



ANNUAL REPORT 2020



We transform how people work.

Report of the Board of Directors 2020

Cyviz AS

About Cyviz

Cyviz AS (“Cyviz” or the “Company”) was established in 1998 and is headquartered in Stavanger, Norway. The Company has 100% ownership of the following subsidiaries: Cyviz LLC (USA), Cyviz Limited (United Kingdom), Cyviz Pty Ltd (Australia) and Cyviz Pte Ltd (Singapore). Cyviz is represented in United Arab Emirates and Saudi Arabia through branch offices.

Cyviz is a global technology provider for comprehensive conference rooms, control rooms and experience centers. Since 1998, Cyviz has empowered the digital workforce to connect, visualize, and collaborate on their critical data. The IT-driven turnkey solutions are easy to deploy, manage and support. Cyviz serves global enterprises and governments with the highest requirements for usability, security and quality, that engage people, encourage collaboration, and accelerate decision-making.

With the right technology, we believe that leaders from any industry can leverage the power of digital collaboration to keep distributed workforces motivated, satisfied, and productive.

The Company has demonstration centers (Cyviz Experience Centers) in Norway, United Kingdom, United States, United Arab Emirates, Singapore, Saudi Arabia and Indonesia.

Cyviz is listed on Euronext Growth at the Oslo Stock Exchange.

Financial review

(Numbers for the corresponding period in 2019 in parentheses)

In 2020, the parent company merged with its subsidiary Cyviz Middle East AS in accordance with simplified regulations regarding mergers of wholly owned subsidiaries. The merger is recognized using continuity values, effective from 1 January 2020. Comparative figures have not been restated.

Cyviz reported consolidated operating income of NOK 217.4 million in 2020 (NOK 229.4 million). The Parent Company, Cyviz AS, reported operating income of NOK 143.3 million in 2020 (NOK 127.5 million). Order intake for 2020 was NOK 179.5 million, representing a decline with 43% from 2019. The decline in revenues and order intake is for a large part attributable to COVID-19. This is partly due to slower sales cycles caused by increased market uncertainty, in addition to delays in deliveries due to locked down customer facilities and travel restrictions.

Cyviz reported a consolidated operating loss of NOK 19.5 million in 2020 (loss of NOK 46.6 million), whilst the reported operating loss for Cyviz AS was NOK 25.7 million in 2020 (loss of NOK 29.5 million).

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The consolidated operating loss in 2020 represents an improvement of NOK 27.1 million from 2019. The improvement was made possible through cost reduction initiatives implemented to reduce the negative effects of COVID-19 and a NOK 3.9 million government grant in USA. The operating loss in Cyviz AS includes NOK 2.5 million in impairments of short-term receivables to subsidiaries.

Cyviz reported consolidated net financial expenses of NOK 13.8 million in 2020 (NOK 3.6 million). For Cyviz AS, reported net financial expenses was NOK 14.7 million in 2020 (NOK 18.3 million).

Cyviz' tax expenses were NOK 0.2 million in 2020 (NOK 15.0 million). For Cyviz AS the tax expenses amounted to NOK 0.2 million (NOK 6.6 million). The Group has NOK 143.0 million (NOK 97.8 million in 2019) of tax losses carried forward.

Cyviz reported consolidated net loss of NOK 33.6 million in 2020 (NOK 65.2 million). For Cyviz AS reported net loss was NOK 40.6 million in 2019 (NOK 54.4 million).

Cyviz reported a consolidated net cash flow from operating activities of NOK 1.2 million in 2020 (NOK -3.5 million). The main reason why the cash flow is significantly higher than the operating loss of 19.5 million is a reduction in working capital by NOK 17.1 million. Net cash flow from operating activities for the parent company was NOK 2.7 million in 2020 (NOK -4.0 million).

Consolidated net cash flow from investing activities amounted to NOK -20.1 million in 2020 (NOK -20.8 million). For Cyviz AS, the amount was NOK -18.5 million in 2020 (NOK -25.1 million). Investments in 2019 were mainly related to development of new technology and a new ERP-system for the Group.

For the Group and the parent company, Cyviz AS, net cash flows from financing activities was NOK 58.7 million in 2020. Cyviz was listed on Euronext Growth at the Oslo Stock Exchange 18 December 2020 after a directed share issue raising gross NOK 66.1 million in new equity (including the exercise of all outstanding warrants). At the same time shareholder loans of NOK 83 million including accrued interests were converted to new shares in the Company. In addition, Cyviz raised a new long-term loan from Innovation Norway of NOK 5 million. All short-term interest bearing debt has been settled in 2020. In 2019, net cash flow from financing activities amounted to NOK 29.3 million for both the Group and the parent company Cyviz AS.

Total assets for the Group were NOK 173.3 million at the end of 2020 (NOK 144.1 million). Total assets for the parent company, Cyviz AS, were NOK 156.7 million at the end of 2020 (NOK 159.1 million).

The Group's total equity at the end of 2020 was NOK 106.3 million (NOK 3.7 million). Cyviz AS' equity was NOK 113.9 million at the end of 2020 (NOK 37.6 million).

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The Group's cash and cash equivalents were NOK 47.4 million at the end of 2020 (NOK 7.6 million). The corresponding figure for the parent company was NOK 44.5 million at the end of 2020 (NOK 1.6 million).

By the end of 2020, the Group and the parent company, Cyviz AS, had NOK 47.4 million in net short term, interest-bearing assets compared to NOK 68.8 million in net short term debt at the end of 2019.

In the opinion of the Board of Directors, the income statement and balance sheet give a satisfactory representation of the result in 2020 and for the financial position at year end 2020.

Going concern

The Company's Board of Directors have concluded that it is appropriate for the financial statements to continue to be prepared under the going concern basis of accounting. Pursuant to section 3-3 (a) of the Norwegian Accounting Act, it is confirmed that the conditions for assuming that the Company and the Group are a going concern are present, and that the financial statements have been prepared based on this assumption.

Outlook

2020 was a year heavily affected by COVID-19 with low order intake and revenues substantially lower than expected at the beginning of the year. However, the Company experienced an increase in activity towards the end of the year, which has continued in 2021 with an order intake in the first quarter which was substantially higher than quarterly average order intake in 2020. In addition, Cyviz in 2021 announced a partnership with Microsoft Corporation to deliver visual collaboration solutions to Microsoft Technology Centers worldwide in 2021. This represents a very important partnership and orders for NOK 58 million has already been received.

It is expected that COVID-19 will have a negative effect on Cyviz also in 2021 with delays in customer deliveries and installations due to travel restrictions and quarantines. However, with the ongoing roll-out of vaccines, the negative effect is expected to gradually decrease throughout the year.

Cyviz can help customers improve processes and adopt new ways of collaborating, and even gain competitive edge in trying times. Digitalization efforts are becoming more urgent, and they will continue to transform how people work, which gives us great confidence in our long-term strategy for profitable growth.

Our customers expect substantial investments to protect their businesses from similar scenarios as COVID-19. The requirements to have crisis management processes and rooms in place, spaces to take critical decisions and interact with other locations, have never been

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more critical as travel is suspended and borders closed. Moreover, control rooms and operations centers are in the spotlight at a time when dependence on critical infrastructure and networks for communication and interaction is crucial.

The past year has seen a wave of consolidation in the AV industry, both in Europe and North America. As the number of players decrease there is room for Cyviz to further strengthen its position as a preferred supplier for the larger organizations. With a standardized platform that can cater for multiple use cases, Cyviz already has a strong reputation with large enterprises and government & defense customers.

Cyviz had a solid financial position as per year-end 2020. In April 2021, the Company raised NOK 49.5 million in a directed share issue towards Karbon Invest AS further strengthening the Company's financial position.

The Board of Directors emphasizes that there is considerable uncertainty associated with analysis of future development, in particular due to the COVID-19 pandemic.

Research and development

The Group has in 2020 continued its investments in research and development (R&D). This activity primarily takes place at the headquarter in Sandnes, and in the subsidiary Cyviz Ltd. in Edinburgh (Scotland). A total of 10 employees work full time with R&D. In addition, external expertise is used when needed. In 2020, a total of NOK 14.0 million was invested in R&D, of which NOK 2.3 million was financed by subsidy from SkatteFunn.

The Company's ability to develop, renew and improve its products has been crucial to the growth in the Company in recent years and further focus on R&D is an important part of the Company's strategy.

Organization, staff and environment

The average number of full-time equivalent employees in 2020 was 109 for the Group including 74 in the parent company. The total number of employees in the Group at the end of 2020 was 108. The Company had sick leave of 184 days in 2020, which corresponds to 0.5% of total working hours. In 2020, no injuries have occurred to personnel which have caused absence from work. The Board of Directors considers the working environment in the Company to be satisfactory.,

At the end of 2020, the Group had 18 female and 90 male employees. The corresponding figures for the parent company were 12 and 57 employees, respectively. The Board of Directors consists of one female and three male members. The Company's wage and employment policies equate. Group employees are treated in a non-discriminatory manner.

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The Company's business does not have significant negative impact on the environment. Nevertheless, the Group is committed to reducing its environmental footprint to the extent possible.

The value proposition of Cyviz' business is intended to positively affect several of UN's SDGs, whereof reducing travel due to better digital collaboration, remote operations and increased longevity of our technology are key.

Financial risk

The Company is exposed to different types of financial risk, including currency risk, liquidity risk, interest rate risk and credit risk.

Cyviz is trading extensively with international customers and most of the sales are in foreign currencies. In addition, a significant proportion of the Company's assets and liabilities are nominated in foreign currencies. An increased value of NOK towards the relevant foreign currencies will therefore have a negative impact on the company's cash flow, results and equity. The Company is following a currency strategy to reduce this currency risk and uses forward contracts to hedge a significant part of expected net cash flow in USD next 12 months.

Liquidity risk includes the risk that the Company should not have sufficient capital to cover current obligations. The Group manages liquidity risk based on next 12 months' budget and quarterly updates to forecasts. The Company's interest-bearing debt consists of a long term loan from Innovation Norway of NOK 10 million. In addition the Company has an overdraft facility from DNB Bank ASA of NOK 50 million (which was drawn at year-end 2020).

There are various conditions attached to the overdraft facility with DNB Bank ASA, including that the value of the assets pledged as collateral for the credit facility must be above certain levels, as well as levels of operating profit and equity ratio.

The Company is exposed to changes in interest rates since most of the interest-bearing debt carries floating interest rates.

The Company's customers are mainly larger, well-known companies and Cyviz has in addition used various forms of credit hedging to reduce the risk of loss. Cyviz has not experienced increased losses or material change in credit risk due to COVID-19.

Report of the Board of Directors 2020
Cyziz AS

Sandnes, 29 April 2021
The Board of Directors of Cyviz AS

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Rune Syversen
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Rune Syversen
Chairman of the Board

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Ingeborg Hegstad
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Ingeborg Molden Hegstad
Board Member

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Patrick Kartevoll
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Board Member

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Thomas S. Wrede-Holm
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Thomas S. Wrede-Holm
Board Member

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Espen Gylvik
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Espen K. Gylvik
CEO

Consolidated income statement

NOK 1 000	Note	2020	2019
Operating income			
Revenue	1, 13	217 362	229 435
Total operating income		217 362	229 435
Operating expenses			
Cost of materials	1	115 675	123 104
Salary and personnel expenses	4,14	71 403	87 914
Depreciation	2,3	16 960	18 150
Impairment		0	966
Other operating expenses	3,14	32 849	45 948
Total operating expenses		236 886	276 083
Operating profit (loss)		-19 525	-46 647
Financial income and expenses			
Interest income		74	121
Net currency gains (losses)		-5 434	1 379
Interest expenses		-8 465	-5 083
Net financial income and expenses		-13 825	-3 584
Profit (loss) before tax		-33 350	-50 231
Income tax	15	235	14 999
Net profit (loss)		-33 585	-65 230

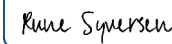
Consolidated statement of financial position

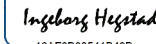
NOK 1 000	Note	2020	2019
ASSETS			
Non-current assets			
Intangible assets			
Research and development		25 945	24 043
Licenses, patents, other		8 481	4 510
Total intangible assets	2,4	34 426	28 553
Tangible fixed assets			
Property, plant & equipment	3,11	10 524	15 602
Total tangible fixed assets		10 524	15 602
Total non-current assets		44 949	44 155
Current assets			
Inventories	6,11	15 855	18 420
Receivables			
Accounts receivable	11	55 584	65 321
Other receivables	12	9 480	8 544
Total receivables	5	65 064	73 865
Cash and cash equivalents	7	47 444	7 628
Total current assets		128 363	99 913
Total assets		173 312	144 068

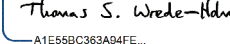
Consolidated statement of financial position

NOK 1 000	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	8	12 909	5 825
Share premium		93 346	63 953
Other paid-in equity		0	1 483
Total paid-in capital		106 255	71 262
Retained earnings			
Other equity		0	-67 534
Total retained earnings		0	-67 534
Total equity	9	106 255	3 728
Liabilities			
Non-current liabilities			
Provisions	10	2 987	2 238
Long-term interest bearing loans	11	10 000	5 000
Total non-current liabilities		12 987	7 238
Current liabilities			
Overdraft facility	11	0	45 664
Short-term interest bearing loans	11	0	30 683
Contract liabilities		4 891	3 387
Accounts payable		24 288	35 629
Public duties payable		8 583	5 247
Other current liabilities		16 308	12 490
Total current liabilities		54 070	133 102
Total liabilities		67 057	140 340
Total equity and liabilities		173 312	144 068

Sandnes, 29 April 2021

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 Rune Syversen
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 Chairman of the Board

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 Ingeborg Hegstad
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 Board member

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 Thomas S. Wrede-Holm
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 Board member

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 Patrick Hegge Kai Revuill
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 Board member

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 Espen Gylvik
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 CEO

Consolidated statement of cash flows

NOK 1 000	Note	2020	2019
Cash flows from operating activities			
Profit (loss) before tax		-33 350	-50 231
Option expense	14	235	0
Income tax paid	15	-235	-209
Depreciation, amortization and impairment	2,3	16 960	19 116
Change in accounts receivable		9 737	25 611
Change in inventories		2 565	-5 555
Change in accounts payable		-11 341	4 300
Change in other accruals and prepayments		14 311	3 454
Net cash flow from operating activities		-1 118	-3 514
Cash flows from investment activities			
Purchase of fixed assets	2,3	-17 854	-21 135
Proceeds from sale of fixed assets		0	357
Net cash flow from investment activities		-17 854	-20 778
Cash flows from financing activities			
Proceeds from capital increase	9	99 407	0
Proceeds from new interest bearing loans	11	5 000	32 500
Net change in overdraft facility	11	-45 664	-3 231
Net cash flow from financing activities		58 743	29 269
Currency effects		45	48
Net changes to cash and cash equivalents		39 815	5 026
Cash and cash equivalents per 1.1.		7 628	2 602
Cash and cash equivalents per 31.12.	7,11	47 444	7 628

Notes to the financial statements

Note 1 – General accounting policies

Basis for preparation

The consolidated financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (NGAAP). The financial statements have been prepared on the going concern basis.

All amounts are presented in thousands of NOK (TNOK), unless otherwise clearly stated.

Group composition

In addition to the parent entity, Cyviz AS, the Group also includes the subsidiaries Cyviz LLC, Cyviz Ltd, Cyviz Pte Ltd and Cyviz Pty Ltd, incorporated in USA, UK, Singapore and Australia, respectively. In addition Cyviz Middle East AS was a separate subsidiary of the Group until it merged with Cyviz AS in 2020. The consolidated financial statements show these units as one single economic entity.

The consolidated financial statements have been prepared in accordance with uniform policies by converting the subsidiaries to the same principles as the parent company.

Classification of items in the statement of financial position

Assets intended for long-term ownership or use are classified as non-current assets. Assets associated with the normal operating cycle are classified as current assets. Receivables are classified as current assets if they fall due within one year. Analogue criteria are applied to liabilities. Non-current liabilities also includes next year's installments.

Foreign currency translation

The functional currency of the parent entity is NOK. For consolidation purposes, the results and financial positions of all the Group's entities that have a functional currency other than NOK are translated using the exchange rates prevailing at the end of each reporting period. Income and expenses are translated using monthly average exchange rates, this being a reasonable approximation for estimating actual rate. Exchange differences arising from this translation are recognized directly in equity.

Statement of cash flows

The cash flow statement is prepared using the indirect method. Interest received and paid is presented as cash flows from operating activities. Cash and cash equivalents consist entirely of bank deposits.

Adjustments following Q4 reporting

Compared to previously reported figures, revenues and cost of materials have been adjusted upwards by respectively TNOK 330 and TNOK 808, resulting in a net increase in net loss of TNOK 478.

Note 2 – Intangible assets

Significant accounting policies

Expenditures on research and development are recognized as assets to the extent that they are part of projects generating identifiable intangible assets, of which future economic benefits can be attributed. Expenses related to projects not meeting these criterias are charged to the income statement as they accrue. When there are indications of impairment, an estimate of value in use is calculated. An impairment loss is recognized in the income statement to the extent that carrying amount exceeds the value in use.

Capitalized development costs

The Group has capitalized TNOK 11 692 in connection with the development of its visualization technology in 2020. The work is mainly performed by Cyviz own employees in Sandnes, Norway and in the subsidiary Cyviz Ltd in Edinburgh, Scotland. Cyviz AS has all the commercial rights to the developed products. Annual depreciation is calculated and recognized in the income statement from the time when the products are fully developed and ready for commercial use.

Reclassifications and restating of comparative figures

Investments in ERP systems, which have previously been presented as Research and development assets, are now included in Licenses, patents etc. Comparative figures for 2019 has been restated, with the effect amounting to TNOK 4 489.

Specification of research and development expenses

(amounts in NOK 1000)	2020	2019
Visualization technology	13 974	19 751
Government grants	-2 281	-3 595
Total research and development expenses	11 692	16 156
Capitalized as intangible assets	11 692	16 156
Charged to income statement	0	0

Specification of intangible assets

(amounts in NOK 1000)	Research and development	Licenses, patents etc.	Total
Cost 01.01.	114 395	8 552	122 947
Additions	11 692	3 992	15 684
Cost 31.12.	126 088	12 544	138 632
Accumulated depreciation 01.01.	90 352	4 042	94 394
Depreciations for the year	9 791	21	9 812
Accumulated depreciation 31.12.	100 143	4 063	104 206
Book value 31.12.	25 945	8 481	34 426
Economic useful life	5 years	5 years	
Depreciation schedule	Linear	Linear	

Note 3 – Property, plant & equipment

Significant accounting policies

Property, plant & equipment are recognized in the statement of financial position at cost less accumulated depreciation and impairment losses. The cost price of such assets is the purchase price including expenses directly attributable to the purchase of the asset. Expenditures incurred after the asset has been put into use, such as ongoing daily maintenance, are recognized as expenses in the period in which they were incurred, except for expenditures expected to generate future economic benefits that are recognized as a part of the asset. Leases for premises are treated as operating leases, with lease payments recognized as expense as they occur.

Specification of property, plant & equipment

(amounts in NOK 1000)

Cost 01.01.	67 247
Additions	2 170
Cost 31.12.	69 417

Accumulated depreciation 01.01.	52 005
Depreciations for the year	7 148
Accumulated depreciation 31.12.	59 152

Currency translation effects	259
Book value 31.12.	10 524

Economic useful life	3-10 years
Depreciation schedule	Linear

Specification of leases for premises

(amounts in NOK 1000)	Annual payments	Remaining term
Offices in Norway	4 700	1-4 years
Offices in UK	1 400	1-3 years
Offices in USA	2 900	1-3 years
Offices in Middle East and Asia	3 600	1-3 years
Total lease expense	12 600	

Note 4 – Government grants**Significant accounting policies**

The group receives government grants in relation to its research and development activities. When such grants are received to carry out certain activities or compensate specific expenses, the grant is recognized in the income statement over the same period as the associated costs. Grants that compensate the group for the cost of an asset are deducted from the asset's acquisition cost when it is recognized in the statement of financial position.

SkatteFUNN

SkatteFUNN is granted by the Research Council of Norway and is received as a deduction in tax payable or a cash payment, to the extent there is no tax payable to deduct it from.

Cyziv AS has been granted SkatteFUNN for two projects related to its ongoing development activities. As these projects meet the criterias for recognition as assets, the grant is deducted from the acquisition cost. Refer to note 2 for further information about these development projects.

Paycheck Protection Program (USA)

Cyziv LLC has received loans under the Paycheck Protection Program, introduced in response to Covid-19. As the conditions for forgiveness of the loan are considered to be met, an amount corresponding to NOK 3.9 million has been recognized as a reduction of personnel costs.

Note 5 – Receivables**Significant accounting policies**

Accounts receivable and other receivables are recognized in the statement of financial position at face value, after deduction of expected loss. Provision for loss on receivables is estimated on the basis of an individual assessment of each receivable.

Restating of comparative figures

Provisions for expected credit losses on accounts receivable were incorrectly presented as other receivables in the annual financial statements for 2019. The comparative figures have been restated accordingly.

Specification of receivables

(amounts in NOK 1000)

	2020	2019
Accounts receivable at face value	60 528	69 396
Provision for expected credit losses	-4 944	-4 075
Accounts receivable	55 584	65 321
SkatteFUNN (government grant)	2 281	3 595
Prepayments	5 615	3 897
Other	1 584	1 051
Other receivables	9 480	8 544

Note 6 – Inventories**Significant accounting policies**

The inventory of purchased goods is recognized to the lower of purchase cost or market value.

Specification of inventories

(amounts in NOK 1000)	2020	2019
Acquisition cost	17 232	19 938
Provision for obsolescence	-1 377	-1 519
Inventories	15 855	18 420

Note 7 – Bank deposits and restricted cash**Significant accounting policies**

Cash and cash equivalents includes all cash, bank deposits and other liquid investments that can be immediately converted into cash with negligible exchange rate risk. To the extent that overdraft facilities are used, the amount drawn is presented as current borrowing in the statement of financial position.

Restricted cash

(amounts in NOK 1000)	2020	2019
Payroll tax account	1 461	1 608

Note 8 – Share capital and shareholder information**Share capital per 31.12.20**

	Shares	Par value (NOK)	Share capital
Ordinary shares	11 735 597	1,1	12 909

All shares have equal voting and dividend rights. Refer to note 17 for information regarding share issues after the reporting period.

In addition to the currently outstanding shares, Cyziv AS also has 255 300 options outstanding (refer to note 14 for more information).

Significant shareholders per 31.12.20

	Shares	Ownership
Investinor AS	4 911 267	41,8 %
Planar Systems, Inc	769 367	6,6 %
Spinoza AS	464 173	4,0 %
Songa Capital AS	415 000	3,5 %
Silvercoin Industries AS	407 650	3,5 %
Norport AS	404 405	3,4 %
Lani Invest AS	235 000	2,0 %
Lin AS	217 278	1,9 %
Thabo Energy AS	215 000	1,8 %
K.A. Fem AS	200 000	1,7 %
Hviz AS	181 066	1,5 %
Torstein Tvenge	164 926	1,4 %
Joar Vaage	145 614	1,2 %
Håkan Morten Sæter	127 500	1,1 %
DnB NOR Markets, aksjehan/analyse	125 000	1,1 %
Six-Seven AS	123 643	1,1 %
Skagenkaien Venture AS	102 426	0,9 %
Citibank, N.A.	100 275	0,9 %
Solan Capital AS	100 000	0,9 %
Camaca AS	97 500	0,8 %
Total (20 largest shareholders)	9 507 090	81,0 %
Other shareholders	2 228 507	19,0 %
Total	11 735 597	100,0 %

Shareholders associated with leading roles

	Shares	Options	Role
Espen Gylvik	89 485	51 800	CEO

Investinor AS is represented in the Board of Directors by board members Patrick Hegge Kartevoll and Thomas S. Wrede-Holm.

Note 9 – Equity**Convertible loan**

A convertible loan of NOK 40 million was raised in June 2020, with an interest of 25 % per annum. On the basis that it was the intention of all parties to convert the loan, including interest, to shares at a later stage, it was considered to have all the characteristics of preference equity. Consequently the loan was recognized as other paid-in equity, with no interest expenses carried over the income statement. The loan was converted into shares in December 2020.

Specification of equity

(amounts in NOK 1000)	Share capital	Share premium	Other paid-in equity	Other equity	Sum
Equity as per 31.12.2019	5 825	63 953	1 483	-67 534	3 728
Net profit (loss)	0	-100 968	-1 718	69 102	-33 585
Paid-in preference capital	0	0	40 000	0	40 000
Capital increase	7 084	130 361	-40 000	0	97 445
Share-based compensation	0	0	235	0	235
Currency translation differences	0	0	0	-1 568	-1 568
Equity as per 31.12.2020	12 909	93 346	0	0	106 255

Note 10 – Provisions and other current liabilities**Significant accounting policies**

Provisions and other current liabilities are mainly related to goods or services received, wages to employees or other expenses related to performed activities. Amounts that falls due within the next twelve months are classified as current liabilities and measured at nominal value. Provisions that falls due later than twelve months are classified as non-current and are discounted when the effect of this is considered material.

Non-current provisions

Non-current provision relates to end-of-service gratuity earned by employees working in U.A.E and Kingdom of Saudi Arabia. The employee will generate a sum for payment for each year one is employed by the company in accordance with applicable laws in U.A.E and KSA. The obligation is settled through cash payment on termination of the employment. The schemes are regarded as unfunded defined benefit schemes measured at settlement value. Service cost, payments and remeasurements are recognised net as personnel expense.

Note 11 – Interest bearing loans**Significant accounting policies**

Non-current interest bearing loans are initially measured at face value, less admission costs, and subsequently measured at amortized cost. Differences between face value and carrying amount are amortized linearly over the period of maturity. As long as the Group are complying with the loan terms and the agreed maturity reaches beyond twelve months, interest bearing loans are classified as non-current liabilities. Next year's payments are included in non-current liability, and not presented separately. In the event of a breach of the loan terms, that enable the lender to demand immediate repayment, the liability is reclassified to current liabilities.

Overdraft facility

Cyziv has established an overdraft facility with a limit of NOK 50 million. The main lending term is that the drawn amount shall not exceed sum of 60% of accounts receivables, 50% of inventory, and a base of NOK 2.5 million. In addition, operating result (EBIT) shall be positive year to date, measured quarterly and the equity ratio shall be minimum 30% measured yearly.

Innovation Norway

For the loan from Innovation Norway, an interest and installment exemption applies until November 2021 and November 2022, respectively. The loan is to be repaid over 7 years, with the first installment in November 2022. The loan carries an annual interest rate, currently at 3,7 %.

Cyviz AS Group accounts 2020

Bridge loan

In June 2019 Cyviz AS received a short term loan, mainly from the company's shareholders, of NOK 27,5 million. The loan carried an annual interest rate of 25% and was converted to shares in December 2020.

Specification of interest bearing loans

(amounts in NOK 1000)	2020	2019
Innovation Norway	10 000	5 000
Bridge loan	0	30 683
Total interest bearing loans	10 000	35 683
Long-term	10 000	5 000
Short-term	0	30 683

Specification of movements in interest bearing loans

(amounts in NOK 1000)	2020	2019
Balance 01.01.	35 683	0
Cash flows from new loans	5 000	32 500
Cash flows from repayments (ex. interest)	0	0
Cash flows from interest payments	-231	-214
Accrued interest	7 587	3 397
Converted to equity	-38 038	0
Balance 31.12.	10 000	35 683

Contractual payments on loans

(amounts in NOK 1000)	Book amount	Next year	Year 2-5	Year 5+
Nominal amount inc. interest	10 000	400	8 110	3 100

Carrying amount of assets pledged as security

(amounts in NOK 1000)	2020	2019
Property, plant & equipment	6 693	9 821
Accounts receivable	34 953	65 097
Inventories	14 172	17 355
Total	55 818	92 273

Note 12 – Financial instruments**Significant accounting policies**

The group uses currency forward contracts to hedge currency risk relating to sales in USD. However, the group does not apply hedge accounting. Open agreements at the reporting date are recognized at fair value, based on MTM-report from DNB. Unrealized gains or losses are presented as other receivables or other current liabilities, respectively. Both the contractual payments and the movement in unrealized gains or losses are recognized in the income statement as net currency gains (losses).

Open currency forward contracts at the reporting date

(amounts in NOK 1000)	Trade date	Maturity date	Carrying amount
Sell USD 500 000 @ NOK 8.80	18.08.2020	15.03.2021	141
Sell USD 500 000 @ NOK 8.79	18.08.2020	15.06.2021	135
Sell USD 750 000 @ NOK 9.49	02.11.2020	15.09.2021	723
Unrealized gain			998
Unrealized gain last year			213

Note 13 – Revenues**Significant accounting policies**

Cyziv revenues consist of goods, installation services, software licenses and service agreements. Revenues for goods are recognized at the time of delivery. Delivery is defined as the time when risk and control of the goods are transferred to the customer. Revenue for installation services are recognized when performed. Revenue for software licenses and service agreements are accrued over the service agreement period.

Revenues by business area

(amounts in NOK 1000)	2020	2019
Energy	38 402	82 597
Corporate	84 587	61948
Government & Defense	61 343	55 064
Other	33 030	29 826
Total	217 362	229 435

Revenues by geography

(amounts in NOK 1000)	2020	2019
Europe, Middle East and Africa (EMEA)	110 324	132 450
Americas	91 632	84 512
Other	15 405	12 473
Total	217 362	229 435

Note 14 – Personnel expenses, remunerations**Significant accounting policies**

Personnel costs are expensed as the employees earn the right to the payment of wages for hours worked. Payments to defined contribution pension are expensed over the period in which the employees earn the right to the deposit. Personnel costs related to research and development projects are capitalized to the extent that the conditions for this are met. Expenses relating to share option schemes for employees are accounted for in accordance with NRS 15A and based on measurement of the options at the grant date using the Black-Scholes model.

Pensions

The group mainly uses defined contribution pension plans for its employees, in accordance with local requirements in the country of employment.

Capitalized development costs

Reference is made to note 2 for further information regarding research and development projects.

Specification of personnel costs

(amounts in NOK 1000)	2020	2019
Wages	71 463	85 468
Government grants	-3 942	0
Social security tax	6 810	7 392
Capitalized development costs	-8 390	-12 291
Other personnel costs	5 461	7 346
Total	71 403	87 914

Number of employees

(average FTE for the period)	2020	2019
Norway	37	39
Other	71	70
Total	108	109

Key management compensation

(amounts in NOK 1000)	CEO	Board of Directors
Salary	1 786	405
Bonus	0	0
Other benefits	165	0
Total	1 950	405

There are no loans or financial guarantees granted to the Board of Directors or executive management

Cyziv AS Group accounts 2020

Share option program

A share option program was established in October 2019 for the Company's management and employees with a maximum aggregate size corresponding to a number of 255 300 new shares in the Company. The share options vests with 3/5 on 1 May 2021, 1/5 on 1 May 2022 and 1/5 on 1 May 2023, contingent on employment at the vesting date. The options may be exercised in whole or in part within 45 days from the vesting date. The strike price for new shares under the program is NOK 26.70 per share.

Share options outstanding

(amounts in NOK 1000)	Number of options
Outstanding options 31. december 2019	255 300
New options granted	0
Exercised options	0
Forfeited options	0
Outstanding options 31. december 2020	255 300

Option costs recognized as personnel expense amounts to TNOK 235 in 2020 (2019 : 0)

Valuation assumptions for share options

	May 2021	May 2022	May 2023
Price of underlying share	20,00	20,00	20,00
Strike price	26,70	26,70	26,70
Average risk free interest rate	1,55 %	1,55 %	1,55 %
Expected term (years)	1,6	2,6	3,6
Volatility	30 %	30 %	30 %
Fair value of the option at grant date (NOK)	0,93	1,79	2,61

Specification of auditors remuneration

(amounts in NOK 1000)	2020	2019
Statutory audit fee	699	644
Tax advisory services	45	72
Other non-auditing services	74	159
Total	817	876

Reported amounts are exclusive of VAT. In addition to the amounts above, total fees of TNOK 250 relating to capital increase and listing process has been recognized directly in equity.

Note 15 – Income tax

Significant accounting policies

The income tax expense in the income statement includes the tax payable for the period and changes in deferred tax. Tax payable and deferred tax is calculated using tax rates and tax legislation that have been enacted at the end of the reporting period. Deferred tax is calculated on all temporary differences between tax base and amount recognized in the statement of financial position. In addition deferred tax is also calculated on tax loss carryforward at the end of the reporting period. Deferred tax assets are only recognized to the extent that it is probable that future taxable income will be generated against which it can be utilized. Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset them.

Basis for recognition of deferred tax asset

Based on an overall assessment of the group's historical earnings and the outlook for future taxable profits, the deferred tax assets were derecognized in 2019. There are no significant factors in 2020 indicating any need to change this assessment at the present time.

Specification of income tax expense

(amounts in NOK 1000)	2020	2019
Tax payable in Norway	0	94
Tax payable in other countries	235	169
Change in deferred tax	0	15 179
Tax relating to prior periods	0	-443
Income tax expense	235	14 999

Reconciliation of tax expense with tax calculated at nominal rate

(amounts in NOK 1000)	2020	2019
Result before tax	-33 350	-50 231
Tax at nominal rate (22 %)	-7 337	-11 051
Government grants	-1 461	-791
Other permanent differences	196	-3 760
Change in deferred tax not recognized	8 836	30 601
Income tax expense	235	14 999

Cyviz AS Group accounts 2020

Specification of deferred tax

(amounts in NOK 1000)	2020	2019	Change
Inventory	-303	-334	31
Accounts receivable	-1 080	-896	-184
Provisions	-657	-492	-165
Fixed assets	857	-266	1 123
Other differences	-2 058	-2 499	441
Net deferred tax on temporary differences	-3 241	-4 488	1 247
Tax loss carryforward	-31 910	-21 827	-10 084
Total deferred tax	-35 151	-26 315	-8 836
Deferred tax not recognized	-35 151	-26 315	-8 836
Deferred tax recognized	0	0	0

Of the deferred tax assets related to tax loss carryforwards, around 80 % is in Norway, where it may be carried forward for an indefinite time.

Note 16 – Related parties

Certain shareholders, members of management and members of the board have participated in the convertible and bridge loan disclosed in Note 9 and Note 11, respectively. Both loans were converted to shares in December 2020.

Otherwise, there were no related party transactions in 2020.

Note 17 – Events after the reporting period

An extraordinary general meeting of Cyviz AS on 24 March 2021, approved a share issue directed towards Karbon Invest AS for 1,15 million shares at a subscription price of NOK 43 per share, raising gross NOK 49,5 million. Subsequent to the share issue, the company has a total of 12 885 597 shares outstanding. From the same time, Rune Syversen has replaced Ole Jørgen Fredriksen as chairman of the board of directors.

Income statement

NOK 1 000	Note	2020	2019
Operating income			
Revenue	14	132 237	103 620
Other operating income		11 013	23 844
Total operating income		143 250	127 464
Operating expenses			
Cost of materials		72 020	69 508
Salary and personnel expenses	15	47 768	38 190
Depreciation	2,3	15 383	12 653
Impairment		0	384
Other operating expenses	15	33 783	36 236
Total operating expenses		168 954	156 970
Operating profit (loss)		-25 704	-29 506
Financial income and expenses			
Interest income from group companies		448	2 841
Other interest income		24	77
Net currency gains (losses)		-6 549	801
Write down of financial assets		0	-17 150
Interest expenses		-8 414	-4 906
Other financial expenses		-202	0
Net financial income and expenses		-14 694	-18 335
Profit (loss) before tax		-40 398	-47 842
Income tax	16	195	6 554
Net profit (loss)		-40 594	-54 396
Allocation of net profit (loss)			
Transferred from share premium		-93 334	0
Transferred from other paid-in equity		-1 718	0
Transferred to/(from) retained equity		54 459	-54 396
Total allocated		-40 594	-54 396

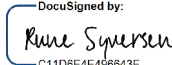
Statement of financial position

NOK 1 000	Note	2020	2019
ASSETS			
Non-current assets			
Intangible assets			
Research and development		27 736	25 463
Licenses, patents, other		8 481	4 510
Total intangible assets	2,4	36 217	29 973
Tangible fixed assets			
Property, plant & equipment	3,12	6 693	4 835
Total tangible fixed assets		6 693	4 835
Financial fixed assets			
Investments in subsidiaries	5	296	24 108
Long term receivables from group entities	6	13	1
Total financial fixed assets		309	24 109
Total non-current assets		43 219	58 918
Current assets			
Inventories	7,12	11 517	12 558
Receivables			
Accounts receivable	12	40 622	12 378
Short term receivables from group entities	12	9 829	68 482
Other receivables	13	6 938	5 119
Total receivables	6	57 389	85 979
Cash and cash equivalents	8	44 546	1 609
Total current assets		113 453	100 146
Total assets		156 672	159 064

Statement of financial position

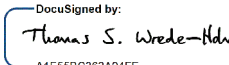
NOK 1 000	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	9	12 909	5 825
Share premium		100 980	63 953
Other paid-in equity		0	1 483
Total paid-in capital		113 889	71 262
Retained earnings			
Other equity		0	-33 684
Total retained earnings		0	-33 684
Total equity	10	113 889	37 577
Liabilities			
Non-current liabilities			
Provisions	11	2 987	0
Long-term interest bearing loans	12	10 000	5 000
Total non-current liabilities		12 987	5 000
Current liabilities			
Overdraft facility	12	0	45 664
Short-term interest bearing loans	12	0	30 683
Contract liabilities		2 795	764
Accounts payable		11 071	23 082
Public duties payable		4 821	2 962
Other current liabilities		11 108	13 330
Total current liabilities		29 795	116 486
Total liabilities		42 783	121 486
Total equity and liabilities		156 672	159 064

Sandnes, 29 April 2021

DocuSigned by:

 Rune Syversen
 C11D8E4E496643E...
 Chairman of the Board

DocuSigned by:

 Ingeborg Hegstad
 16AF8B08541B49B...
 Board member

DocuSigned by:

 Thomas S. Wrede-Holm
 A1E55BC363A94FE...
 Board member

DocuSigned by:

 Patrick Heggø Kårtevoll
 363BFCEFF0B89413...
 Board member

DocuSigned by:

 Espen Gyllvik
 80CCE20EA33446B...
 CEO

Statement of cash flows

NOK 1 000	Note	2020	2019
Cash flows from operating activities			
Profit (loss) before tax		-40 398	-47 842
Option expense	15	235	0
Income tax paid	16	-195	-31
Depreciation, amortization and impairment	2,3	15 383	13 036
Write down of financial assets		0	17 150
Change in accounts receivable		6 870	-21 150
Change in inventories		1 041	4 797
Change in accounts payable		-12 011	5 446
Write down of intercompany receivables	6	2 500	17 750
Change in other accruals and prepayments		29 271	6 863
Net cash flow from operating activities		2 695	-3 981
Cash flows from investment activities			
Purchase of fixed assets	2,3	-18 499	-25 471
Proceeds from sale of fixed assets		0	357
Net cash flow from investment activities		-18 499	-25 114
Cash flows from financing activities			
Proceeds from capital increase	10	99 407	0
Proceeds from new interest bearing loans	12	5 000	32 500
Net change in overdraft facility	12	-45 664	-3 231
Net cash flow from financing activities		58 743	29 269
Net changes to cash and cash equivalents		42 938	174
Cash and cash equivalents per 1.1.		1 609	1 434
Cash and cash equivalents per 31.12.	8	44 546	1 609

Notes to the financial statements

Note 1 – General accounting policies

Basis for preparation

The separate financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (NGAAP). The financial statements have been prepared on the going concern basis.

The functional currency of the company is NOK, and all amounts are presented in thousands of NOK (TNOK), unless otherwise clearly stated.

Merger

In 2020, the company has merged with its subsidiary Cyviz Middle East AS in accordance with simplified regulations regarding mergers of wholly owned subsidiaries. The merger is recognised using continuity values, effective from 1 January 2020. Comparative figures have not been restated.

Classification of items in the statement of financial position

Assets intended for long-term ownership or use are classified as non-current assets. Assets associated with the normal operating cycle are classified as current assets. Receivables are classified as current assets if they fall due within one year. Analogue criteria are applied to liabilities. Non-current liabilities also includes next year's installments.

Statement of cash flows

The cash flow statement is prepared using the indirect method. Interest received and paid is presented as cash flows from operating activities. Cash and cash equivalents consist entirely of bank deposits.

Note 2 – Intangible assets

Significant accounting policies

Expenditures on research and development are recognized as assets to the extent that they are part of projects generating identifiable intangible assets, of which future economic benefits can be attributed. Expenses related to projects not meeting these criteria are charged to the income statement as they accrue. When there are indications of impairment, an estimate of value in use is calculated. An impairment loss is recognized in the income statement to the extent that carrying amount exceeds the value in use.

Capitalized development costs

The company has capitalized TNOK 12 954 in connection with the development of its visualization technology in 2020. The work is mainly performed by Cyviz own employees in Sandnes, Norway and in the subsidiary Cyviz Ltd in Edinburgh, Scotland. Cyviz AS has all the commercial rights to the developed products. Annual depreciation is calculated and recognized in the income statement from the time when the products are fully developed and ready for commercial use.

Reclassifications and restating of comparative figures

Investments in ERP systems, which have previously been presented as Research and development assets, are now included in Licenses, patents etc. Comparative figures for 2019 has been restated, with the effect amounting to TNOK 4 489.

Cyviz AS Company accounts 2020

Specification of research and development expenses

(amounts in NOK 1000)	2020	2019
Visualization technology	15 264	19 751
Government grants	-2 310	-3 595
Total research and development expenses	12 954	16 156
Capitalized as intangible assets	12 954	16 156
Charged to income statement	0	0

Specification of intangible assets

(amounts in NOK 1000)	Research and development	Licenses, patents etc.	Total
Cost 01.01.	134 209	8 552	142 761
Additions	12 954	3 992	16 945
Cost 31.12.	147 163	12 544	159 706
Accumulated depreciation 01.01.	108 746	4 042	112 788
Depreciations for the year	10 680	21	10 701
Accumulated depreciation 31.12.	119 426	4 063	123 489
Book value 31.12.	27 736	8 481	36 217
Economic useful life	5 years	5 years	
Depreciation schedule	Linear	Linear	

Note 3 – Property, plant & equipment**Significant accounting policies**

Property, plant & equipment are recognized in the statement of financial position at cost less accumulated depreciation and impairment losses. The cost price of such assets is the purchase price including expenses directly attributable to the purchase of the asset. Expenditures incurred after the asset has been put into use, such as ongoing daily maintenance, are recognized as expenses in the period in which they were incurred, except for expenditures expected to generate future economic benefits that are recognized as a part of the asset. Leases for premises are treated as operating leases, with lease payments recognized as expense as they occur.

Specification of property, plant & equipment

(amounts in NOK 1000)

Cost 01.01.	21 599
Additions through merger	17 655
Ordinary additions	1 554
Cost 31.12.	40 807

Accumulated depreciation 01.01.	16 764
Additions through merger	12 668
Depreciations for the year	4 682
Accumulated depreciation 31.12.	34 114

Book value 31.12.	6 693
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Economic useful life	3-10 years
Depreciation schedule	Linear

Specification of leases for premises

(amounts in NOK 1000)	Annual payments	Remaining term
Offices in Norway	4 700	2-3 years
Offices in Middle East and Asia	3 000	2-3 years
Total lease expense	7 700	

Note 4 – Government grants**Significant accounting policies**

The company receives government grants in relation to its research and development activities. When such grants are received to carry out certain activities or compensate specific expenses, the grant is recognized in the income statement over the same period as the associated costs. Grants that compensate the group for the cost of an asset are deducted from the asset's acquisition cost when it is recognized in the statement of financial position.

SkatteFUNN

SkatteFUNN is granted by the Research Council of Norway and is received as a deduction in tax payable or a cash payment, to the extent there is no tax payable to deduct it from. Cyviz AS has been granted SkatteFUNN for two projects related to its ongoing development activities. As these projects meet the criterias for recognition as assets, the grant is deducted from the acquisition cost. Refer to note 2 for further information about these development projects.

Note 5 – Investments in subsidiaries**Significant accounting policies**

Investments in subsidiaries are recognized using the cost method. The investments are valued at the acquisition cost unless a write-down of the investment has been necessary. Impairment losses are reversed when the basis for impairment is no longer present.

Specification of subsidiaries

(amounts in NOK 1000)	Place of incorporation	Ownership	Carrying amount
Cyviz LLC	Arlington, Virginia, USA	100 %	296
Cyviz LIMITED	Edinburgh, UK	100 %	0
Cyviz Pte Ltd.	Singapore	100 %	0
Cyviz Pty Ltd.	Perth, Australia	100 %	0
Total			296

Voting share coincides with ownership share for all investments.

In 2020, the company merged with the wholly owned subsidiary Cyviz Middle East AS

Note 6 – Receivables**Significant accounting policies**

Accounts receivable and other receivables are recognized in the statement of financial position at face value, after deduction of expected loss. Provision for loss on receivables is estimated on the basis of an individual assessment of each receivable.

Loss provision on group receivables

Short term receivables from subsidiaries Cyviz LLC and Cyviz Ltd were written down by TNOK 17 750 in 2019, in line with expectations at the time regarding future earnings and ability to pay. In 2020 the receivables from Cyviz Ltd were written down by an additional TNOK 2 500.

Specification of receivables

(amounts in NOK 1000)	2020	2019
Receivables at face value	14 084	14 071
Provision for expected credit losses	-14 070	-14 070
Long term receivables from group entities	13	1

Cyziv AS Company accounts 2020

Accounts receivable at face value	45 566	14 572
Provision for expected credit losses	-4 944	-2 194
Accounts receivable	40 622	12 378
Receivables at face value	30 079	86 232
Provision for expected credit losses	-20 250	-17 750
Short term receivables from group entities	9 829	68 482
SkatteFUNN (government grant)	2 310	3 595
Prepayments	3 526	1 268
Other	1 101	255
Other receivables	6 938	5 119

Note 7 – Inventories

Significant accounting policies

The inventory of purchased goods is recognized at the lower of purchase cost or market value.

Specification of inventories

(amounts in NOK 1000)	2020	2019
Acquisition cost	12 894	14 077
Provision for obsolescence	-1 377	-1 519
Inventories	11 517	12 558

Note 8 – Bank deposits and restricted cash

Significant accounting policies

Cash and cash equivalents includes all cash, bank deposits and other liquid investments that can be immediately converted into cash with negligible exchange rate risk. To the extent that overdraft facilities are used, the amount drawn is presented as current borrowing in the statement of financial position.

Restricted cash

(amounts in NOK 1000)	2020	2019
Payroll tax account	1 461	1 608

Note 9 – Share capital and shareholder information

Share capital per 31.12.20

	Shares	Par value (NOK)	Share capital
Ordinary shares	11 735 597	1,1	12 909

All shares have equal voting and dividend rights. Refer to note 18 for information regarding share issues after the reporting period.

In addition to the currently outstanding shares, the company also has 255 300 options outstanding (refer to note 15 for more information).

Significant shareholders per 31.12.20

	Shares	Ownership
Investinor AS	4 911 267	41,8 %
Planar Systems, Inc	769 367	6,6 %
Spinoza AS	464 173	4,0 %
Songa Capital AS	415 000	3,5 %
Silvercoin Industries AS	407 650	3,5 %
Norport AS	404 405	3,4 %
Lani Invest AS	235 000	2,0 %
Lin AS	217 278	1,9 %
Thabo Energy AS	215 000	1,8 %
K.A. Fem AS	200 000	1,7 %
Hviz AS	181 066	1,5 %
Torstein Tvenge	164 926	1,4 %
Joar Vaage	145 614	1,2 %
Håkan Morten Sæter	127 500	1,1 %
DnB NOR Markets, aksjehan/analyse	125 000	1,1 %
Six-Seven AS	123 643	1,1 %
Skagenkaien Venture AS	102 426	0,9 %
Citibank, N.A.	100 275	0,9 %
Solan Capital AS	100 000	0,9 %
Camaca AS	97 500	0,8 %
Total (20 largest shareholders)	9 507 090	81,0 %
Other shareholders	2 228 507	19,0 %
Total	11 735 597	100,0 %

Shareholders associated with leading roles

	Shares	Options	Role
Espen Gylvik	89 485	51 800	CEO

Investinor AS is represented in the Board of Directors by board members Patrick Hegge Kartevoll and Thomas S. Wrede-Holm.

Note 10 – Equity**Convertible loan**

A convertible loan of NOK 40 million was raised in June 2020, with an interest of 25 % per annum. On the basis that it was the intention of all parties to convert the loan, including interest, to shares at a later stage, it was considered to have all the characteristics of preference equity. Consequently the loan was recognized as other paid-in equity, with no interest expenses carried over the income statement.

The loan was converted into shares in December 2020.

Specification of equity

(amounts in NOK 1000)	Share capital	Share premium	Other paid-in equity	Other equity	Sum
Equity as per 31.12.2019	5 825	63 953	1 483	-33 684	37 577
Effects of merger	0	0	0	-20 775	-20 775
Paid-in preference capital	0	0	40 000	0	40 000
Capital increase	7 084	130 361	-40 000	0	97 445
Share-based compensation	0	0	235	0	236
Net profit (loss)	0	-93 334	-1 718	54 459	-40 594
Equity as per 31.12.2020	12 909	100 980	0	0	113 889

Note 11 – Provisions and other current liabilities**Significant accounting policies**

Provisions and other current liabilities are mainly related to goods or services received, wages to employees or other expenses related to performed activities. Amounts that falls due within the next twelve months are classified as current liabilities and measured at nominal value. Provisions that falls due later than twelve months are classified as non-current and are discounted when the effect of this is considered material.

Non-current provisions

Non-current provision relates to end-of-service gratuity earned by employees working in U.A.E and Kingdom of Saudi Arabia. The employee will generate a sum for payment for each year one is employed by the company in accordance with applicable laws in U.A.E and KSA. The obligation is settled through cash payment on termination of the employment. The schemes are regarded as unfunded defined benefit schemes measured at settlement value. Service cost, payments and remeasurements are recognized net as personnel expense.

Note 12 – Interest bearing loans**Significant accounting policies**

Non-current interest bearing loans are initially measured at face value, less admission costs, and subsequently measured at amortized cost. Differences between face value and carrying amount are amortized linearly over the period of maturity. As long as the company are complying with the loan terms and the agreed maturity reaches beyond twelve months, interest bearing loans are classified as non-current liabilities. Next year's payments are included in non-current liability, and not presented separately. In the event of a breach of the loan terms, that enable the lender to demand immediate repayment, the liability is reclassified to current liabilities.

Overdraft facility

Cyziv has established an overdraft facility with a limit of NOK 50 million. The main lending term is that the drawn amount shall not exceed sum of 60% of accounts receivables, 50% of inventory, and a base of NOK 2.5 million. In addition, operating result (EBIT) shall be positive year to date, measured quarterly and the equity ratio shall be minimum 30% measured yearly.

Innovation Norway

For the loan from Innovation Norway, an interest and installment exemption applies until November 2021 and November 2022, respectively. The loan is to be repaid over 7 years, with the first installment in November 2022. The loan carries an annual interest rate, currently at 3,7 %.

Bridge loan

In June 2019 Cyziv AS received a short term loan, mainly from the company's shareholders, of NOK 27,5 million. The loan carried an annual interest rate of 25% and was converted to shares in December 2020.

Specification of interest bearing loans

(amounts in NOK 1000)	2020	2019
Innovation Norway	10 000	5 000
Bridge loan	0	30 683
Total interest bearing loans	10 000	35 683
Long-term	10 000	5 000
Short-term	0	30 683

Specification of movements in interest bearing loans

(amounts in NOK 1000)	2020	2019
Balance 01.01.	35 683	0
Cash flows from new loans	5 000	32 500
Cash flows from repayments (ex. interest)	0	0
Cash flows from interest payments	-231	-214
Accrued interest	7 587	3 397
Converted to equity	-38 038	0
Balance 31.12.	10 000	35 683

Contractual payments on loans

(amounts in NOK 1000)	Book amount	Next year	Year 2-5	Year 5+
Nominal amount inc. interest	10 000	400	8 110	3 100

Carrying amount of assets pledged as security

(amounts in NOK 1000)	2020	2019
Property, plant & equipment	6 693	4 835
Accounts receivable	40 622	12 378
Group receivables	9 829	68 482
Inventories	11 517	12 558
Total	68 661	98 254

Note 13 – Financial instruments**Significant accounting policies**

The company uses currency forward contracts to hedge the currency risk relating to sales in USD. However, the company does not apply hedge accounting. Open agreements at the reporting date are recognized at fair value, based on MTM-report from DNB. Unrealized gains or losses are presented as other receivables or other current liabilities, respectively. Both the contractual payments and the movement in unrealized gains or losses are recognized in the income statement as net currency gains (losses).

Open currency forward contracts the reporting date

(amounts in NOK 1000)	Trade date	Maturity date	Carrying amount
Sell USD 500 000 @ NOK 8.80	18.08.2020	15.03.2021	141
Sell USD 500 000 @ NOK 8.79	18.08.2020	15.06.2021	135
Sell USD 750 000 @ NOK 9.49	02.11.2020	15.09.2021	723
Unrealized gain			998
Unrealized gain last year			213

Note 14 – Revenues**Significant accounting policies**

Cyziv revenues consist of goods, installation services, software licences and service agreements. Revenues for goods are recognized at the time of delivery. Delivery is defined as the time when risk and control of the goods are transferred to the customer. Revenue for installation services are recognized when performed. Revenue for software licences and service agreements are accrued over the service agreement period.

Revenues by business area

(amounts in NOK 1000)	2020	2019
Energy	29 899	37 303
Corporate	18 890	27 977
Government & Defense	48 882	24 869
Other	34 567	13 471
Total	132 237	103 620

Revenues by geography (amounts in NOK 1000)	2020	2019
Europe, Middle East and Africa (EMEA)	104 941	41 877
Americas	13 545	38 401
Other	13 751	23 341
Total	132 237	103 620

Note 15 – Personnel expenses, remunerations

Significant accounting policies

Personnel costs are expensed as the employees earn the right to the payment of wages for hours worked. Payments to defined contribution pension are expensed over the period in which the employees earn the right to the deposit. Personnel costs related to research and development projects are capitalized to the extent that the conditions for this are met. Expenses relating to share option schemes for employees are accounted for in accordance with NRS 15A and based on measurement of the options at the grant date using the Black-Scholes model.

Pensions

The company has established a defined contribution scheme in accordance with the requirements of the Norwegian Act on Mandatory Occupational Pensions ("OTP") for its employees in Norway. Employees in other countries are covered by similar schemes in accordance with local requirements.

Capitalized development costs

Reference is made to note 2 for further information regarding research and development projects.

Specification of personnel costs

(amounts in NOK 1000)	2020	2019
Wages	47 492	37 570
Pension contributions	2 023	994
Social security tax	5 012	5 169
Capitalized development costs	-8 390	-6 977
Other personnel costs	1 631	1 434
Total	47 768	38 190

Number of employees

(average FTE for the period)	2020	2019
Norway	37	39
Other	34	0
Total	71	39

Cyziv AS Company accounts 2020

Key management compensation

(amounts in NOK 1000)	CEO	Board of Directors
Salary	1 786	405
Bonus	0	0
Other benefits	165	0
Total	1 950	405

There are no loans or financial guarantees granted to the Board of Directors or executive management.

Share option program

A share option program was established in October 2019 for the Company's management and employees with a maximum aggregate size corresponding to a number of 255 300 new shares in the Company. The share options vests with 3/5 on 1 May 2021, 1/5 on 1 May 2022 and 1/5 on 1 May 2023, contingent on employment at the vesting date. The options may be exercised in whole or in part within 45 days from the vesting date. The strike price for new shares under the program is NOK 26.70 per share.

Share options outstanding

(amounts in NOK 1000)	Number of options
Outstanding options 31. december 2019	255 300
New options granted	0
Exercised options	0
Forfeited options	0
Outstanding options 31. december 2020	255 300

Option costs recognized as personnel expense amounts to TNOK 235 in 2020 (2019 : 0)

Valuation assumptions for share options

	May 2021	May 2022	May 2023
Price of underlying share	20,00	20,00	20,00
Strike price	26,70	26,70	26,70
Average risk free interest rate	1,55 %	1,55 %	1,55 %
Expected term (years)	1,6	2,6	3,6
Volatility	30 %	30 %	30 %
Fair value of the option at grant date (NOK)	0,93	1,79	2,61

Specification of auditors remuneration

(amounts in NOK 1000)	2020	2019
Statutory audit fee	532	410
Other certification services	0	0
Tax advisory services	12	40
Other non-auditing services	65	143
Total	608	593

Reported amounts are exclusive of VAT. In addition to the amounts above, total fees of TNOK 250 relating to capital increase and listing process has been recognized directly in equity.

Note 16 – Income tax**Significant accounting policies**

The income tax expense in the income statement includes the tax payable for the period and changes in deferred tax. Tax payable and deferred tax is calculated using tax rates and tax legislation that have been enacted at the end of the reporting period. Deferred tax is calculated on all temporary differences between tax base and amount recognized in the statement of financial position. In addition deferred tax is also calculated on tax loss carryforward at the end of the reporting period. Deferred tax assets are only recognized to the extent that it is probable that future taxable income will be generated against which it can be utilized. Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset them.

Basis for recognition of deferred tax asset

Based on an overall assessment of the company's historical earnings and the outlook for future taxable profits, the deferred tax assets were derecognized in 2019. There are no significant factors in 2020 indicating any need to change this assessment at the present time.

Specification of income tax expense

(amounts in NOK 1000)	2020	2019
Tax payable in Norway	0	0
Tax payable in other countries	195	31
Change in deferred tax	0	6 523
Tax relating to prior periods	0	0
Income tax expense	195	6 554

Reconciliation of tax expense with tax calculated at nominal rate

(amounts in NOK 1000)	2020	2019
Result before tax	-40 398	-47 842
Tax at nominal rate (22 %)	-8 888	-10 525
Write down of financial assets	0	3 773
Government grants	-508	-791
Other permanent differences	300	34
Change in deferred tax not recognized	9 291	14 063
Income tax expense	195	6 554

Cyviz AS Company accounts 2020

Specification of deferred tax

(amounts in NOK 1000)	2020	2019	Change
Inventory	-303	-334	31
Receivables (loss provisions)	-5 535	-4 388	-1 148
Provisions	-657	0	-657
Fixed assets	1 060	550	510
Unrealised currency gain on receivables	473	530	-57
Net deferred tax on temporary differences	-4 963	-3 642	-1 320
Tax loss carryforward	-25 861	-10 421	-15 441
Total deferred tax	-30 824	-14 063	-16 761
Deferred tax not recognized	-30 824	-14 063	-16 761
Deferred tax recognized	0	0	0

Changes in deferred tax relating to merger

(amounts in NOK 1000)	
Accounts receivable	-414
Provisions	-492
Fixed assets	-505
Net deferred tax on temporary differences	-1 411
Tax loss carryforward	-6 059
Total deferred tax (not recognized)	-7 470

Note 17 – Related parties

Certain shareholders, members of management and members of the board have participated in the convertible and bridge loan disclosed in Note 9 and Note 11, respectively. Both loans were converted to shares in December 2020.

Otherwise, there were no transactions with related parties other than group entities in 2020.

Aggregated specification of transactions with group entities

(amounts in NOK 1000)	2020	2019
Cyviz LLC	23 357	18 997
Cyviz Ltd	1 540	5 444
Total sale of goods and services	24 896	24 442
Cyviz LLC	0	0
Cyviz Ltd	11 658	13 713
Total purchase of goods and services	11 658	13 713

Amounts above relating to sales includes management fees, presented as other operating income

Note 18 – Events after the reporting period

An extraordinary general meeting of Cyviz AS on 24 March 2021, approved a share issue directed towards Karbon Invest AS for 1,15 million shares at a subscription price of NOK 43 per share, raising gross NOK 49,5 million. Subsequent to the share issue, the company has a total of 12 885 597 shares outstanding. From the same time, Rune Syversen has replaced Ole Jørgen Fredriksen as chairman of the board of directors.



To the General Meeting of Cyviz AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cyviz AS, which comprise:

- The financial statements of the parent company Cyviz AS (the Company), which comprise the statement of financial position as at 31 December 2020, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Cyviz AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2020, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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 as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm



Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Report on 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 and the going concern assumption 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 produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Stavanger, 29 April 2021
PricewaterhouseCoopers AS

A handwritten signature in blue ink that reads 'Tom Notland'.

Tom Notland
State Authorised Public Accountant