



Company presentation

Merrell

24 June 2020

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Summary of risk factors

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1.1 Risk related to the business and industry in which the Group operates

- 1.1.1 *The Group is dependent on spending of public sector customers*
- 1.1.2 *The Group expects to grow in size, and might experience difficulties in achieving growth and managing growth*
- 1.1.3 *The Group has engaged in acquisitions that may not be successful, and may, in the future engage in transactions that will not have the desired effects*
- 1.1.4 *The Group depends highly on existing customers renewing their subscriptions*
- 1.1.5 *The Group relies on information technology systems to conduct its business, and disruption, failure or security breaches of these systems could adversely affect its business and results of operations*
- 1.1.6 *The Group relies on the availability of licenses to third-party software and other intellectual property*
- 1.1.7 *The Group depends on protecting its proprietary technology and intellectual property rights*
- 1.1.8 *The markets in which the Group competes are highly competitive*
- 1.1.9 *The Group may not be able to keep pace with a significant step change in technological development*
- 1.1.10 *The Group is dependent on attracting and retaining key personnel*
- 1.1.11 *The Group is exposed to risks associated with international operations*

1.2 Legal and regulatory risk

- 1.2.1 *The Group faces risks of non-compliance with applicable laws and regulations*
- 1.2.2 *The Group is exposed to risk relating to data protection and data privacy regulations, licenses etc.*
- 1.2.3 *Changes in tax laws of any jurisdiction in which the Group operates, or any failure to comply with applicable tax legislation may have a material adverse effect for the Group*

1.3 Risk related to financing

- 1.3.1 *The Group may require additional capital in the future in order to execute its growth strategy or for other purposes, which may not be available on favorable terms, or at all*
- 1.3.2 *The Group's existing or future debt arrangements could restrict and/or limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or the Company's ability to declare dividends to its shareholders*
- 1.3.3 *Covenants in the Group's Note Facility and related security documents may restrict its operations, and if the Group does not effectively manage its business to comply with these covenants, its financial condition could be adversely impacted*
- 1.3.4 *The business of the Group faces liquidity risk that may have a material adverse impact on the Group*

The Group's business faces liquidity risk, meaning that the Group could come into a situation where it does not have sufficient liquidity to cover its financial obligations, which may have a material adverse impact on the Group's business, results of operations, financial position and future prospects.

- 1.3.5 *Fluctuations in exchange rates could affect the Group's cash flow and financial condition*

1.4 Risks relating to the Shares and the Admission













- 1.4.1 *An active trading market for the Company's shares on Merkur Market may not develop*
- 1.4.2 *Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares*
- 1.4.3 *Risks related to future sales of shares*
- 1.4.4 *Nominee registered Shares may be subject to restrictions on voting*
- 1.4.5 *The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions*
- 1.4.6 *Volatility of the share price*
- 1.4.7 *Shareholders outside of Norway are subject to exchange rate risk*
- 1.4.8 *Pre-emptive rights may not be available to all holders of Shares*
- 1.4.9 *The Company will incur increased costs as a result of being listed on Merkur Market*
- 1.4.10 *Majority shareholder risk*

Mercell is seeking capital to finance further acquisitions in the European procurement market

Viking Venture—The Nordic software investor

VIKING
VENTURE

Viking Venture is a private equity investor that helps software companies scale. The company has been involved in a number of highly successful transactions:

 SOLD AND REINVESTED 	 SOLD AND REINVESTED 	 SOLD TO 
 SOLD TO 	 SOLD TO 	 SOLD TO 

Mercell is now together with Viking seeking additional capital to finance further acquisitions in the European e-tendering market

Pre-transaction ownership: 44.8%

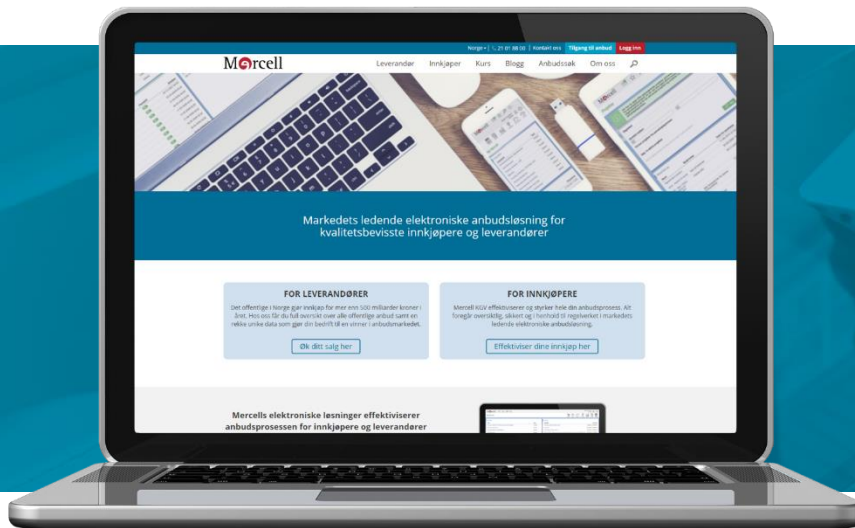
Shareholders¹

Shareholder	Share
Viking Venture 16	44.8%
Grieg Holdings II	11.9%
Myrlid	8.4%
Bengtsson Holding (MD DK)	5.8%
Camiveo AS (CEO)	3.9%
Other management	0.5%
Other	24.7%

In total, more than 100 shareholders

C-level shareholders own a total of 4.3%

1) In addition 9.3m options outstanding, representing 4% of total number of shares outstanding



**Merzell Group is a leading
platform provider for
public e-tendering
in the Nordic region**

Merzell

| eu-supply.com |

 UdbudsVagten

 **ethics**

 **AKSESS**
INNOVATION

 **TrueLink**

 **tricom**

Merzell

A leading Nordic SaaS-platform for e-tendering

Buyers

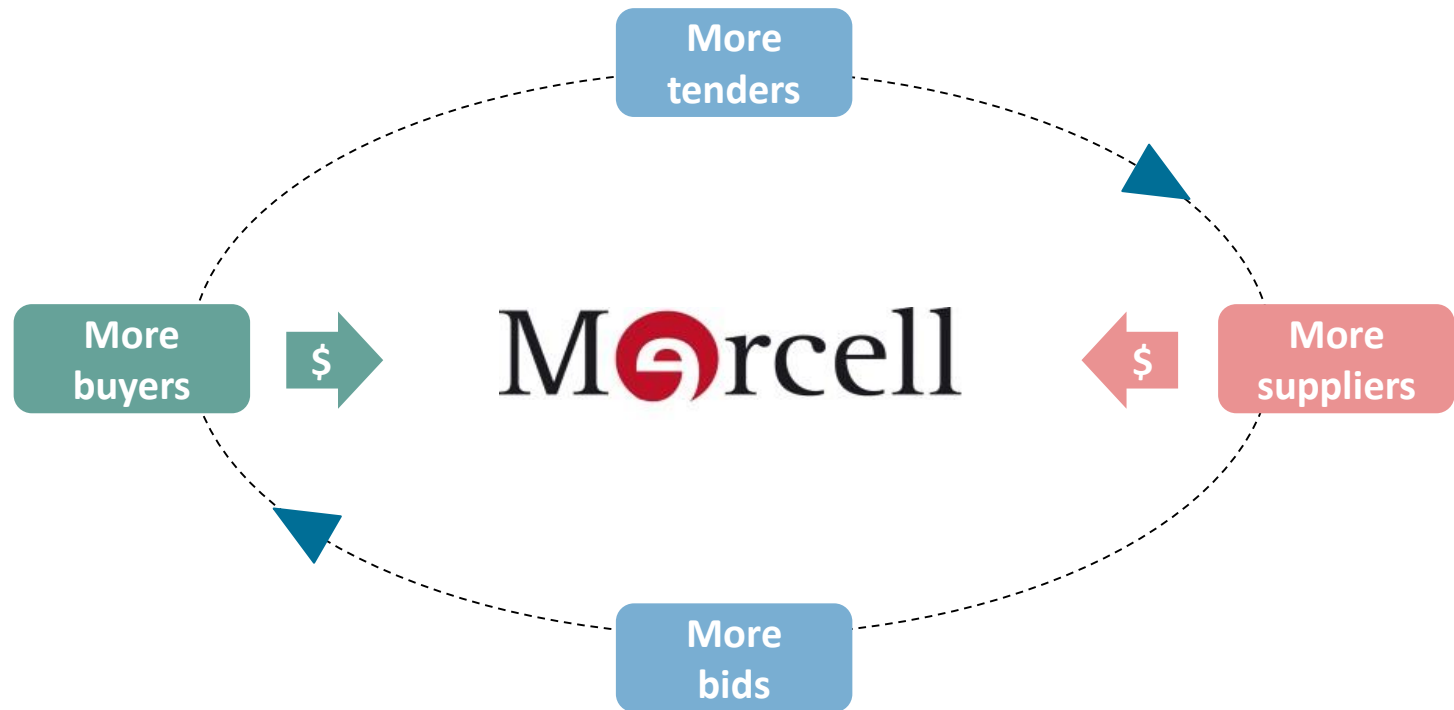
Buyers use Mercell to simplify the procurement process and makes it easy to interact with suppliers.

Suppliers

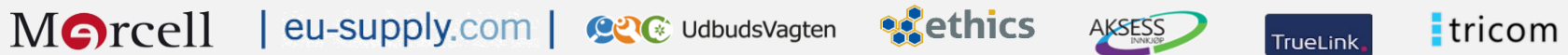
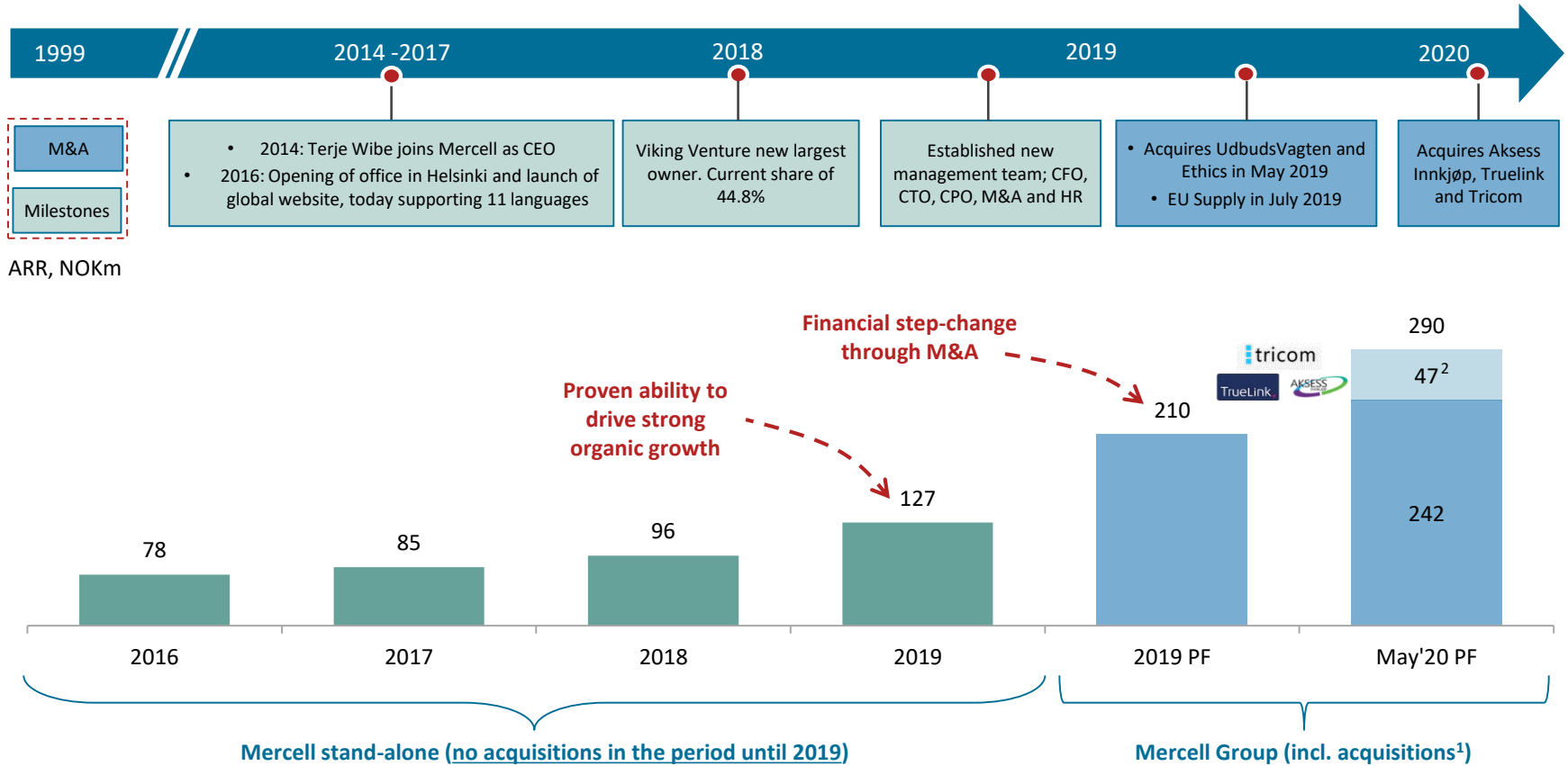
Suppliers in all types of industries use Mercell eTender system to receive notification of relevant public tenders and other relevant information about business opportunities within the public sector.



Platform with self-reinforcing growth driven by regulation and buyer/seller network effects



Positioned to become a European consolidator with proven organic and M&A growth ability



1) Udbudsvagten, EU Supply and Ethics included in 2019PF. Aksess Innkjøp, TrueLink and Tricom added in May'20 PF
 2) April ARR figures for Tricom

Currently embarking on multiple growth venues

Strong software metrics

290

ARR May-20, NOKm¹

~95%

Share recurring revenues

32%

Organic ARR growth 2019²

83%

Inorganic ARR growth 2019

130%

Net retention rate³

9.2x

LTV/CAC Suppliers Merzell Norway

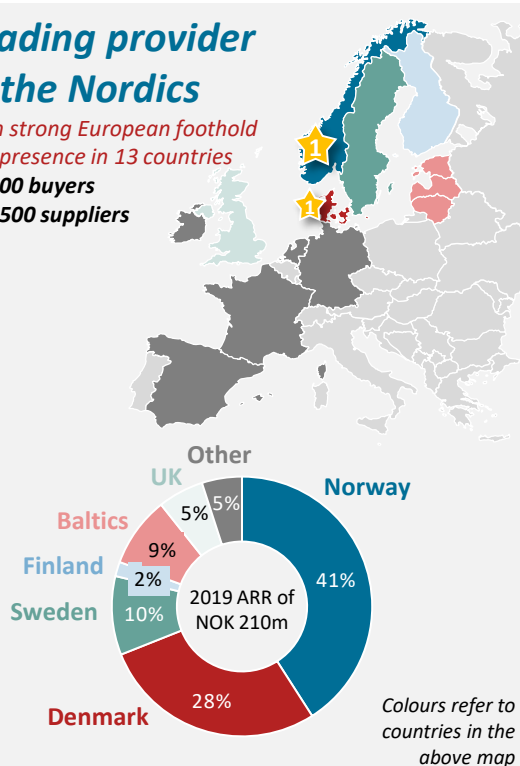
Geographic footprint

Leading provider in the Nordics

With strong European foothold and presence in 13 countries

~1,100 buyers

~15,500 suppliers



Growth venues

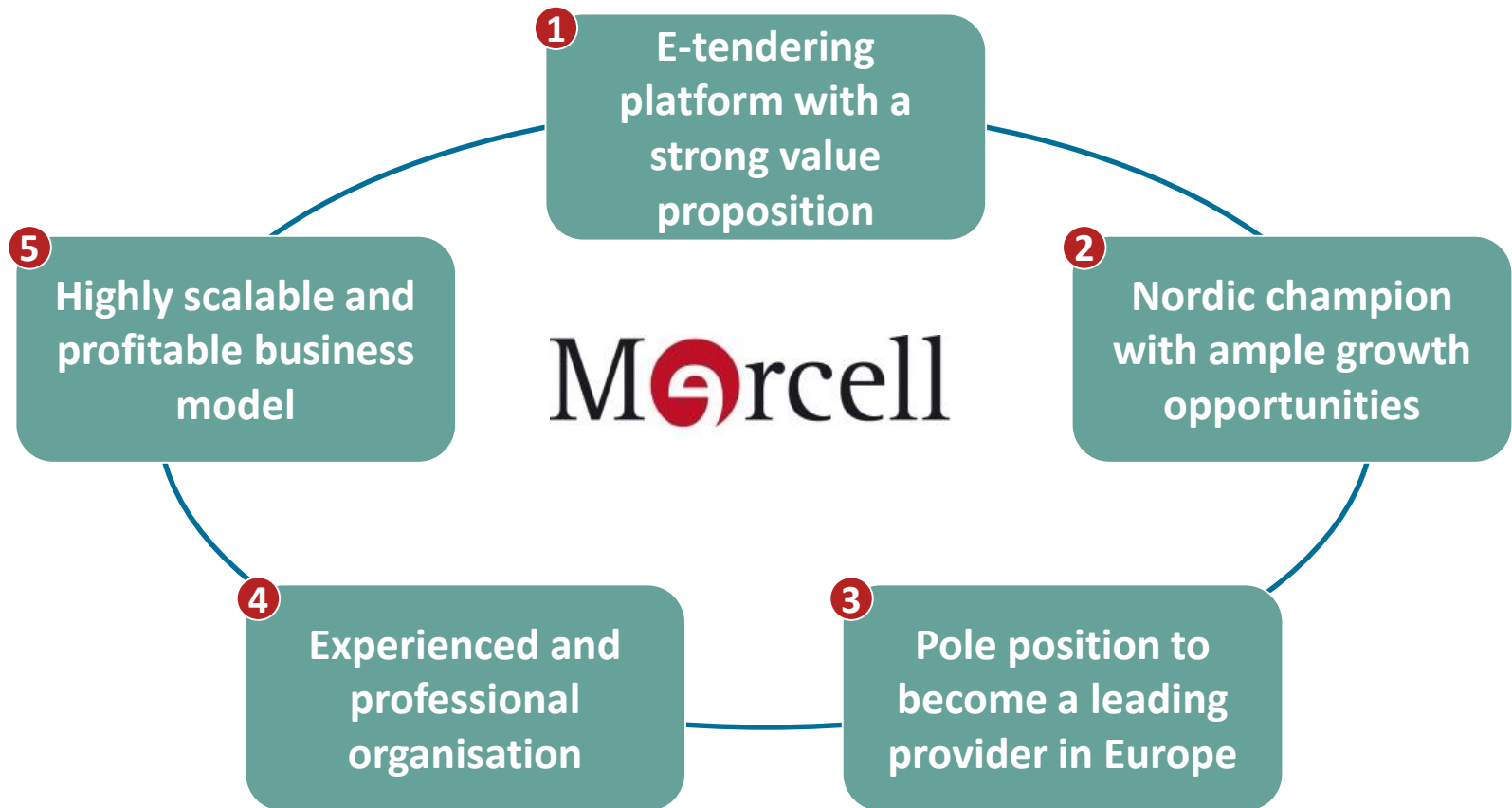
- ✓ Optimise business model and pricing
- ✓ Drive product expansion
- ✓ Reduce churn and strengthen sales
- ✓ Expand geographically through M&A
- ✓ Expand to B2B procurement for private buyers

1) Pro Forma (full year effect of 2020 acquisitions Akseess Innkjøp, Truelink and Tricom). Based on April ARR figures for Tricom

2) Merzell excluding the three acquisitions made in 2019 and 2020

3) Merzell Norway excluding the acquisitions made in 2019 and 2020

Investment highlights



Comprehensive e-tender platform to public buyers and suppliers

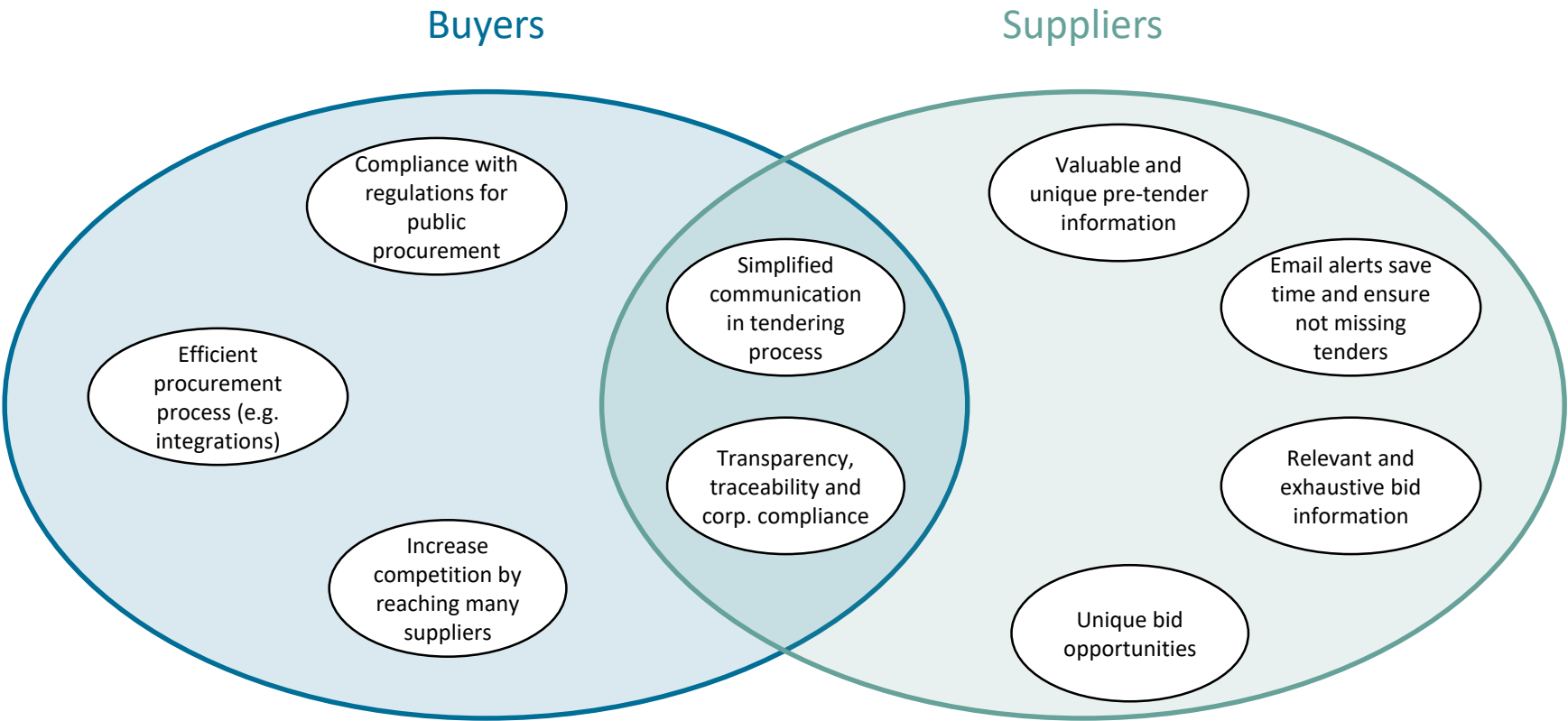
New in 2020:



	Tender Notification	Bid Manager	Tender Manager	Post award
Target group	Suppliers	Suppliers	Buyers	Buyers/suppliers
Core value proposition	<p>Tender notification customized to match the supplier's products, services and geographic focus</p> <p>Customers receive relevant public tenders (above national and EU thresholds), tender award information and unique tenders below national thresholds and from private buyers</p> <p>Customers have access to analysis tools enabling competitor and market analysis, future tenders and potential sales leads to public authorities</p>	<p>End-to-end workflow tool for bid managers to manage and deliver bids including value-added tools to e.g. enable multiple users (CTM only)</p>	<p>Tender process management tool: End-to-end workflow tool for an efficient and transparent tender process from identifying needs to tender award</p> <p>Contract management tool: Manage, act and communicate with suppliers within your contract portfolio</p>	<p>Tool for follow after contract is signed:</p> <ul style="list-style-type: none"> • eCommerce solution • eCatalogue upload • Invoice management • Spend analytics • ++
Share of revenues (2019)	<p>64%</p>	<p>6%</p>	<p>30%</p>	<p>May 2020 ARR¹: NOK 47m</p>

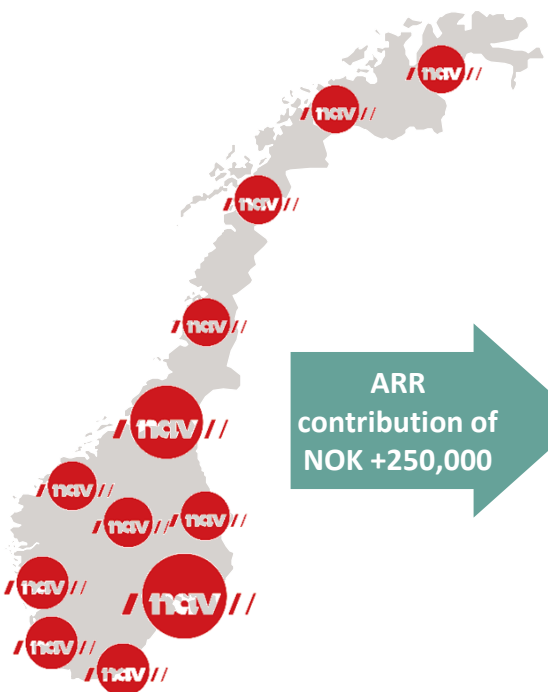
1) April ARR figures for Tricom

Clear value proposition to buyers and suppliers



Network effects evident following attraction of new buyers; several suppliers follow

Awarded NAV contract in 2017...



ARR contribution of NOK +250,000



ARR contribution of NOK +500,000

... leading to new suppliers

In total ~40 suppliers

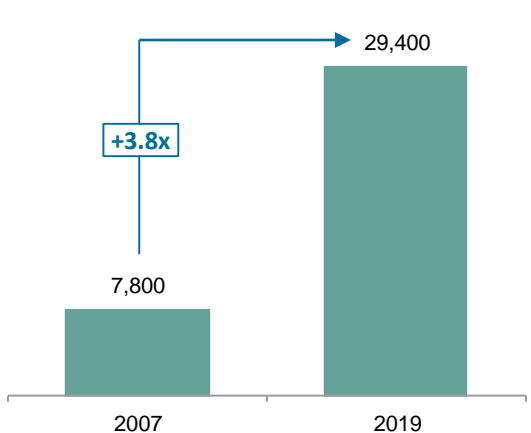
Company	ARR
 <small>Etac BII AS</small>	18,600 NOK
 <small>Varodd</small>	35,500 NOK
	13,200 NOK
	19,000 NOK
	16,700 NOK

Proven ability to upsell

Selected customer examples

Supplier: Arba

ARR development since initiation, NOK

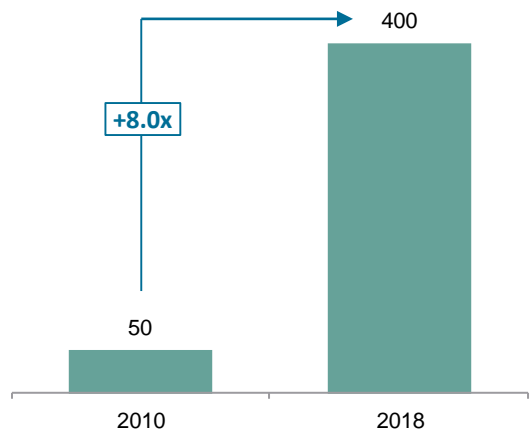


# modules	National	National+
# users	1	4

Have since 2010 expanded number modules and users, as well as increasing price levels

Buyer: Nordland County

ARR development since initiation, NOKk



# modules	2	7
# users	5	72

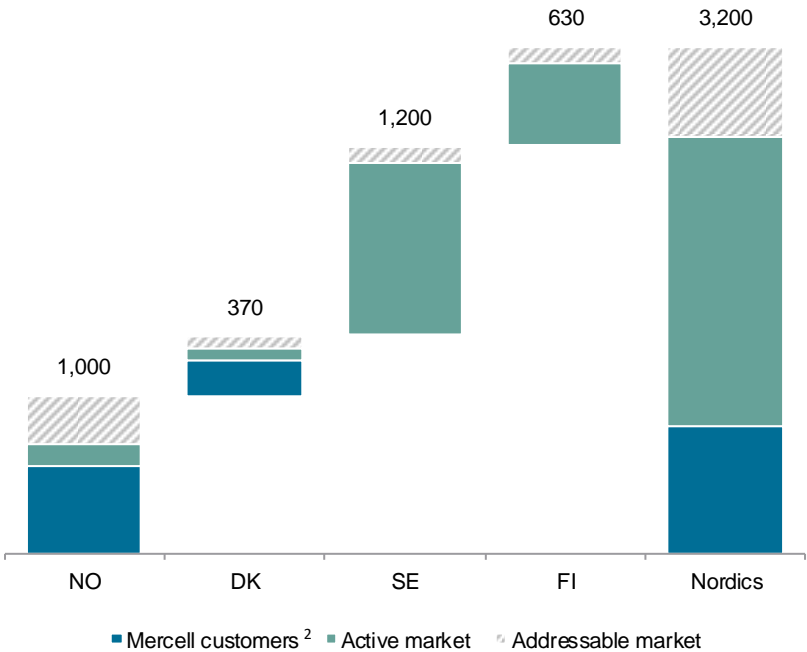
Have since initiation in 2010 added a number of additional features including eSignature and the automatic archiving function, in addition to a significant increase in number of users

- Strong customer history with both sellers and buyers
- Proven ability to upsell shows that Mercell adds value to both suppliers and buyers

Leader in a market with untapped potential

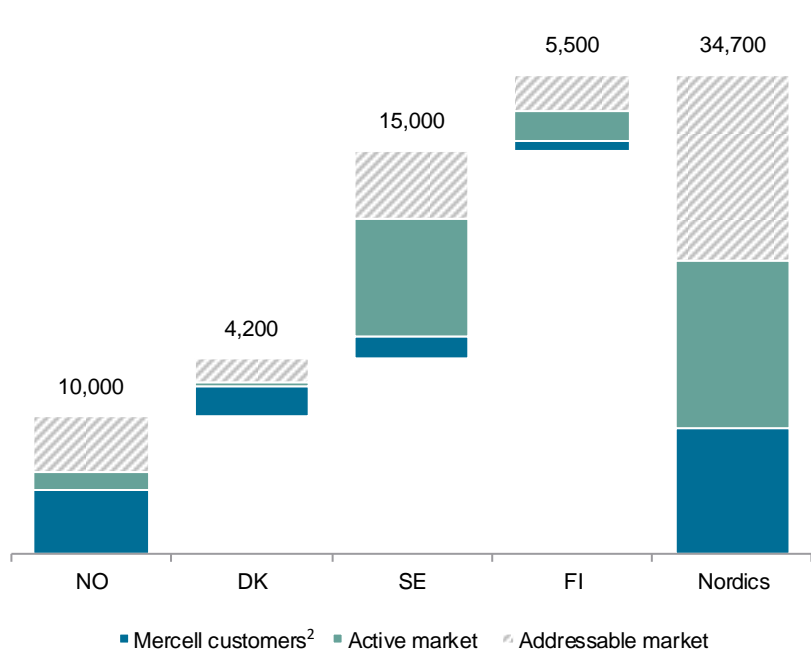
Nordic public buyers market *(ex private buyers)*

Estimated market, number of customers¹



Nordic suppliers market


Estimated market, number of customers¹



Source: Third party consultant (September 2019) *except addressable market for public buyers in Norway and Sweden*

1) Market shares from Third party consultant; 2) Adjusted for duplicate customers in the portfolio of Mercell and recent acquisitions


A pan-Nordic player with significant room to grow in the other European countries

 **Has the contract to operate the state solution in the country for public procurement**


 **One cross-border fusion contract in Spain**

 **Solid foothold with a number of public buyers**

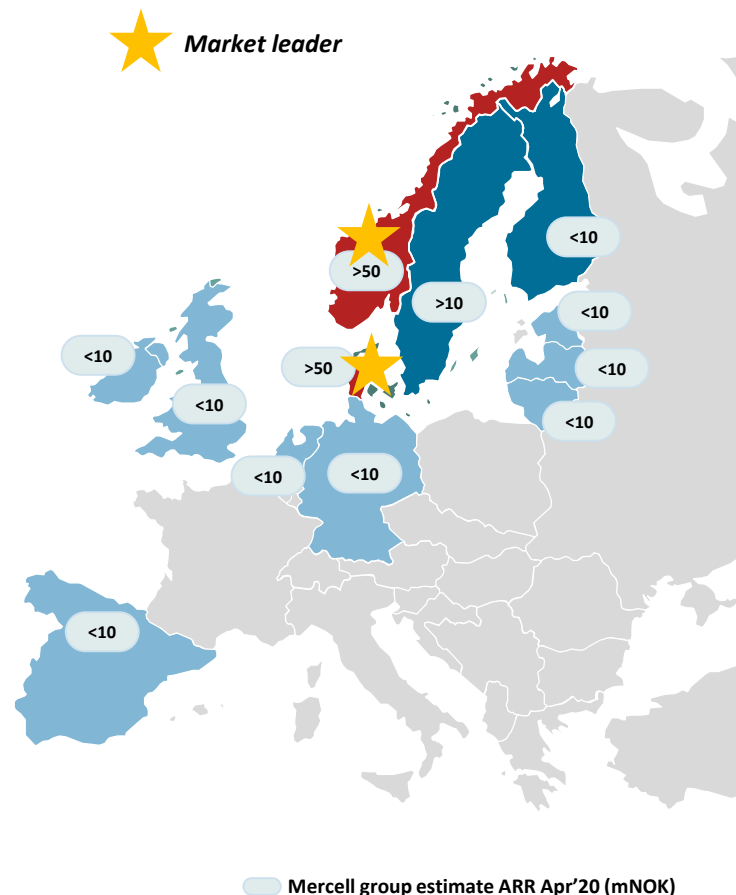
 **Have recently started proactive sales efforts in Germany**

 **#1 position: EU Supply operates the state solution for public procurement, Merzell leading for tender alerts**

 **Solid foothold within public buyers through partner reseller**

 **The Latvian state runs its own public buyer solution, Merzell the market leader within tender alerts**

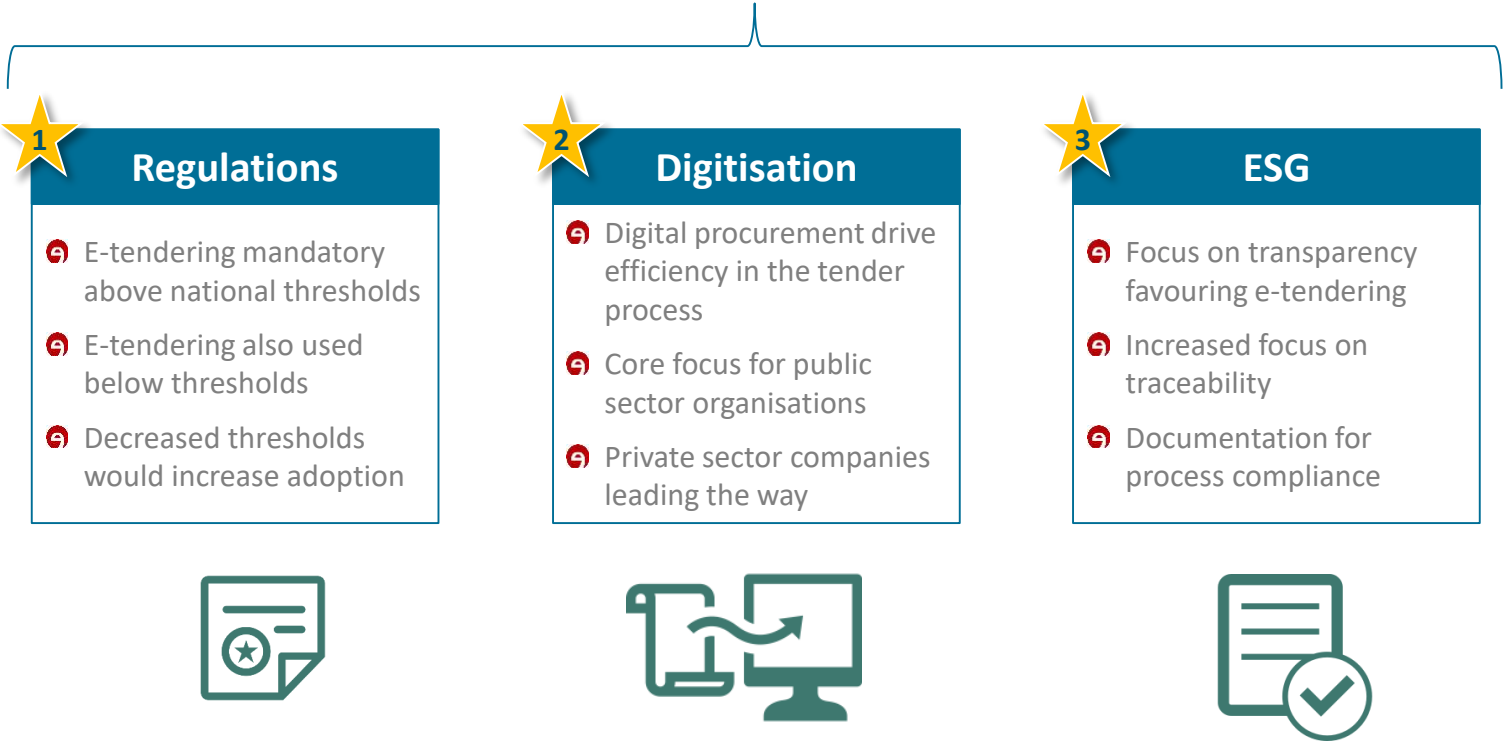
 **The Estonian state runs its own public buyer solution, Merzell the market leader within tender alerts**



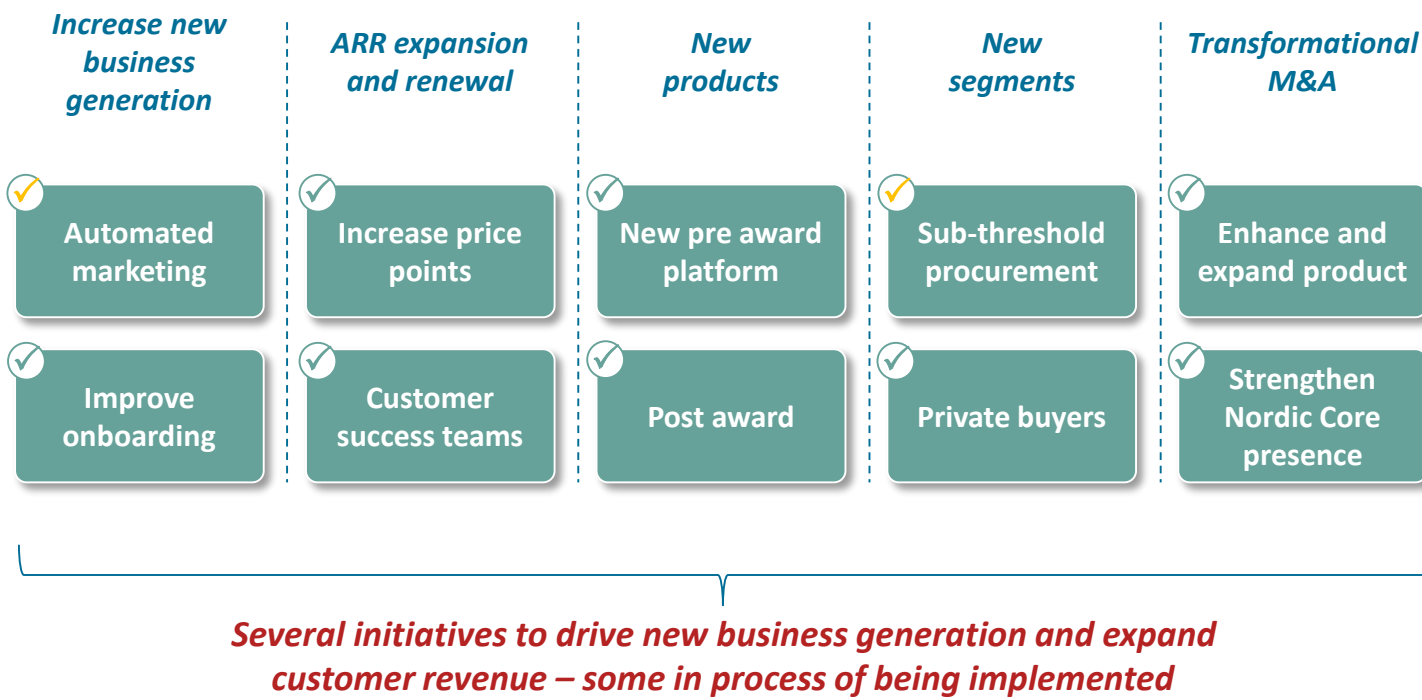
Source: Merzell's own market estimates

Market growth driven by megatrends

Key Mercell market growth drivers



Multiple growth initiatives already being implemented



✓ In action ✓ In pipeline

Experienced management team and quality organisation in place

Highly experienced management team



Terje Wibe – CEO (2014)

Relevant industry background from various management (incl. CEO) and consulting positions



Fredrik Eeg – CFO (2019)

Financial background with previous CFO and advisory roles within finance, communication and CX



Arild Nilsen – CPO (2019)

Range of executive roles and board positions in several industries with focus on product / business development and general management



Geir Pettersen – CTO (2019)

Experienced technology manager with history of both leading development teams and hands-on technical skills



Lars Vangen Jordet – CCO (2020)

Executive Manager with more than 20 years of management experience and experience in digital media/ tech companies



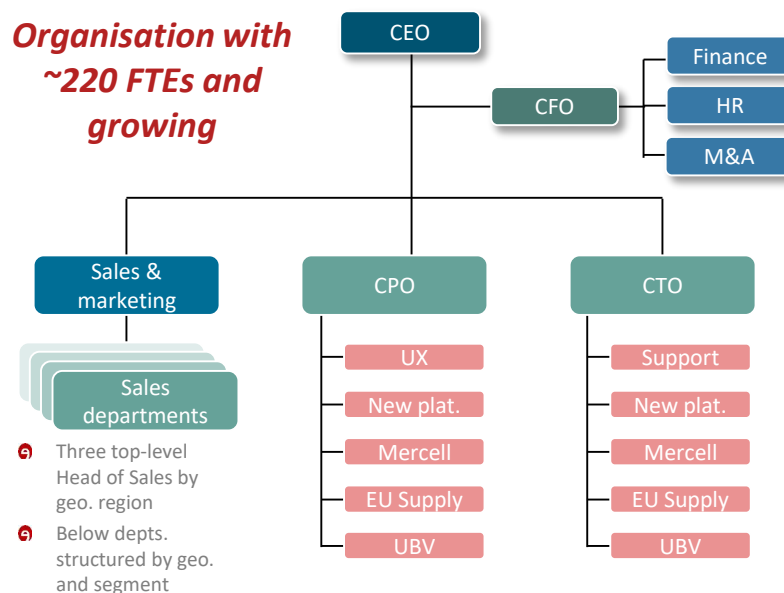
Katy Agahd – Head of HR (2019)

Strong HR background from senior HR and organisational roles for more than 10 years



Corporate structure

**Organisation with
~220 FTEs and
growing**



European expansion is the next step

European presence established

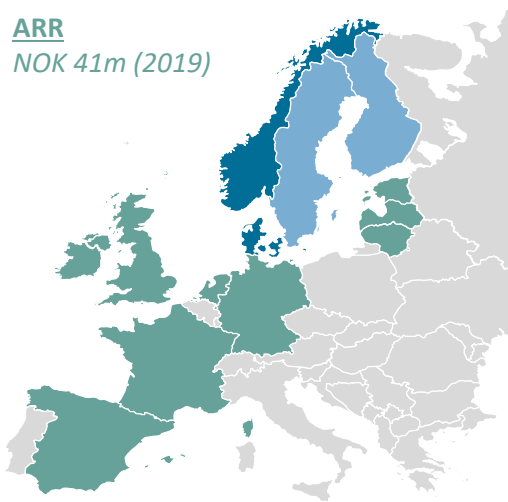
Customers

Buyers: 273 (2019)

Suppliers: 3,856 (2019)

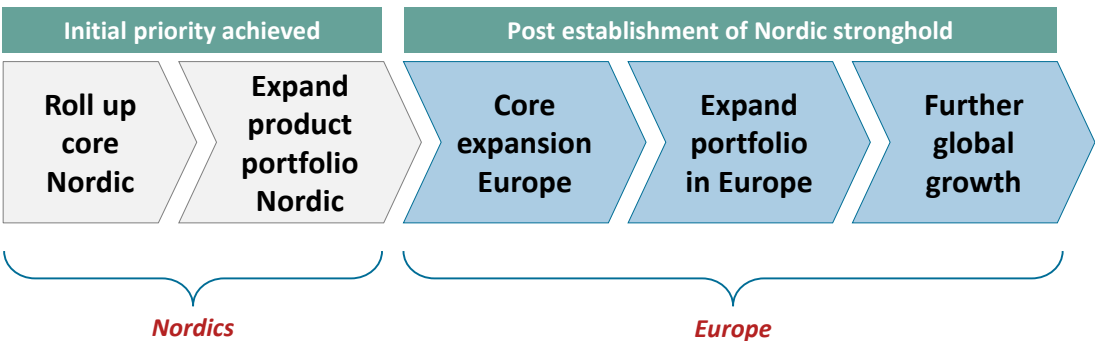
ARR

NOK 41m (2019)



■ Leader ■ Challenger ■ Foothold

Strategic expansion plan (step-by-step)



Significant market driven by underlying digitalisation and EU-legislation
The Nordics are leading the way, Europe expected to follow



Solid foothold in several countries
Fragmented and tolerable competition



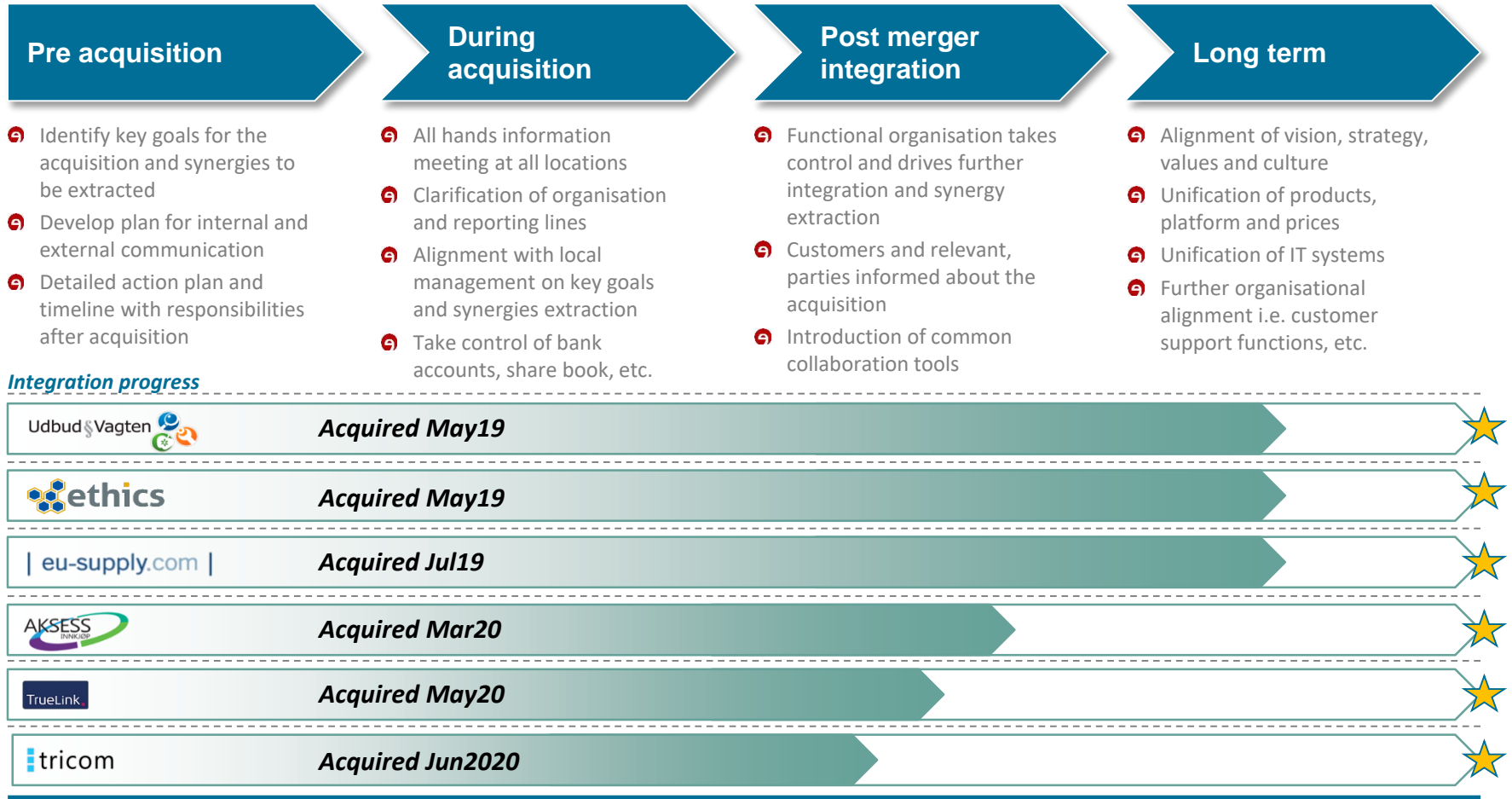
Total market 30 times larger than Nordics, approx. NOK 2 trillion



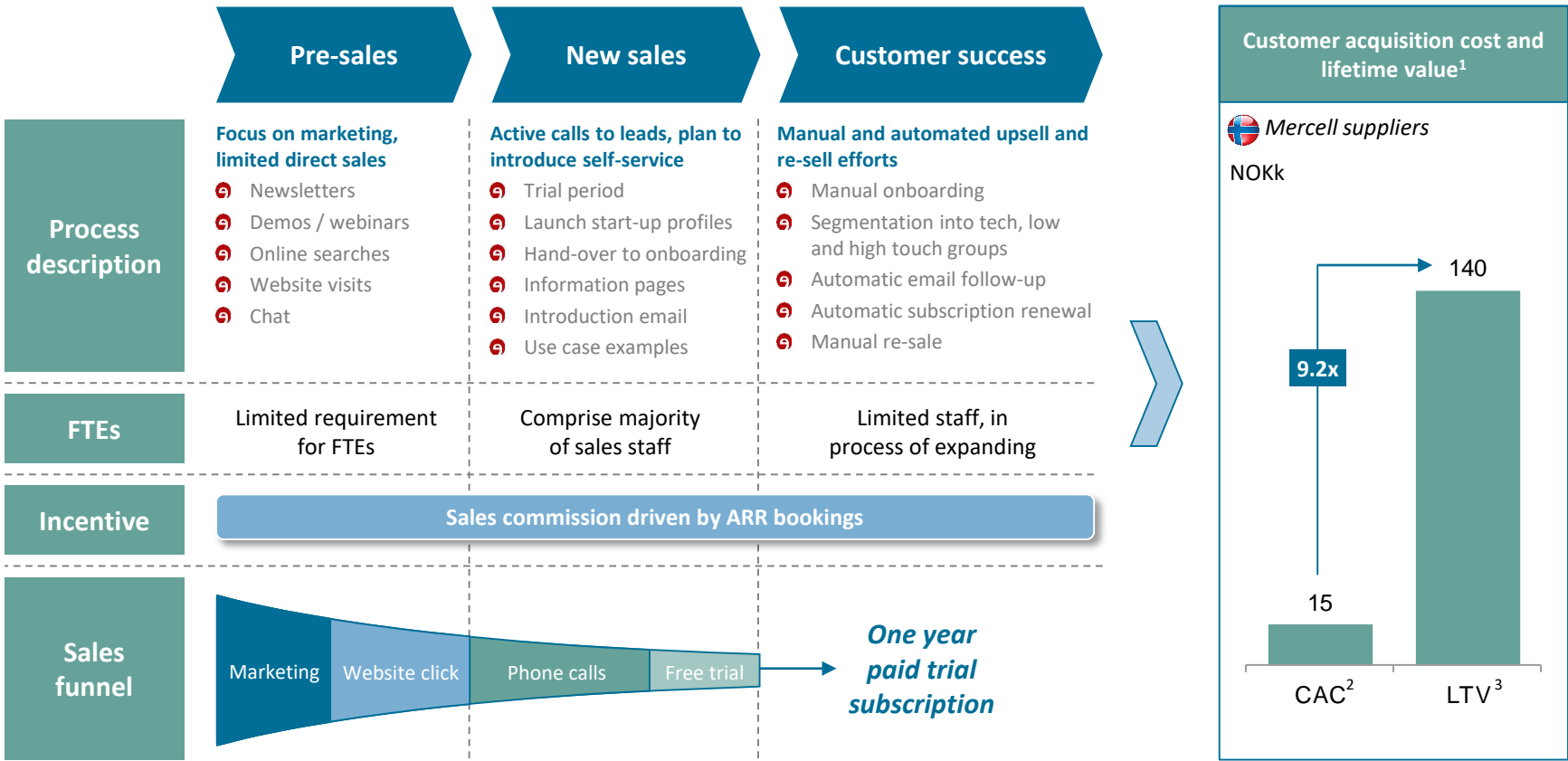
Buy and build strategy highly feasible (proven ability to execute M&A)
Pole position to become one of the leading e-tendering providers in Europe

Together with Arkwright, the company has screened ~100 potential acquisition targets in the European market, and is currently focusing on a short-list consisting of 10 of these targets whereof three have already been acquired this year

Clear framework for executing M&A proven by recent transaction activity



Scalable sales model towards suppliers

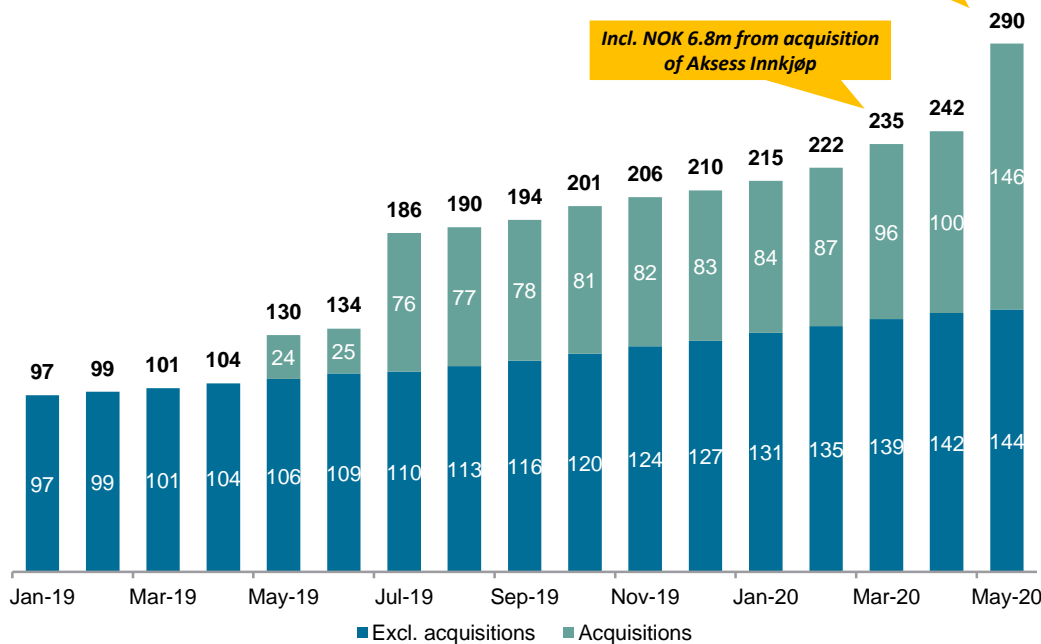


1) For suppliers in Mercell Norway (excluding acquisitions) average for 2019
2) Customer Acquisition Cost
3) Life Time Value

Proven ability to grow both organically and through acquisitions

ARR development

16% **42%**
YTD organic¹ growth Annualised organic growth



Dec 2018

May 2020

Organic

ARR	+49%	ARR
NOK 96m	➔	NOK 144m
Customers	+8%	Customers (Mar'20)
9,506	➔	10,929

Total (incl. acquisitions)

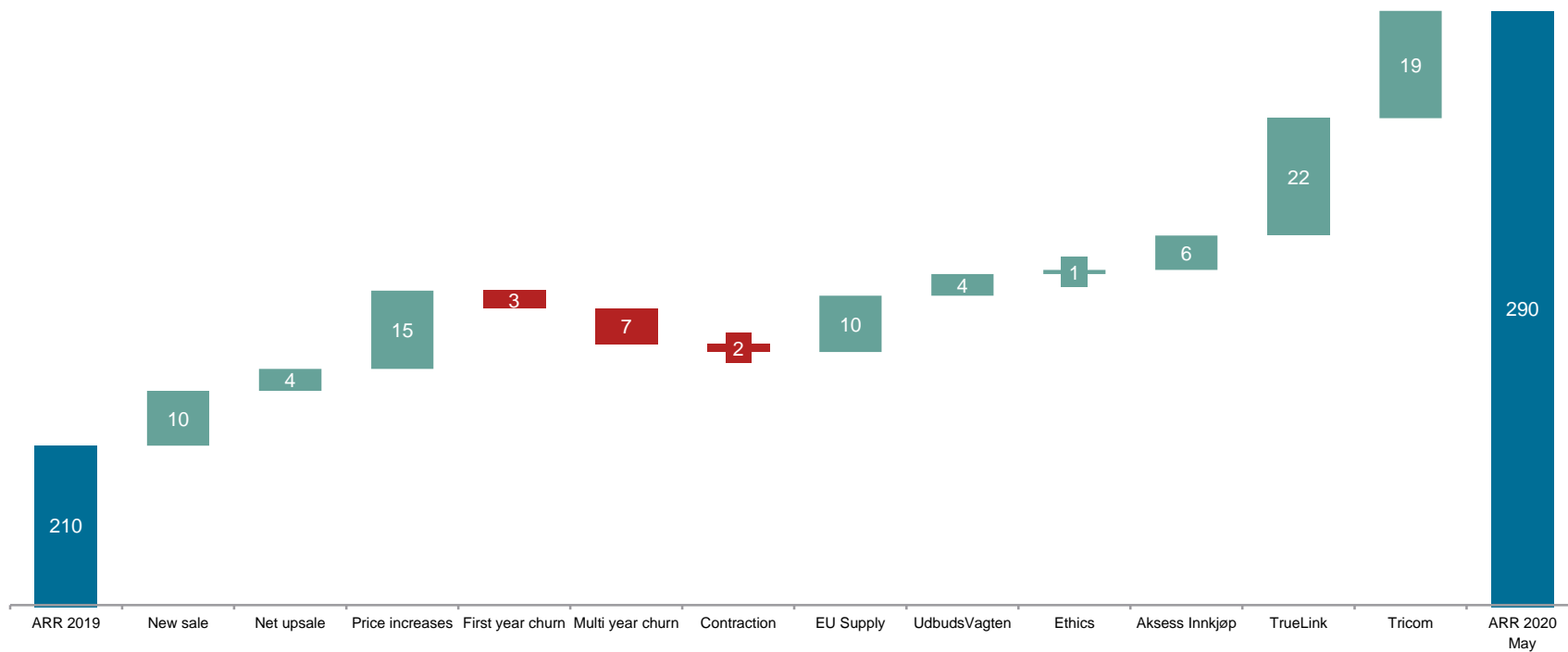
ARR	+202%	ARR
NOK 96m	➔	NOK 290m
Customers	+73%	Customers (Mar'20)³
9,506	➔	16,476

- 1) Excluding Aksess Innkjøp, Truelink and Tricom
- 2) Acquisition closed in June. Based on April ARR
- 3) Not including Tricom and TrueLink

ARR Bridge YTD

ARR bridge YTD

ARR (NOKm)



Historical P&L

Pro forma P&L¹

Pro forma (2019)

NOKm	2017	2018	2019	Q1 2020
Revenue	164.8	182.6	196.2	56.3
Cost of goods sold	-7.4	-6.0	-5.8	
Gross profit	157.5	176.6	190.4	
Personnel expenses	-88.6	-104.1	-127.3	
Other operating expenses	-41.6	-39.9	-59.2	
Pro forma EBITDA	27.3	32.6	3.9	3.5
Adjustments ²	0.3	-1.5	15.9	2.5
Adjusted pro forma EBITDA	27.6	31.1	19.8	6.0
Reversal of internal capitalised expenses	-23.5	-17.9	-20.3	
Adjusted pro forma EBITDALCE	4.0	13.2	-0.5	

Comments

- Pro forma revenue has grown substantially in the period from 2017 to 2019, driven by a combination of customer growth and growth in ARPA
- Management has over the period prioritized increasing the quality of revenue. Within Merrell (ex. acquisitions), share recurring has increased from 89% to 94%. Additionally, revenue from acquisitions has been analysed and measures implemented to increase the share of recurring revenues
- The decline in EBITDA was driven primarily by acquisitions made in 2019 in addition to ramping up FTEs within R&D and management
- The organic growth rate in Merrell (ex. acquisitions) averaged 14% over the period. Merrell also experienced a margin contraction driven by both increased personnel expenses and several one offs related to acquisitions

1) Unaudited. Does not include Truelink, Akse Innkjøp or Tricom. These companies were acquired in 2020

2) Adjustments in 2019 are primarily related to one-offs in relation to the acquisitions of Udbudsvagten, EU Supply and Ethics and change in accounting principle

Strategic and financial targets

	2020 targets ³	2025 targets ³
Market position	Expand the position as the leading market consolidator in the Nordic public procurement sector	Take the position as the leading market consolidator in the European public procurement sector
Revenue growth	30-35% organic ARR growth + acquisitions ¹	ARR of NOK 650m + acquisitions ¹
Long-term profitability	+20% EBITDA margin adjusted ²	+40% EBITDA margin

1) Organic growth not including acquisitions of Truelink, Akseess Innkj p and Tricom in 2020 or any later acquisitions

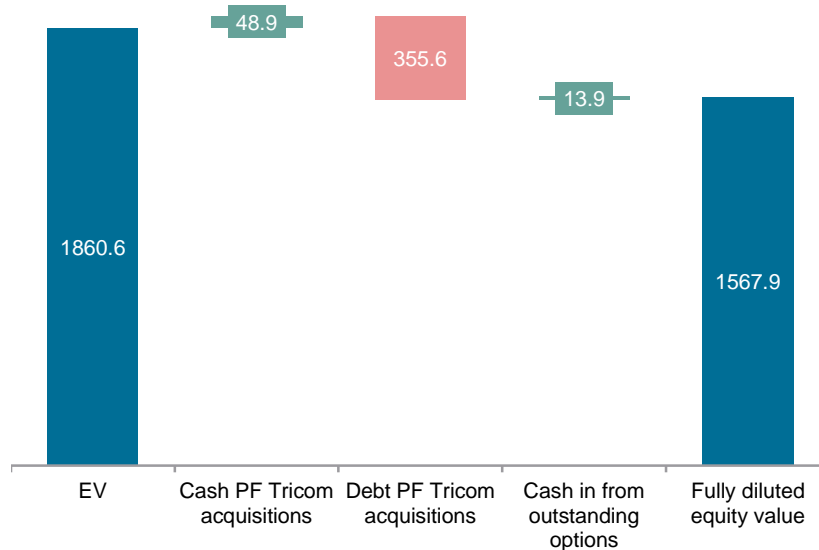
2) Adjusted for costs related to acquisitions and restructuring costs

3) These should be considered targets and not forecasts or guiding

EV-EQ bridge and key financing terms

Pre money EV – EQ bridge¹

NOKm



Number of shares outstanding: 222,981,653

Number of outstanding options: 9,296,295

Material borrowing and terms

- The Company is the issuer under an up to SEK 850,000,000 (or its equivalent in EUR) senior secured floating rate issues
- As of 17 June 2020, the Company has issued notes for a total amount of SEK 153,000,000 and EUR 14,500,000
- The final maturity date for notes issued under the Note Facility are 6 May 2023
- There are covenants on the Company relating to payment of dividend, incurrence of additional indebtedness, further investments etc. The Company will also have to comply with requirements for a minimum liquidity, a minimum EBITDAC, a maximum leverage and a maximum ARR Leverage
- Change of control provision which is triggered by either (i) a shareholder gaining control over the Company and which control exceeds that of Viking Venture, or (ii) Viking Venture ceasing to be represented in the Board of Directors of the Company
- The notes are subject to a combination of (i) STIBOR or EURIBOR (as applicable) (ii) cash interest of 4.75%, and (iii) PIK (compound) interest of 3.00% (for SEK notes) or 4.75% (for EUR notes)

1) Debt as of 31 May 2020 adjusted to include acquisition of Tricom

Risk factors (I/VI)

Investing in the shares (the "Shares") issued by Merzell Holding AS (the "Company" or "Merzell", and together with its consolidated subsidiaries, the "Group") involves inherent risks. An investor should consider carefully all of the information set forth in this Presentation, and in particular, the specific risk factors set out below. An investment in the Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. If any of the risks described below materialize, individually or together with other circumstances, they may have a material adverse effect on the Company's business, financial condition, results of operations and cash flow, which may cause a decline in the value and trading price of the Shares that could result in a loss of all or part of any investment in the Shares. The risks and uncertainties described below are not the only ones faced by Merzell. Additional risks and uncertainties that Merzell currently believes are immaterial, or that are not presently known to Merzell, may also have a material adverse effect on its business, financial condition, results of operations and cash flow. The order in which the risks are presented below is not intended to provide an

1.1 Risk related to the business and industry in which the Group operates

1.1.1 The Group is dependent on spending of public sector customers

Governmental bodies and local municipalities in the markets in which the Group operates represent large customer groups for the Group. Public spending may be subject to significant fluctuations from year to year and from country to country. Adverse economic and political spending may reduce the amount of public spending. A change in the funding of public customers may result in a reduction in demand for the Group's services. Failure by the Group to successfully retain current customers and/or attract new customers within the public sector could have a material adverse effect on the Group's business, operating results and financial condition.

1.1.2 The Group expects to grow in size, and might experience difficulties in achieving growth and managing growth

As the Group's development and commercialization plans and strategies for its new solutions and products continue to develop, it expects it will need additional managerial, operational, sales, marketing, financial and other resources. However, there can be no assurance that the Group will actually be successful in achieving and realizing its development and commercialization plans, and the expected growth. If and when the Group's operations expand, it expects to enter into additional relationships with various suppliers and other third parties. The Group's business, results of operations and financial position and the development and commercialization of its new solutions and products will depend, in part, on its ability to manage future growth effectively.

As a result, the Group must manage its development efforts effectively and hire, train and integrate additional personnel as required. To the extent that the Group is unable to accomplish these tasks, it could be prevented from successfully managing its business, which could have a materially adverse effect on its business, prospects, financial position and results of operation.

1.1.3 The Group has engaged in acquisitions that may not be successful, and may, in the future engage in transactions that will not have the desired effects

The Group has recently completed acquisitions, including the acquisitions of Udbudsvagten A/S, EU Supply PLC, Inno:vasion ApS, AkseSS Innkjøp AS, Truelink A/S and Tricom ApS, and may continue to do so in the future. The Group may not be able to complete future transactions on terms that it finds commercially acceptable, or at all. The inability to engage in or to complete such transactions may adversely affect its competitiveness and growth prospects.

The Group's future growth and performance will partly depend on the ability to manage growth effectively, including but not limited to, the ability to complete successful integration of acquisitions. There is no guarantee that integration of acquired companies will not encounter difficulties whereby the contemplated effects will not be achieved. If Merzell acquires a company, it may have difficulties in integrating, inter alia, that company's personnel, operations, technology and financial set-up. In addition, key personnel of the acquired company may decide to resign instead of working for the Group. These difficulties could disrupt the ongoing business, distract the Group's management and employees and increase its expenses.

Furthermore, the acquisition of companies and their integration into the Group may not be as economically successful as expected or the management of such acquired companies may not be immediately embedded in the organizational structure of the Group.

Each of these factors may have a material adverse effect on the Group's business revenue, profit and financial condition.

Risk factors (II/VI)

1.1.4 The Group depends highly on existing customers renewing their subscriptions

The Group operates in markets with fluctuating user satisfaction and demand for products and/ or services. The Group's business operations depend highly on renewed subscription by its existing customer base. The demand for the Group's services is affected by a number of factors, including awareness of technologies, availability of competing or substitute products and/ or services, ease of adoption and use, features, experience and reliability of the Group's services. Any inability to retain and develop the Group's customer base may result in a material adverse effect on the Group's business, results of operations, financial position, cash flows and/ or prospects.

1.1.5 The Group relies on information technology systems to conduct its business, and disruption, failure or security breaches of these systems could adversely affect its business and results of operations

The Group relies heavily on information technology ("IT") systems in order to achieve its business objectives. The Group relies upon industry accepted security measures and technology such as access control systems to securely maintain confidential and proprietary information maintained on its IT systems, and market standard virus control systems. However, as a tech company, the Group is constantly exposed to external threats associated with data security and is under constant pressure from different external players. There is a risk of virus attacks, attempts at hacking, social manipulation and phishing scams, as well as theft of intellectual property or sensitive information belonging to the Group or its business partners. Further, the Group's portfolio of hardware and software products, solutions and services and its enterprise IT systems may be vulnerable to damage or disruption caused by circumstances beyond its control, such as catastrophic events, power outages, natural disasters, computer system or network failures, cyber-attacks or other malicious software programmes.

The failure or disruption of the Group's IT systems to perform as anticipated for any reason could disrupt the Group's business and result in decreased performance, significant remediation costs, transaction errors, loss of data, processing inefficiencies, downtime, litigation, and the loss of suppliers or customers. A significant disruption or failure could have a material adverse effect on the Group's business operations, financial performance and financial condition.

1.1.6 The Group relies on the availability of licenses to third-party software and other intellectual property

The Group's solutions and products include software or other intellectual property licensed from third parties, and the Group also uses software and other intellectual property licensed from third parties in the development of these solutions and products.

The inability to obtain or maintain certain licenses or other rights or the need to engage in litigation regarding these matters, could result in delays in the release of solutions and products and could otherwise disrupt the Group's business, until equivalent technology can be identified, licensed or developed, and integrated into the solutions and products.

These events could have a material adverse effect on the Group's business, operating results and financial condition.

1.1.7 The Group depends on protecting its proprietary technology and intellectual property rights

The success of the Group's business depends on its ability to protect and enforce trade secrets, trademarks, copyrights, patents and other intellectual property rights.

Failure to protect the Group's proprietary technology and property rights could lead to a competitive disadvantage and result in a material adverse effect on the Group's business, prospects, financial position and results of operations.

1.1.8 The markets in which the Group competes are highly competitive

The markets for e-tendering and procurement services, both in the market for services prior to award of a contract (pre-award) and in the market for services following award of a contract (post-award), are highly competitive, and this may limit the Group's ability to maintain or increase its market share. The Group's current and future competitors may have greater financial and other resources and may be better positioned to withstand and adjust to changing market conditions. Hence, the Group may not be able to maintain its competitive position in the market. Such competitors may be able to better withstand economic and/ or industry downturns and compete on the basis of price, all which could have a material adverse effect on the Group's business, revenue, profit and financial condition.

Even if the Group has potential offerings that address marketplace or customer needs, the Group's competitors may be more successful at selling similar services, including the Group's current customers, or may offer more aggressive contractual terms or compete on pricing in a manner that the Group is not willing or able to match on a sustained basis, which may affect the Group's ability obtain new business. If the Group is unable to compete successfully, the Group could lose market shares and customers to competitors, which could materially adversely affect the Group's business, results of operations, financial condition, cash flows and/ or prospects.

1.1.9 The Group may not be able to keep pace with a significant step change in technological development

The Group operates in markets that are highly susceptible to technological developments. Such technological developments have resulted in, and will likely continue to result in, substantial improvements in equipment functions and performance throughout the industry. As a result, the Group's future success and profitability will be dependent in part upon its ability to:

- Improve existing services and solutions;
- Address the increasingly sophisticated needs of its customers; and
- Anticipate major changes in technology and industry standards and respond to technological developments on a timely basis.

If the Group is not successful in upgrading its existing systems and solutions, or the technical skill set of its employees, on a timely and cost-effective basis in response to technological developments or changes in industry standards, this could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/ or prospects.

Risk factors (III/VI)

1.1.10 The Group is dependent on attracting and retaining key personnel

The Group's success depends, to a significant extent, on the continued services of the individual members of its management team, who have substantial experience in the industry and in the local jurisdictions in which it operates, as well as its ability to attract and retain skilled professionals with appropriate experience and expertise.

The Group's ability to continue to identify and develop opportunities depends on the management's knowledge of, and expertise in, the industry in and such local jurisdictions and on their external business relationships, and the Group's business is dependent on skilled technical and other personnel to develop, operate, sell and provide technical services and support for its business.

Failure to attract or retain management and key employees could result in an inability to properly manage the Group and to maintain the appropriate technological or business improvements. It can also lead to an inability to take advantage of new opportunities that might arise, which might in turn lead to a subsequent decline in competitiveness that could have a material adverse effect on the Group's business, prospects, financial position and operating results.

1.1.11 The Group is exposed to risks associated with international operations

The majority of the Group's revenues originate from countries outside of Norway and the Group operates in more than 25 countries, including the Nordics, Baltics and various other European countries. The Group's operations are consequently subject to risks inherent in international business operations, including, but not limited to, general economic conditions in each country in which the Group operates, overlapping differing tax structures, problems related to management of an organization spread over various countries, unexpected changes in regulatory requirements, compliance with a variety of local laws and regulations, and longer accounts receivable payment cycles in certain countries.

The materialization of such risks might have a material adverse effect on the Group's business, prospects, financial position and operating results.

1.2 Legal and regulatory risk

1.2.1 The Group faces risks of non-compliance with applicable laws and regulations

The Group operates in a highly regulated market, influenced by EU legislation, country level legislation and information security standards, and the applicable legislation and standards are subject to changes. If the Group is unable to comply with any applicable laws, regulations or standards, it may lose existing customers and/ or find it more difficult to win new customers. Depending on the nature of the changes to laws and regulations, the Group may be prohibited from offering its products and services to customers in certain countries or industries.

Any non-compliance with applicable laws and regulations could have a material adverse effect on the Group's business operations, financial performance and financial condition.

1.2.2 The Group is exposed to risk relating to data protection and data privacy regulations, licenses etc.

The Group receives, stores and processes personal information and other user data through its business and operations in multiple jurisdictions. This makes the Group exposed to data protection and data privacy laws and regulations it must comply, which all imposes stringent data protection requirements and provides high possible penalties for noncompliance, in particular relating to storing, sharing, use, processing, disclosure and protection of personal information and other user data on its platforms. The main regulations are the General Data Protection Regulation (EU) 2016/679 ("GDPR") and the local law implementations of GDPR in the EU member states that the Group operates in, including the Norwegian Data Protection Act of 15 June 2018 no. 38.

Any failure to comply with data protection and data privacy policies, privacy-related obligations to customers or third parties, privacy-related legal obligations, or any compromise of security that results in an unauthorized release, transfer or use of personally identifiable information or other customer data, may result in governmental enforcement, actions, litigation or public statements against the Group. Any such failure could cause the users of the Group's services to lose trust in the Group. If third parties violate applicable laws or its policies, such violations may also put users of the Group's services at risk and could in turn have an adverse effect on the Group's business. Any significant change to applicable laws, regulations or industry practices regarding the collection, use, retention, security or disclosure of users' personal data, or regarding the manner in which the express or implied consent of users for the collection, use, retention or disclosure of such personal data is obtained, could increase the Group's costs and require the Group to modify its services and features, possibly in a material manner, which the Group may be unable to complete and may limit its ability to store and process user data or develop new services and features.

1.2.3 Changes in tax laws of any jurisdiction in which the Group operates, or any failure to comply with applicable tax legislation may have a material adverse effect for the Group

The Group is subject to prevailing tax legislation, treaties and regulations in every jurisdiction in which it is operating, and the interpretation and enforcement thereof. The Group's income tax expenses are based upon its interpretation of the tax laws in effect at the time that the expense is incurred. If applicable laws, treaties or regulations change, or if the Group's interpretation of the tax laws is at variance with the interpretation of the same tax laws by tax authorities, this could have a material adverse effect on the Group's business, results of operations or financial condition.

If any tax authority successfully challenges the Group's operational structure, intercompany pricing policies, the taxable presence of its subsidiaries in certain countries, or if taxing authorities do not agree with the Group's and/or any subsidiaries' assessment of the effects of applicable laws, treaties and regulations, or the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful, the Group's effective tax rate on its earnings could increase substantially and the Group's business, earnings and cash flows from operations and financial condition could be materially and adversely affected.

Risk factors (IV/VI)

1.3 Risk related to financing

1.3.1 The Group may require additional capital in the future in order to execute its growth strategy or for other purposes, which may not be available on favorable terms, or at all

No assurance can be given that the Group will not require additional funds in order to execute its growth strategy, or for other purposes. Adequate sources of funds may not be available, or available at acceptable terms and conditions, when needed. If the Group raises additional funds by issuing additional equity securities, the existing shareholders may be significantly diluted. If funding is insufficient at any time in the future, the Group may be unable to fund acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects. Such development could also have a material adverse effect on the value of the Shares.

1.3.2 The Group's existing or future debt arrangements could restrict and/or limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or the Company's ability to declare dividends to its shareholders

As of June 2020, the Group has approximately NOK 323 million in long term debt. In addition, the Group may incur additional indebtedness in the future. This level of debt could have important consequences to the Group, including the following:

- The Group's ability to obtain additional financing for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may be unavailable on favorable terms;
- Any prepayment or early redemption (whether in relation to a refinancing or not) of the Note Facility may impose significant redemption fees/ break costs from the Company to the noteholders;
- The Group's costs of borrowing could increase as it becomes more leveraged;
- The Group may need to use a substantial portion of its cash from operations to make principal and interest payments on its debt, reducing the funds that would otherwise be available for operations, future business opportunities and dividends to its shareholders;
- The Group's debt level could make it more vulnerable than its competitors with less debt to competitive pressures, a downturn in its business or the economy generally; and
- The Group's debt level may limit its flexibility in responding to changing business and economic conditions.

The Group's ability to service its future debt will depend upon, among other things, its future financial and operating performance, which will be affected by prevailing economic conditions as well as financial, business, regulatory and other factors, some of which are beyond its control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take action such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, restructuring or refinancing its debt or seeking additional equity capital. The Group may not be able to affect any of these remedies on satisfactory terms, or at all.

1.3.3 Covenants in the Group's Note Facility and related security documents may restrict its operations, and if the Group does not effectively manage its business to comply with these covenants, its financial condition could be adversely impacted

The Group entered into a Note Facility in May 2019, providing for a facility of up to SEK 850,000,000 (or its equivalent in EUR) senior secured floating rate notes available to the Group. The Note Facility contains various covenants, including, among other things, restrictions on the Company relating to payment of dividend, incurrence of additional indebtedness, further investments, etc. These covenants may restrict the Group's current and future operations, particularly its ability to respond to certain changes in its business or take future actions. Pursuant to the Note Facility, the Company and its subsidiary Merrell Midco AS has granted the noteholders first priority share pledges over [most of] the companies in the Group and first priority security over the Company's bank accounts, operating assets, inventory and customer receivables (factoring). See Section 8.8 "Material borrowings" for additional information.

The Note Facility contains a change of control provision which is triggered by either (i) a shareholder gaining control over the Company which control exceeds that of Viking Venture (or any other fund or entity managed or principally advised by Viking Venture), or (ii) Viking Venture (or any other fund or entity managed or principally advised by Viking Venture) ceasing to be represented in the Board of Directors of the Company. If a change of control event occurs, the Company may be required to redeem all notes, which would also render the Company liable for significant redemption fees/ break costs to the noteholders.

Further, the Note Facility requires the Company to observe certain financial covenants, including, among other things, a minimum ARR leverage, a minimum EBITDAC, a maximum leverage.

The Group's ability to comply with the covenants described above can be impacted by events beyond its control and it may be unable to do so. The Note Facility and related security documents provide that the Group's breach or failure to satisfy certain covenants constitutes an event of default. Upon the occurrence of an event of default, the lenders could elect to declare all amounts outstanding under the Note Facility to be immediately due and payable. In addition, the lenders would have the right to proceed against the assets the Group provided as collateral pursuant to the related security agreements. If the debt under its Note Facility was to be accelerated, the Group may not have sufficient cash on hand, or be able to refinance the loan or to sell sufficient collateral to repay it, which would have an immediate adverse effect on its business and operating results. This could potentially cause the Group to cease operations and result in a complete loss of an investment in the Shares.

1.3.4 The business of the Group faces liquidity risk that may have a material adverse impact on the Group

The Group's business faces liquidity risk, meaning that the Group could come into a situation where it does not have sufficient liquidity to cover its financial obligations, which may have a material adverse impact on the Group's business, results of operations, financial position and future prospects.

1.3.5 Fluctuations in exchange rates could affect the Group's cash flow and financial condition

The Group operates in more than 25 countries, including the Nordics, Baltics and various other European countries, any fluctuations in exchange rates between NOK, SEK, DKK and EUR could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects.

Risk factors (V/VI)

1.4 Risks relating to the Shares and the Admission

1.4.1 An active trading market for the Company's shares on Merkur Market may not develop

The Shares have not previously been tradable on any stock exchange, other regulated marketplace or multilateral trading facilities. No assurances can be given that an active trading market for the Shares will develop on Merkur Market, nor sustain if an active trading market is developed. The market value of the Shares could be substantially affected by the extent to which a secondary market develops for the Shares following completion of the Admission.

1.4.2 Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares

The Group may require additional capital in the future to finance its business activities and growth plans. Raising additional capital or the acquisition of other companies or shareholdings in companies by means of yet to be issued Shares of the Company as well as any other capital measures may lead to a considerable dilution of shareholdings in the Company.

1.4.3 Risks related to future sales of shares

Future sales, or the possibility for future sales of substantial numbers of the Shares may affect the market price of the Shares in an adverse manner.

1.4.4 Nominee registered Shares may be subject to restrictions on voting

Beneficial owners of Shares that are registered in a nominee account or otherwise through a nominee arrangement (such as through brokers, dealers or other third parties) may be unable to exercise their voting rights for shares unless their ownership is re-registered in their names with the VPS prior to a general meeting. There can be no assurance that beneficial owners of the Shares will receive the notice of any general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

1.4.5 The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions

None of the Shares have been registered under the US Securities Act of 1933 (as amended) (the "US Securities Act") or any US state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act and other applicable securities laws. In addition, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings. Further, investors in the United States may have difficulty enforcing any judgment obtained in the United States against the Company or its directors or executive officers in Norway.

1.4.6 Volatility of the share price

The market price of the Shares may be highly volatile and investors in the Shares could suffer losses. The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, significant contracts, acquisitions or strategic relationships, publicity about the Group, its products and services or its competitors, lawsuits against the Group, unforeseen liabilities, changes to the regulatory environment in which it operates or general market conditions. In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Group, and these fluctuations may materially affect the price of the Shares.

Risk factors (VI/VI)

1.4.7 Shareholders outside of Norway are subject to exchange rate risk

All of the Shares will be priced in Norwegian Kroner ("NOK"), the lawful currency of Norway and any future payments of dividends on the Shares or other distributions from the Company will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in the NOK against their local currency, as the foreign currency equivalent of any dividends paid on the Shares or price received in connection with any sale of the Shares could be materially impacted upon by adverse currency movements.

1.4.8 Pre-emptive rights may not be available to all holders of Shares

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate in the issuance of new shares for cash consideration. Shareholders in the United States as well as in certain other countries may be unable participate in an offer of new shares unless the Company decides to comply with local requirements in such jurisdictions, and in the case of the United States, unless a registration statement under the U.S. Securities Act is effective with respect to such rights and shares or an exemption from the registration requirements is available. In such cases, shareholders resident in such non-Norwegian jurisdictions may experience a dilution of their holding of the Shares, possibly without such dilution being offset by any compensation received in exchange for subscription rights. In addition, the general meeting may resolve to waive the pre-emptive right of all existing shareholders. Furthermore, the shareholders may resolve to grant the board of directors an authorization to increase the share capital of the Company and set aside any pre-emptive rights for the shareholders, without the prior approval of the shareholders. Such authorization may also result in dilution of the shareholders' holding of Shares.

1.4.9 The Company will incur increased costs as a result of being listed on Merkur Market

As a company with its shares listed on Merkur Market, the Company will be required to comply with Oslo Børs' reporting and disclosure requirements for companies listed on Merkur Market. The Company will incur additional legal, accounting and other expenses in order to ensure compliance with these and other applicable rules and regulations. The Company anticipates that its incremental general and administrative expenses as a company with its shares listed on Merkur Market will include, among other things, costs associated with annual and interim reports to shareholders, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation. In addition, the Board of Directors and management may be required to devote significant time and effort to ensure compliance with applicable rules and regulations for companies with its shares listed on Merkur Market, which may entail that less time and effort can be devoted to other aspects of the business. Any such increased costs, individually or in the aggregate, could have an adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

1.4.10 Majority shareholder risk

A concentration of ownership may have the effect of delaying, deterring or preventing a change of control of the Company that could be economically beneficial to other shareholders. Further, the interests of shareholders exerting a significant influence over the Company may not in all matters be aligned with the interests of the Company and the other shareholders of the Company.



Appendix

Merrell

Acquisition of Tricom - June 2020

Tricom in brief

- Established in 2010 with offices in Denmark and Spain
- Tricom delivers cloud solutions with support for the entire purchase-to-pay process (post-award)
- Existing strategic cooperation with Ethics, EU-Supply, Merzell and Udbudsvagten
- More than 250 thousand public and private users in 27 countries
- Security approved at NATO level

Key acquisition rationale

- Together with Truelink and Akseess Innkjøp, the acquisition of Truelink facilitates Merzell's entry into the post-award segment
- Substantial upselling opportunities from catering to the complete value chain from source to pay
- Tricom has a state-of-the-art technology platform that can be applied to other customers

Tricom's procure-to-pay offering



PF cash flow and one-offs

Adjusted PF FCF¹

Currency: NOKk	FY17A	FY18A	FY19A
Adjusted pro forma EBITDA	27,570	31,116	19,796
Change in adjusted pro forma NWC	n.q.	2,966	21,016
Cash flow from operations	n.q.	34,082	40,811
Capex	(19,311)	(14,936)	(25,876)
Adjusted FCF	n.q.	19,146	14,935
Cash conversion ratio	n.q.	61.5%	75.4%

Consolidated CAPEX overview¹

Currency: NOKk	FY17A	FY18A	FY19A
<u>Merrell entities</u>			
Licenses	570	66	-
Self-developed R&D	18,741	14,871	22,684
Machinery and equipment	-	-	-
Capex Merrell entities	19,311	14,936	22,684
<u>Acquired entities</u>			
Licenses	-	-	279
Self-developed R&D	-	-	2,772
Machinery and equipment	-	-	140
Capex acquired entities	-	-	3,192
Total capex	19,311	14,936	25,876

One off costs 2020 YTD

EBITDA adjustments (NOKm)	Q1	YTD-April
Consultancy fees	0.1	0.4
Due diligence	1.9	1.9
Recruitment agent	0.0	0.4
Viking Venture - invoiced fees	0.0	0.1
Payroll bonus to management	0.0	2.4
Severance pay	0.2	1.1
Periodisation error in Denmark	0.3	0.3
Total	2.5	6.6

1) Unaudited. Does not include Truelink, Akseess Innkj p or Tricom. These companies were acquired in 2020 alongside a third and currently ongoing process.

Reported Financials

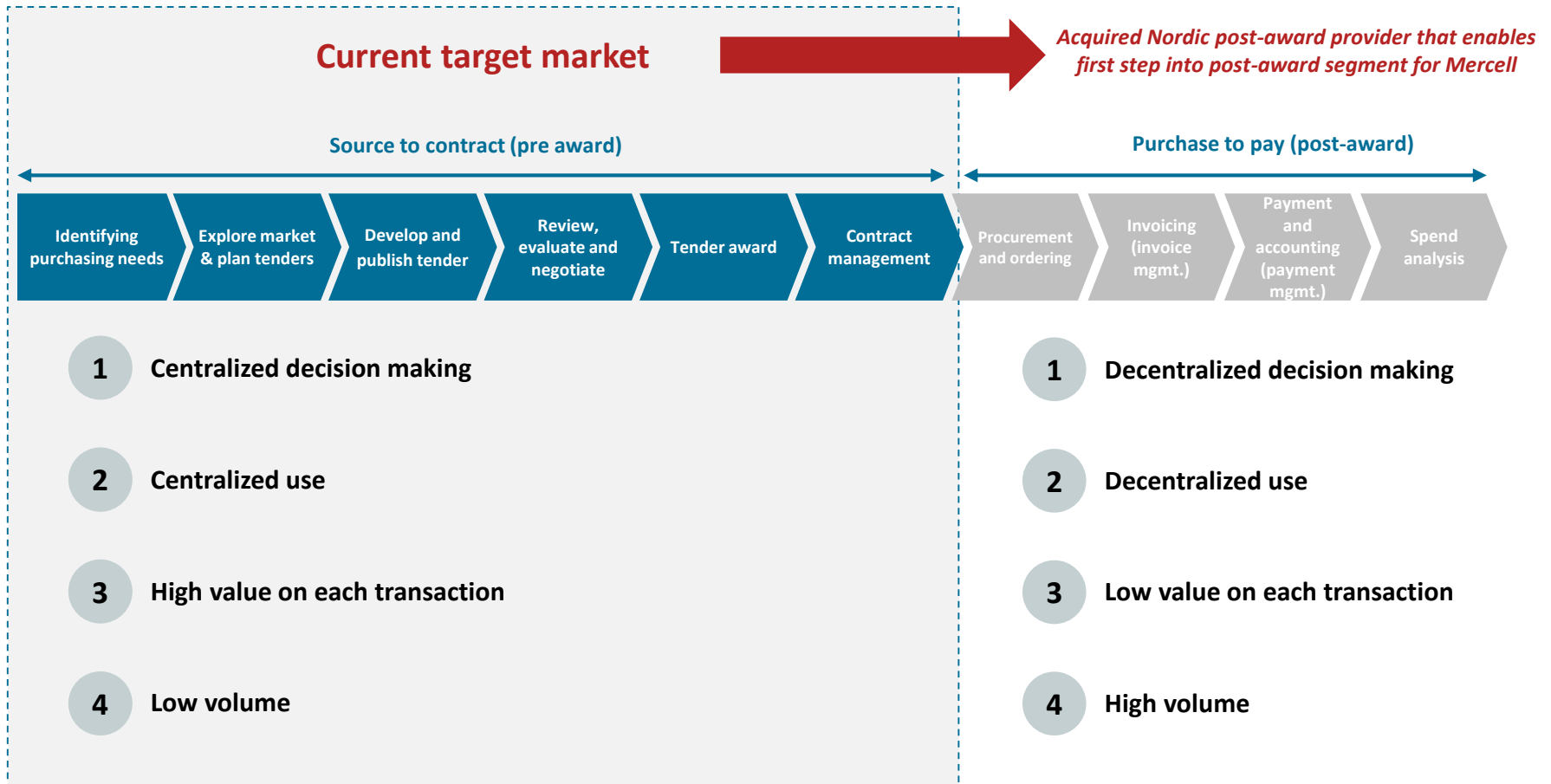
Reported P&L

NOKm	2018	2019
Revenue	105.0	166.2
COGS	-7.2	-9.3
Payroll	-73.4	-120.1
Other OPEX	-3.0	-30.1
EBITDA	21.4	6.8
Depreciation and Amortization	-18.2	-50.9
Impairments	-9.2	-0.2
EBIT	-6.0	-44.2
Net financial income	0.3	-14.1
Pre-tax profit	-5.7	-58.3
Tax	-1.8	-0.6
Net income	-7.5	-58.9

Reported balance sheet

NOKm	2018	2019
Intangible assets	35.9	310.7
PP&E	1.1	1.3
Financial assets	4.3	5.6
Total fixed assets	41.3	317.7
Short term receivables	18.9	46.1
Deferred revenue	0.0	13.1
Cash and cash equivalents	33.4	23.8
Current assets	52.4	83.1
Total assets	93.7	400.7
Equity	28.6	103.9
Deferred tax liability	0.0	2.1
Debt to credit institutions	0.0	149.0
Other long term debt	0.0	4.1
Total long term debt	0.0	155.2
Short term debt to credit institutions	0.0	0.0
Accounts payable	2.4	9.2
Public duties payable	6.1	14.2
Other short term debt	56.5	118.2
Total short term debt	65.1	141.7
Total equity and debt	93.7	400.7

Covering a larger part of the value chain by expanding into post award

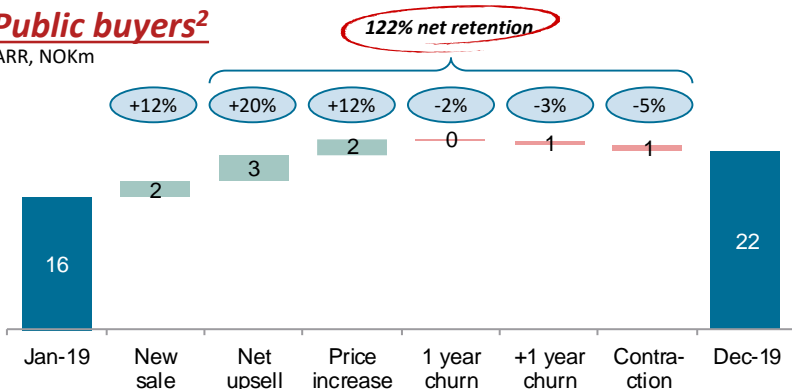


Strong net retention and new sales

Merzell¹: Retention bridge

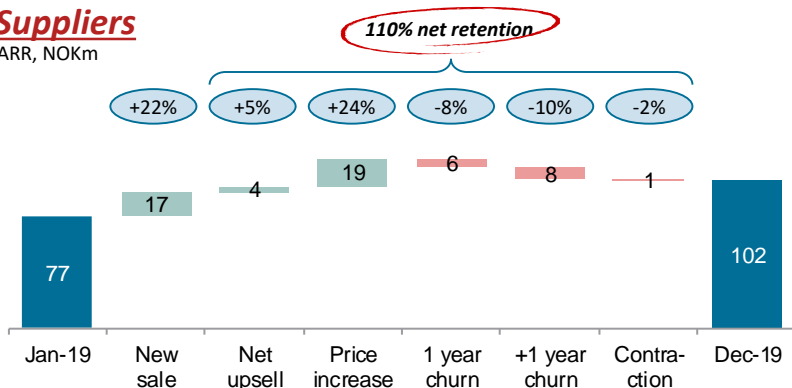
Public buyers²

ARR, NOKm



Suppliers

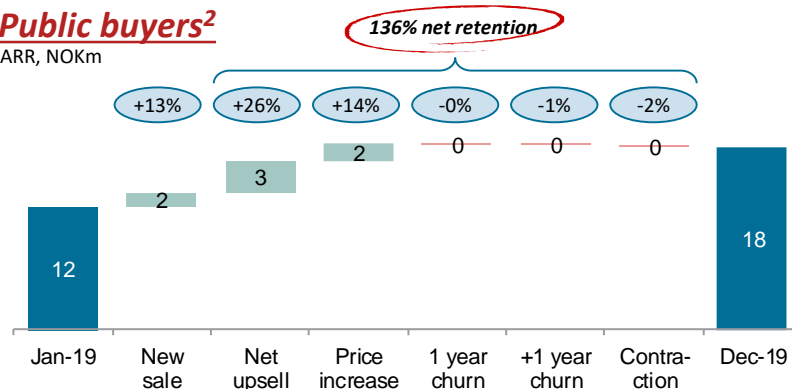
ARR, NOKm



Merzell Norway¹: Retention bridge

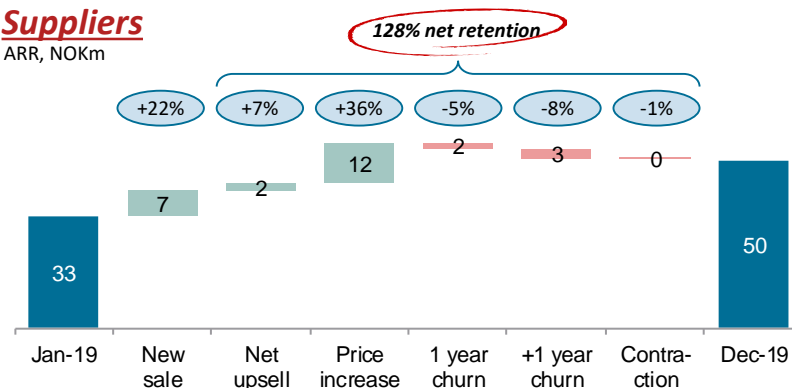
Public buyers²

ARR, NOKm



Suppliers

ARR, NOKm

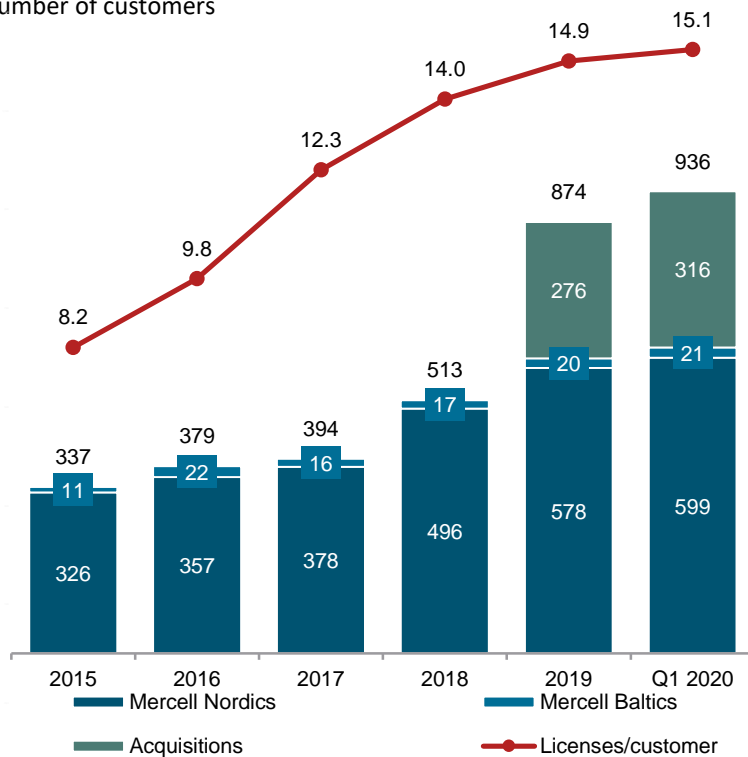


1) UdbudsVagten, EU Supply and Ethics not included due to limited data. Merzell comprise 60% of Oct-19 ARR; 2) Does not include private buyers

Strong underlying growth in public buyer customers and users

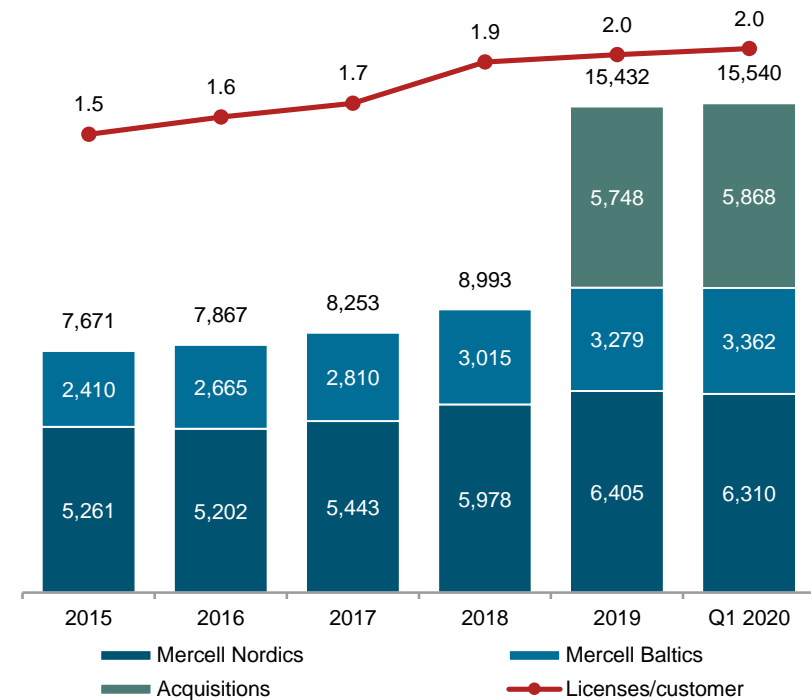
Public buyer customers (#)

Number of customers



Supplier customers

Number of customers



1) Limited historical user data available from acquired companies

Tender Notification offers significant room for upsell through the customer journey

Standard supplier subscription packages

 LOCAL	 NATIONAL	 NATIONAL PLUS
890	1 490	2 050
From NOK / per month. Annual billing	From NOK / per month. Annual billing	From NOK / per month. Annual billing
✓ Up to 3 counties	✓ All of Norway	✓ All of Norway
✓ All published tenders	✓ All published tenders	✓ All published tenders
✓ Email notification	✓ Email notification	✓ Email notification
✓ Free customization of solution	✓ Free customization of solution	✓ Free customization of solution
✓ Free support	✓ Free support	✓ Free support
✓ Legal advice	✓ Legal advice	✓ Legal advice
✓ Real-time access to data	✓ Real-time access to data	✓ Real-time access to data
✓ Free training videos (value 699, -)	✓ Tender Calendar	✓ Tender Calendar
✓ Seminars with Arntzen de Besche in Oslo or streaming (value 1 900, - per seminar)	✓ Unlimited search profiles	✓ Unlimited search profiles
	✓ Free training videos (value 699, -)	✓ Public sales leads
	✓ Seminars with Arntzen de Besche in Oslo or streaming (value 1 900, - per seminar)	✓ Expiring framework agreements
		✓ Future tenders
		✓ Free training videos (value 699, -)
		✓ Seminars with Arntzen de Besche in Oslo or streaming (value 1 900, - per seminar)
1 user included	1 user included	2 users included
Try for free for 14 days	Try for free for 14 days	Try for free for 14 days

- In general, subscription pricing is derived from the desired features and the desired number of users that a supplier wish to cover with the subscription
- Multiple subscription packages available that can be tailored to specific needs, however there are three standard subscriptions
 - Annual cost of standard subscriptions from NOK 10,680 to NOK 24,600 – full contract amount pre-paid
- Opportunity for two week free trial
- Local and National subscription include 1 user profile. National Plus offers access to 3 user profiles the first year, but only 2 profiles from the second year (increased number of users initially has proven to reduce churn)
- Subscription length in general 12 months
- Recent initiative to include services like tutorials, training and seminars into the subscription, making these sources of revenue recurring

Price plans target different market segments and offer room for upsell

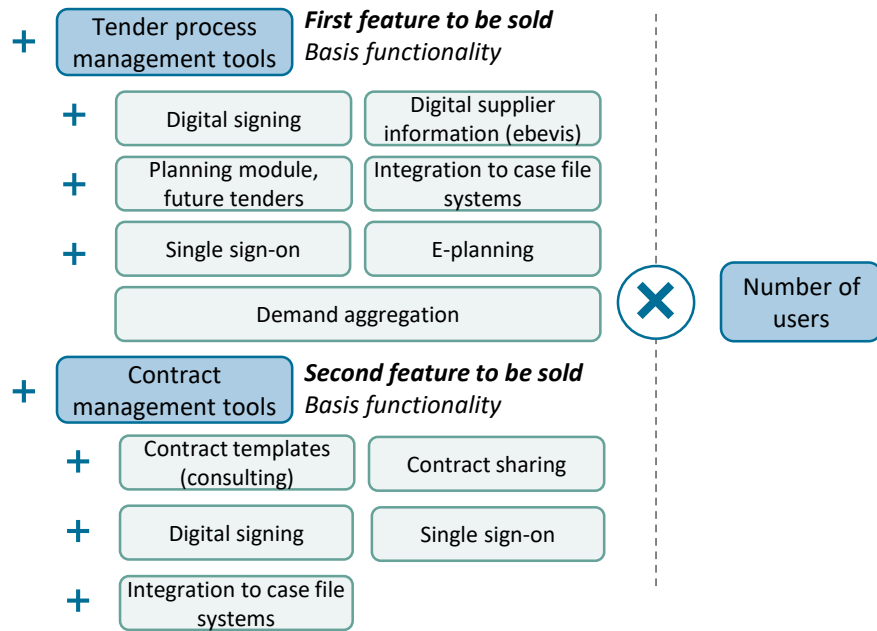
Value - add	Service	Price plan		
		Free	Premium	Enterprise
Support scale and improve usage	Number of users	1	3	10
	Help with set-up tailor made to the organisation	✗	✗	✓
	Extended notification services to multiple users in the organisation	✗	✓	✓
Streamline, simplify and save time	Basic services to participate and bid	✓	✓	✓
	Technical support	✓	✓	✓
	Collaboration tool	✗	✓	✓
	File handling tool	✗	✓	✓
Price per year (NOK):		0	3,900	11,990

The Tender Manager has a highly flexible pricing model

General components of pricing structure

Features

Users



Additional pricing perspective: If the public buyer is expected to attract material supplier business (through network effects), the pricing will be adjusted to increase chance of winning the contract

- Public buyer sales occur either through RFP or direct sales. In Norway, medium to large contracts are mostly won through RFPs and smaller contracts through direct sales. In Denmark, majority of sales occur through direct efforts
- The pricing components are the same for both types, but the contract structures differ. For RFPs contract lengths are typically 4 years with 2 years option, for direct sales it is often 12 months
- All revenues are structured to be recurring, including revenues from set-up and integration
- For RFPs, the contract will typically include a range of features to cover the specified needs, and access for a large number of users. The contract is re-negotiated if the customer feels that additional capacity or features are required (beyond general buffer levels indicated in the contract)
- For direct sales, the initial contract usually only includes the Tender process management tool and access for a few users
 - Example:** Tender process management tool with two users would cost NOK 9,900 per user. Additional users would come at NOK 6,600 per user. Once ten users is reached, MerCell will often reach-out to discuss setting up a tailored contract
- In direct sales, the cost of adding additional features to a subscription depends on which feature and the number of users registered. The cost of Contract management tools is often 50% of the Tender process management tool, other features are often at a lower cost