cegal Group AS has in 2018 bought consulting services for NOK 288 from Wellwork Innovation AS. Wellwork Innovation AS owns 1,33 % of the shares in Cegal Group AS. The consulting service was related to financial services.

NOTE 15 SALES REVENUE BY GEOGRAPHICAL MARKET AND AREA OF OPERATION

MARKET	2018	2017
Cloud	299 913	249 291
Cloud services	166 188	110 452
Hardware/Software	41 906	32 745
Software Products	91 817	83 231
Software Solutions	18 006	25 221
Geoscience consulting	18 219	24 312
Other revenues	4 855	4 920
Total Sales	640 904	530 173

DISTRIBUTED BY AREA OF OPERATION	2018
Norway, Continental Europe and Russia	538 590
UK and Africa	52 319
North and South America	34 701
Middle East and Asia Pacific	15 294
Total Sales	640 904

CEGAL GROUP AS – GROUP
Amount in NOK thousands

NOTE 16 IMPAIRMENT TESTING OF GOODWILL

Recognised goodwill in the Group amounts to NOK 301 898 as of 31.12.2018. Goodwill relates to the acquisition of Cegal AS, Avito Consulting AS, Unitron AS, Escape Business Technologies LTD and Cegal Geoscience AS with subsidiaries.

Goodwill is tested for impairment by groups of cash-generating unit (CGU).

Goodwill is tested for impairment at least annually, or when there are indications of impairment.

The recoverable amount is set to the estimated value in use. The value in use is the net present value of the estimated cash flow before tax, using a discount rate reflecting the timing of the cash flows and the expected risk.

The following assumptions were utilised when calculating value in use as of 2018:

Discount rate	7.6 %
Growth rate	5.0 %
Growth in terminal value	2.5 %
Gross margin (average)	71.4 %

The value in use has been calculated by using projected cash flows based on the budgets approved by the Group Management, covering a five-year period. The projected cash flows are based on historical numbers and adding a moderate growth in the total market, our market share and the prices of our products.

Key assumptions for value in use calculations

The calculation of value in use for the cash generating units is most of all sensitive when it comes to the following assumptions:

Discount interest

The discount interest is based on weighted average cost of capital (WACC). The discount rate is reflecting the current market rate of return in the industry where the cash generating unit is being compared. The cost of equity has been calculated with the basis in the capital asset pricing model (CAPM).

Gross margin

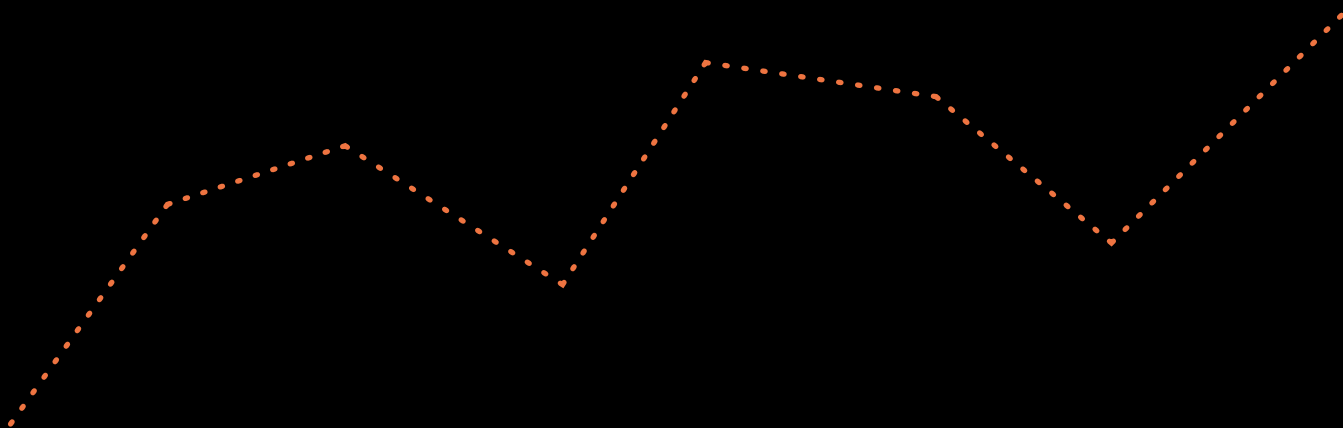
The gross margin is based on an historical average margin.

Growth rate

The growth rate in the period is based on management's expectation to the development in the market. Based on available information and knowledge about the market, management is expecting some increase in the growth for the next years.

COMPANY ANNUAL ACCOUNTS 2018

- The company income statement
- The company balance sheet
- Company cash flow statement
- Notes



CEGAL GROUP AS
Amount in NOK

INCOME STATEMENT	NOTE	2018	2017
Revenue			
Management fee		19 041 492	4 905 545
Operating expenses			
Payroll expenses	2	12 095 358	11 124 920
Depreciation of tangible and intangible fixed assets	3	3 102 538	528 595
Other operating expenses	2	7 730 859	4 648 669
Total operating expenses		22 928 755	16 302 184
Operating result		-3 887 263	-11 396 639
Financial income and expenses			
Income from investments in subsidiaries and associated companies		21 421 685	12 060 945
Interest income from group companies		7 023 457	7 397 527
Other financial income		5 641 297	11 491 559
Other financial expenses	4	17 674 693	26 506 047
Net financial items		16 411 746	4 443 984
Ordinary result before tax		12 524 483	-6 952 655
Tax on ordinary result	9	3 134 379	-1 304 792
Net profit or loss for the year		9 390 104	-5 647 863
Allocated as follows			
Transferred to other equity	8	9 390 104	-5 647 863

CEGAL GROUP AS
Amount in NOK

BALANCE SHEET AS OF DECEMBER 31	NOTE	2018	2017
Fixed assets			
Intangible assets			
Deferred tax asset	9	5 140 503	8 274 882
Total intangible assets		5 140 503	8 274 882
Tangible assets			
Fixtures and fittings, tools, office machinery etc.	3	8 750 675	5 993 531
Total tangible assets		8 750 675	5 993 531
Financial assets			
Investments in subsidiaries	7	271 971 836	209 371 836
Loans to group companies	5	177 744 472	170 566 981
Total financial assets		449 716 308	379 938 817
Total fixed assets		463 334 913	394 207 230
Current assets			
Receivables			
Trade receivables	5	3 946 227	5 979 337
Other receivables	5	101 744 265	71 864 956
Total accounts receivable		105 690 492	77 844 293
Cash and cash equivalents	6	536 254	501 512
Total current assets		106 226 746	78 345 805
Total assets		569 834 232	472 553 035

CEGAL GROUP AS
Amount in NOK

BALANCE SHEET AS OF DECEMBER 31	NOTE	2018	2017
Equity			
Paid-in capital			
Share capital	8, 10	1 257 971	1 257 971
Own shares	8	-6 621	-6 420
Share premium reserve	8	39 720 810	139 713 959
Total paid-in capital		40 972 160	140 965 510
Retained earnings			
Other equity	8	35 027 776	25 305 080
Total retained earnings		35 027 776	25 305 080
Total equity		75 999 936	166 270 590
Liabilities			
Other long-term liabilities			
Liabilities to financial institutions	4	324 713 281	180 510 417
Total other long term liabilities		324 713 281	180 510 417
Current liabilities			
Liabilities to financial institutions	4	45 184 530	35 034 455
Trade creditors	5	2 004 453	1 563 908
Public duties payable	6	1 254 754	1 065 142
Other short-term liabilities	5	120 677 278	88 108 523
Total current liabilities		169 121 015	125 772 028
Total liabilities		493 834 296	306 282 445
Total equity and liabilities		569 834 232	472 553 035

CEGAL GROUP AS
Amount in NOK

CASH FLOW STATEMENT	2018	2017
Cash flow from operating activities		
Result before tax	12 524 483	-6 952 655
Received payment for dividend	0	4 356 699
Recognized dividend from subsidiaries	-21 421 685	-12 060 945
Depreciation and amortization	3 102 538	528 595
Change account receivable	2 033 110	-5 979 337
Change account payables	440 545	261 252
Effect of changes in exchange rates	-154 283	5 908 924
Changes in other current balance sheet items	-12 217 962	504 801
Net cash flow from operating activities	-15 693 254	-13 432 666
Cash flow from investing activities		
Purchase of tangible fixed assets	-5 859 682	-5 532 865
Purchase of investments in shares	-62 600 000	0
Net change in intercompany loan	26 809 479	1 770 136
Net cash flow from investing activities	-41 650 203	-3 762 729
Cash flow from financing activities		
Proceeds from issuance of long term debt	208 000 000	200 000 000
Repayment of long term loans	-24 444 446	-245 250 000
Change overdraft facility	-26 516 597	35 034 455
Sale/(purchase) of own shares	332 391	-159 576
Dividends paid	-99 993 149	0
Net cash flow from financing activities	57 378 199	-10 375 121
Net change in cash and cash equivalents	34 742	-27 570 516
Cash and cash equivalents at 01.01	501 512	28 072 028
Cash and cash equivalents at 31.12	536 254	501 512

NOTES TO THE ACCOUNTS FOR 2018

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 are 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.

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 not is 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 includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

GROUP BANK ACCOUNT ARRANGEMENT

Cegal Group AS has established a group bank account structure. The entities included in the arrangement are jointly liable for liabilities in the account arrangement.

Subsidiaries overdraft and deposits are classified as group receivables or liabilities. In the parent company, deposits/ overdrafts from the group bank accounts are classified as bank deposits or bank overdrafts depending on financial status.

CEGAL GROUP AS
Amount in NOK

NOTE 2 WAGE COSTS, NUMBER OF EMPLOYEES, REMUNERATION, LOANS TO EMPLOYEES AND AUDITOR'S FEE

WAGE COSTS	2018	2017
Salaries	9 676 942	9 186 694
Payroll tax	1 375 393	1 272 413
Pension costs	327 896	309 562
Other payments	715 127	356 251
Total	12 095 358	11 124 920
The average number of employees	7	6

MANAGEMENT REMUNERATION

	Svein Torgersen
Salary	1 339 319
Pension expenses	46 596
Other remuneration	12 011

There are no agreements regarding severance pay.

The company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of that law. The company has a defined contribution plan.

AUDITOR REMUNERATION HAS BEEN DIVIDED AS FOLLOWS	2018
Audit remuneration	270 000
Other services	114 000
Total	384 000

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

CEGAL GROUP AS
Amount in NOK

NOTE 3 TANGIBLE ASSETS

	TOTAL
Acquisition cost 01.01.2018	6 857 304
Purchased tangibles	5 859 682
Acquisition cost 31.12.2018	12 716 986
Acc.depreciation 31.12.2018	-3 966 311
Net carrying amount at 31.12.2018	8 750 675
Depreciation for the year	3 102 538

NOTE 4 LONG TERM LIABILITIES

	2018	2017
Within one year	36 666 672	24 000 000
Between one and five years	328 888 882	158 000 000
Total	365 555 554	182 000 000

Cost related to acquiring the long term debt are capitalized and amortized over the loan period. Capitalized costs amounts to NOK 4 175 601 is classified as a reduction of bond loan.

In addition to the long term financing an overdraft facility of 50 MNOK is secured and the bank have granted a leasing facility of 40 MNOK. The new financing structure is subject to 3 separate loan covenants in relation to equity share, NIBD/12 LTM EBITDA, Current assets/current liabilities.

CEGAL GROUP AS
Amount in NOK

NOTE 5 INTERCOMPANY BALANCE GROUP COMPANIES

RECEIVABLES	2018	2017
Loans to group companies	177 744 472	170 566 981
Accounts receivables	3 946 227	5 979 337
Other receivables	89 252 228	69 541 988
Total	270 942 927	246 088 306

PAYABLES	2018	2017
Other short term payables	5 355 610	4 880 946
Accounts payable	148 704	38 631
Liability related to cash pool	113 140 900	81 494 322
Total	118 645 214	86 413 899

NOTE 6 BANK DEPOSIT

	2018
Restricted cash deposits	532 528

The Cegal Group companies in Norway are organized in a group account structure where Cegal Group AS is the owner of the group account. The Group has an overdraft facility of 50 000 000.

CEGAL GROUP AS
Amount in NOK

NOTE 7 INVESTMENT IN SUBSIDIARIES AND ASSOCIATE

COMPANY	ACQUISITION YEAR	LOCATION	SHARE OWNERS	NET PROFIT 2018	EQUITY 31.12.18	BOOK VALUE 31.12.18
Cegal AS	2011	Sandnes	100 %	-4 482 980	21 192 448	209 371 836
Avito Consulting AS	2018	Sandnes	100 %	-4 532 302	5 878 778	62 600 000
Total				-9 015 282	27 071 226	271 971 836

The 17 December 2018 Cegal Group AS completed the aquisition of Avito Consulting AS.

NOTE 8 OWNERS EQUITY

	SHARE CAPITAL	OWN SHARES	SHARE PREMIUM RESERVE	OTHER EQUITY	TOTAL
Owners equity 01.01.	1 257 971	-6 420	139 713 959	25 305 080	166 270 590
Profit for the year	0	0	0	9 390 104	9 390 104
Sale of own shares	0	19 272	0	9 480 707	9 499 979
Purchase of own shares	0	-19 473	0	-9 148 115	-9 167 588
Dividend	0	0	-99 993 149	0	-99 993 149
Owners equity 31.12.	1 257 971	-6 621	39 720 810	35 027 776	75 999 936

CEGAL GROUP AS
Amount in NOK

NOTE 9 INCOME TAXES

INCOME TAX EXPENSES	2018	2017
Too much/little allocated in previous year(s)	0	-12 234
Change in deferred tax	3 134 379	-1 292 558
Total income tax expense	3 134 379	-1 304 792

TAX BASE ESTIMATION	2018	2017
Ordinary result before tax	12 524 483	-6 952 655
Permanent differences	87 340	70 141
Tax base pre loss carry forward	12 611 823	-6 882 514
Change temporary differences	-12 611 823	-2 328 308
Tax base	0	-9 210 822

TEMPORARY DIFFERENCES OUTLINED	2018	2017
Fixed assets	1 625 458	1 502 839
Long term debt	4 175 601	1 489 583
Loss carried forward	-29 166 988	-38 970 174
Total temporary differences	-23 365 929	-35 977 752

Deferred income tax asset (22% this year, 23% last year)	-5 140 503	-8 274 883
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EFFECTIVE TAX RATE	2018
Expected income taxes, statutory tax rate 23%	2 880 631
Permanent differences (23%)	20 088
This years tax effect of change in tax rate	233 660
Income tax expense	3 134 379

CEGAL GROUP AS

NOTE 10 SHARE CAPITAL AND SHAREHOLDER INFORMATION

SHARE CAPITAL:	NUMBER OF SHARES	FACE VALUE	NOMINAL VALUE
A-shares	12 390 433	0,09 NOK	1 115 139
B-shares	1 587 017	0,09 NOK	142 832
Total	13 977 450		1 257 971

Main shareholders per 31.12:	A-shares	B-shares	Ownership share
Norvestor V LP	7 199 207	72 719	52 %
ST Innovation AS*	529 041	132 260	5 %
Garneng Kapital AS***	386 209	106 819	4 %
John Nygård	260 802	65 201	2 %
Dag Ydstebø	260 802	65 201	2 %
Sveinung Rage	260 802	65 201	2 %
Pagoda AS	229 134	62 371	2 %
Fivel Holding AS	224 771	61 639	2 %
Paleonor AS**	193 677	56 419	2 %
Reservoir Dimensions ApS	173 812	42 778	2 %
Chrisfam AS	183 831	30 303	2 %
Splinetail AS	168 648	42 162	2 %
Wellwork Innovation AS****	144 055	42 499	1 %
Meah AS	133 370	35 606	1 %
Arve Osmundsen*****	45 263	105 613	1 %
Espen Espedal	119 342	31 079	1 %
Transalp Invest AS	149 664	0	1 %
Rune Aartun	116 782	31 070	1 %
Ole Johannes Rossebø, Board Member	117 759	29 865	1 %
Christian Cock	108 556	34 122	1 %
Total	11 005 527	1 112 927	87 %
Other (less than 1% ownership)	1 384 906	474 090	13 %
Total number of shares	12 390 433	1 587 017	100 %

A-shares and B-shares have equal voting rights.

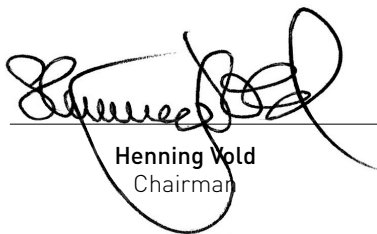
* Owned by general manager of Cegal Group AS. ** Owned by board member Arne Kristoffer Norborg.

*** Owned by board member Frank Garneng. **** Board member Stian Vemmestad owns shares in Wellwork Innovation AS.

***** Owned by board member Arve Osmundsen.

CEGAL GROUP AS

31 December 2018
Stavanger, 28 March 2019



Henning Vold
Chairman



Arne Kristoffer Norborg
Board member



Per-Ola Baalerud
Board member



Frank Robert Garneng
Board member



Stian Vemmestad
Board member



Arve Osmundsen
Board member



Kjell-Erik Østdahl
Board member

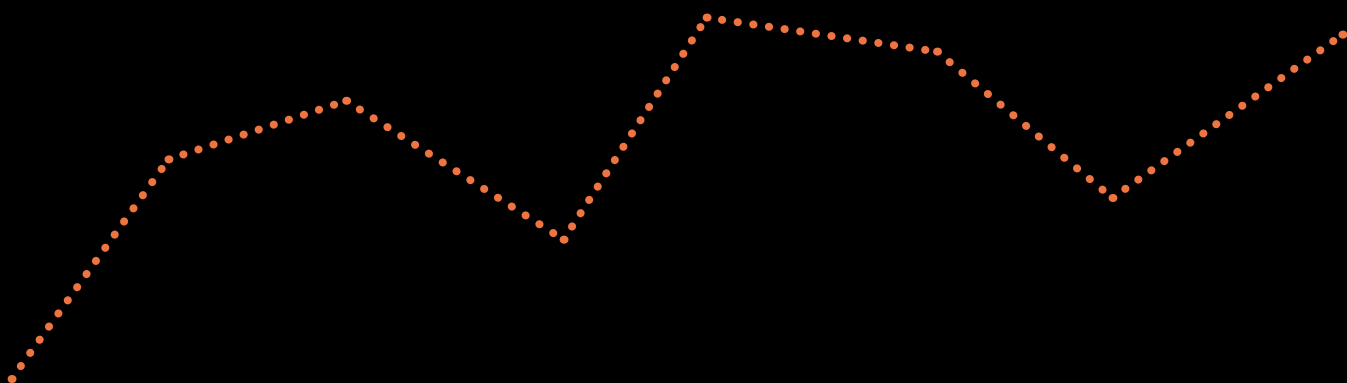


Ole Johannes Rossebø
Board member



Svein Torgersen
CEO

AUDITOR'S REPORT





Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Cegal Group AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Cegal Group AS, which comprise the financial statements for the parent company and the Group. The financial statement of the parent company comprise the balance sheet as at 31 December 2018, the income statement and statement of cash flows for the year then ended and notes to the financial statement, including a summary of significant accounting policies. The consolidated financial statement comprise the balance sheet as at 31 December 2018, the statement of other comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statement, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2018 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

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

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.



Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Stavanger, 29 March 2019
ERNST & YOUNG AS

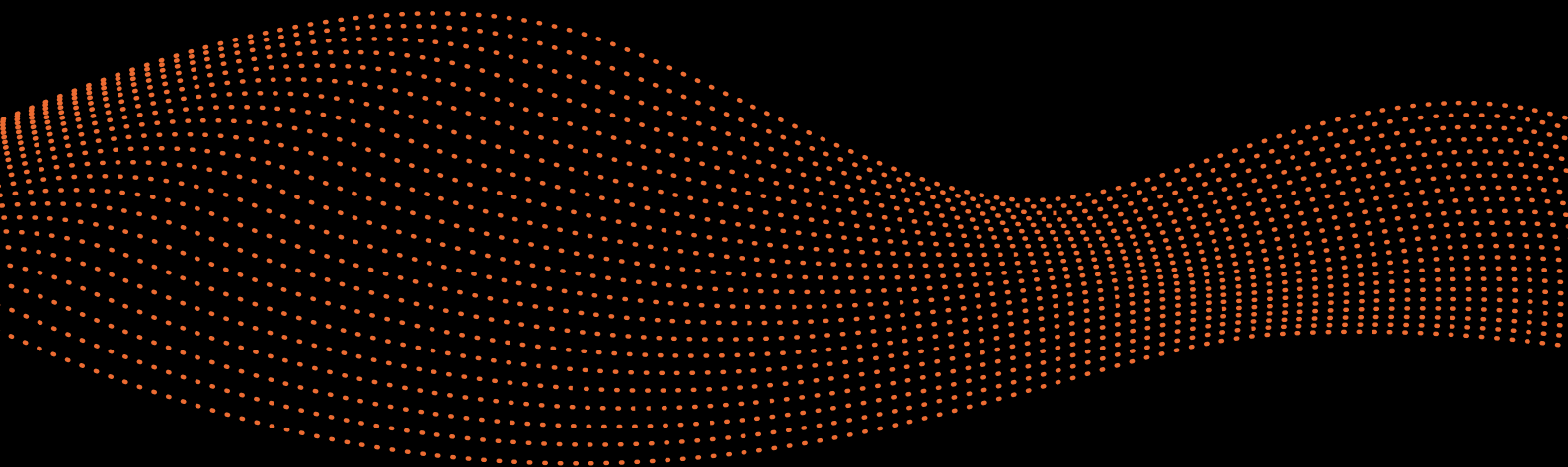
A large, stylized handwritten signature in blue ink is written over the printed name and title of Jan Kvalvik. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jan Kvalvik
State Authorised Public Accountant (Norway)

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APPENDIX 2
ORGANISATIONAL STRUCTURE CHART

Cegal org chart

