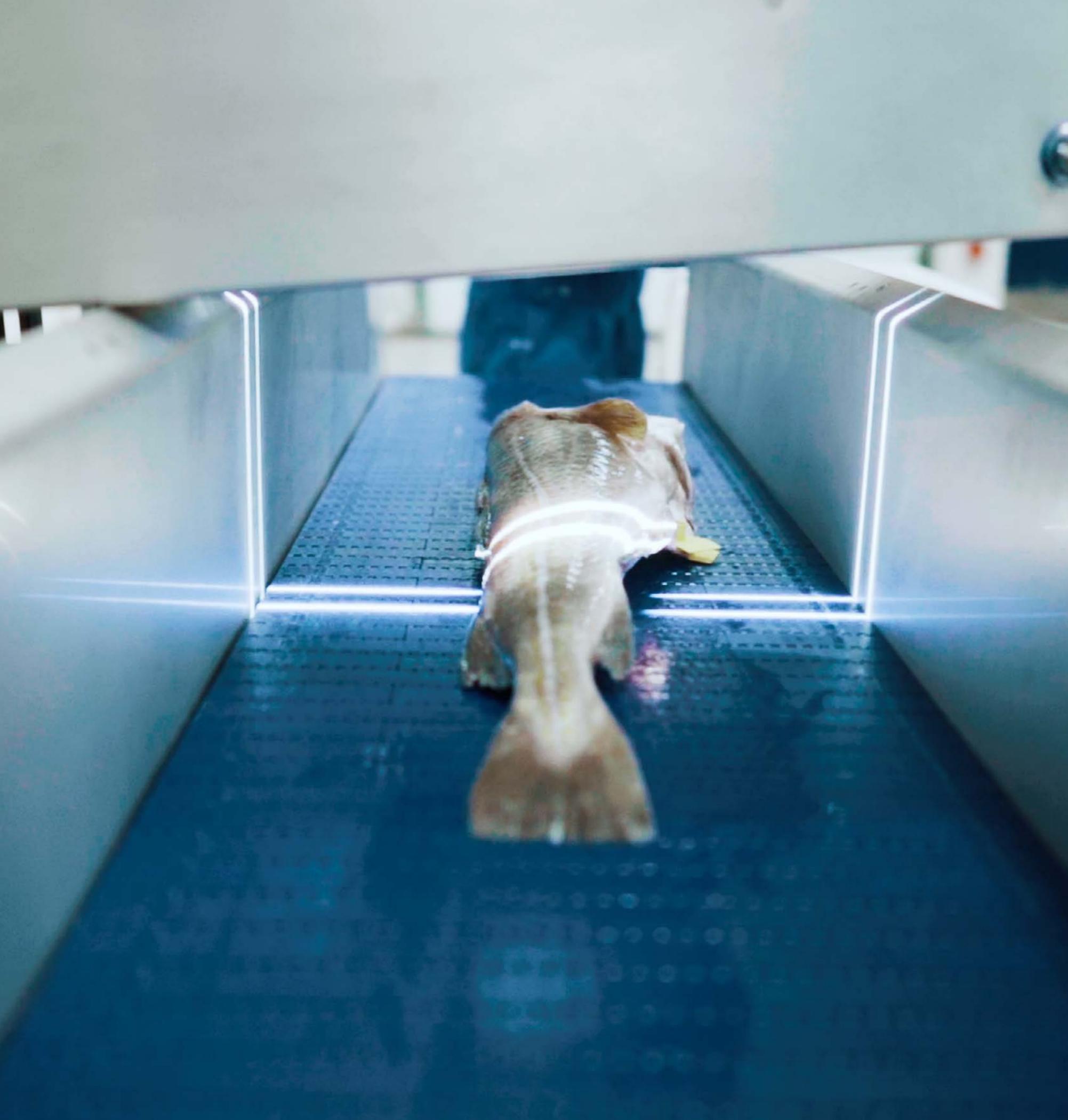




We know seafood

Annual Report

2020 for Maritech Systems AS



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This is Maritech

Digitizing the value chain

Since the 1970's we have created leading solutions driving innovation and supporting our customers' processes through the value chain.

The most comprehensive process support software for the seafood industry

Our solutions cover most of the core seafood processes, and offer significantly higher seafood-specific process support than most generic ERP systems.

Flexibility in processes

Maritech software is unique in the sense that it handles variability and changes in the complex value chain (e.g. fish quality, nature of fish).

Seafood competence

Through 40 years of focusing only on seafood, Maritech provides unmatched domain seafood knowledge, coupled with modern software and technology expertise.

Integrations

We provide integrations to our own solutions within logistics and IoT, and open integrations to 3rd party systems.

Fit-for-purpose software built by industry experts

Our software is tailored for seafood and logistics, developed by engineers who understand the industry through decades of solving key process challenges.

Today we have achieved a unique position as the world-leading provider of seafood-specific software and are well positioned for extensive global growth in the years ahead of us.

We believe in succeeding through hard work, our great team and innovative mindset. Our history has shown us that everything is possible and now we are heading towards new milestones. To reach our ambitious goals, we will continue building Maritech as a strong global brand and trusted advisor. We are dedicating extensive resources to the further development of our best-of-breed cloud solutions and global services offering, and our international team of 110 highly skilled, dedicated and motivated employees are working closely with our customers to ensure we are providing the services they need to grow, innovate and be sustainable.

Key figures

- **Founded**
1975, carved out from AKVA Group in 2012.
- **Purpose**
Development and delivery of software and data systems to the global seafood industry.
- **Strategy**
To enhance functionality, expand in the seafood value chain and expand geographically.
- **Vision**
To create digital seafood.
- **Corporate Status**
Norwegian, private owned company.
- **Offices**
Averøy, Molde, Harstad, Åndalsnes, Trondheim, Sortland and Oslo, Norway. Halifax, NS, Canada, and Seattle, US. Reykjavik, IS. Puerto Montt, CL.
- **Employees**
110 +
- **Main Investors**
Broodstock Capital AS and M-K Consulting AS
- **Website**
maritechseafood.com

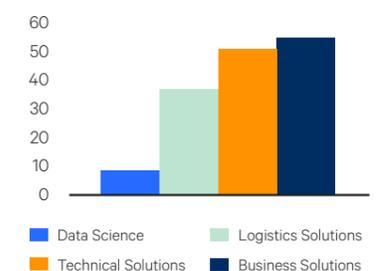
Revenue by geography (NOK)



Revenue and margin (group)



Revenue by business unit



CEO Statement



2020 has been a year of changes. A strange year, yet an important year where we are proud to have reached new milestones together, despite Covid-19 and its effect on the global seafood market, our people and the society in general.

I am extremely proud of our team, our most valuable asset. 110 highly competent, dedicated employees who are passionate about what we do and the goals we aim for. Everyone has put down an incredible effort to adapt, perform and thrive in the new normal, together we have found our way to navigate through this challenging situation. I would also like to express our gratitude towards our customers. Since March they have proved an impressive ability to find new and creative ways of shipping and selling their seafood, enabling us to get through the year without any layoffs or dismissals of employees.

Strategy and organization

We entered 2020 with a growth rate (CAGR) of 23% over the past five years, and a revenue of 64 MNOK in 2019. By Jan 1st 2021 we reached 148 MNOK, a goal we reached through a combination of organic growth and acquisitions. We are pleased to have integrated logistics company Timpex AS, IoT company Lillebakk AS and third-party logistics company EDI-Systems AS, adding new colleagues, competence, solutions and customers to Maritech. Integrating 3 companies, together with heavy strategic initiatives on modernizing our product portfolio, contributed to a Group EBIT of NOK -17 million in 2020. Moving forward we now find ourselves in a position to both deliver better margins and continuously grow our revenue.

We are the leading digital seafood solution provider in the world! Through our new ambitious strategy

for 2021 – 2025 our goal is to reach full SaaS & Cloud adoption through a full-range cloud offering and end-of-life for our on-premise portfolio, offered through standardized and optimized SaaS and recurring service model. We will become truly international as one global Maritech and be fully able to capitalize on our integrated offering across the seafood value chain.

We are ready for scaling globally with our DigitalSeafood platform, we have broadened our offering & competence, we have an established international position, and we offer a unique blend of best-of-breed software skills and domain know-how. A new streamlined organizational structure was implemented in November 2020, to ensure more efficient utilization across the organization and support our further expansion as one global team. To reach our joint potential, all of our employees need a clear scope for her/his role and a sense of shared purpose as a part of the Maritech team.

Milestones

I am proud of the many highlights we created together through 2020, despite the challenging conditions affecting the market and our work-situation. Our high performing R&D team is working continuously to create new and enhanced functionality in our DigitalSeafood platform, which has become the leading digital tool for the global seafood industry.

In April, we hosted our first digital international event – the global launch of DigitalSeafood Purchase & Sales, only a few months later our sales team closed our first international Purchase & Sales contract, which is our biggest SaaS contract ever. In May, we launched our Claims solution, in June we hosted Maritech Day 2020 as a digital live event, in September we launched Maritech Supply Chain. The grand finale was the launch of Maritech Eye in November with our innovation project partners Nofima, Norsk Elektro Optikk, Lerøy Norway Seafoods and Lerøy Havfisk, live TV broadcast and The Norwegian Minister of Fisheries and Seafood, Odd Emil Ingebrigtsen, as our guest of honor. One of our core values as a company is to innovate together – I can proudly say we do.

Safe and sustainable food to the world

Our expertise commits us to contribute to the greater good. We have a unique position and responsibility to make the seafood value chain greener and more efficient, with full traceability from sea to plate. Through our competence and solutions, we can help our customers supply the global market with healthy, safe and sustainable seafood, and run their logistics operations with the least possible footprint.

Ever since Maritech was founded more than 45 years ago, our value chain mindset has guided our strategic choices, development and priorities. Based on this foundation we will now create a sustainability

action plan and increase the sustainable business model competence in our organization. In 2019 we became a participant in the National Center of Expertise cluster iKuben, where this is one of the three primary focus areas. Joining the UN Global Compact was a natural next step for us in 2020, I have high expectations for the cooperation, learning and innovative projects this and other sustainability partnerships can lead to in the time ahead of us. This year we are also pleased to have joined the centre for research-based innovation DigiFoods, where the purpose is developing smart sensor solutions for food quality assessment directly in the processing lines. The obtained food quality information will be used for optimization of both processes and value chains and make the food industry more efficient and sustainable.

We feel privileged to be able to go to work every day and make a difference. We share the mission, the ambitions, the grit. I believe that together we can do anything.

Odd Arne Kristengård

CEO

Solutions

Tailored for the value chain

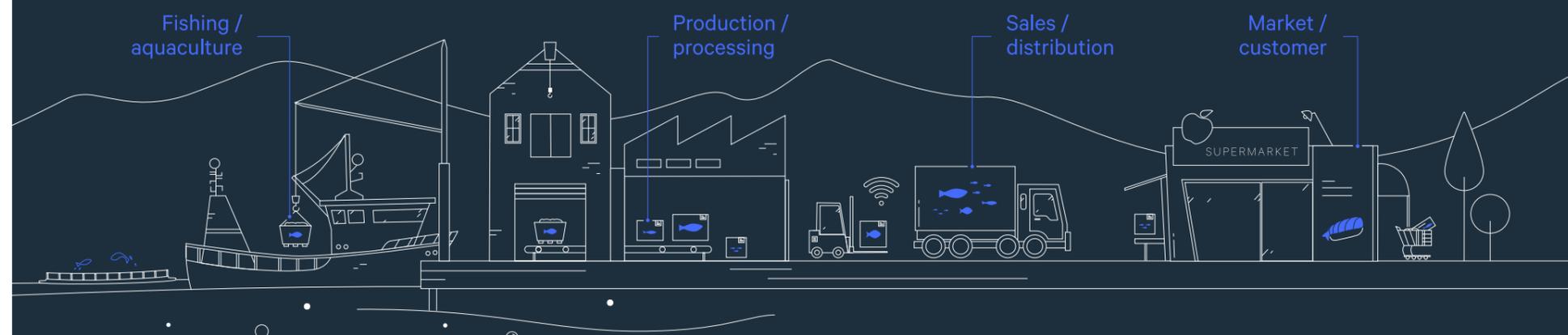
Our unique solutions enable producers to document quality and satisfy key requirements from consumers, and meet internal demands for control related to quality, costs, margins, risk mitigation and operational efficiency.

Maritech has invested heavily in the development of DigitalSeafood™, our scalable, secure multi-tenant cloud platform built on the latest technology in Microsoft Azure.

We deliver software in three suites, with additional data science and IoT on top:

- 1. Production & Processing software:**
Handling of raw materials, production flow, quality tracking, packing & labelling, and smart production.
- 2. Purchase & Sales software:**
Purchase / sales process, purchase & sales planning, claims management, inventory management, margin control, document services, and analytics.
- 3. Logistics software:**
Transportation management, supply chain hub, customs management, logistics handling, traceability, and warehouse management. Our logistics solutions are tailored to handle all processes related to consignment and complex transport such as seafood. Through our most recent acquisition of EDI-Systems, we have also gained additional competence and solutions related to third party logistics.

○ An increasingly digitalized value chain requires new ways of technology thinking



Revolutionizing the quality control of white fish

Using Maritech Eye, fish producers can now determine whether they have caught world-class whitefish even before the fish is gutted, using hyper-spectral quality inspection of whole fish which can be done at industrial speed.

In November 2020, Maritech, research institute Nofima and Norsk Elektro Optikk (NEO) together with partners Lerøy Norway Seafood and Lerøy Havfisk, proudly launched the new hyper-spectral camera solution Maritech Eye – an innovation that may revolutionize the seafood industry.

Launched by the Minister of Fisheries

The Norwegian Minister of Fisheries and Seafood, Odd Emil Ingebrigtsen, kicked off the official launch by sending the first fish through the machine that can identify the fish's quality and species seeing through its skin.

“This is a great day! A day of champions in several ways”.

Odd Emil Ingebrigtsen, Minister of Fishery

“This project is a prime example of the possible achievements when the business and research communities collaborate on technical innovations. Better quality sorting will increase profitability and the reputation of the seafood industry”.

16 years of research

Maritech has been leading the innovation project and software development and is the commercial owner of the solution. NEO has developed the hyperspectral camera (HySpex) and is currently collaborating with prestigious Norwegian and international research communities.

However, without Nofima scientist Karsten Heia, the solution would never have seen the light of day. For 16 years, he has collaborated with technology developers in NEO who have developed the hyper-spectral camera for quality measurements of round fish. The first time he attempted to measure the quality of fish by using imaging spectroscopy was in 1997. Back then it took half an hour to inspect a 10 x 10 cm skin-free piece of fish. Now, the solution can assess whole fish with skin at industrial speed.

“Being able to utilize imaging spectroscopy in an industrial setting is a major milestone for me as a scientist, for Nofima as a research institute and for the Norwegian fishing industry,” Heia said at the official launch.



Senior Researcher Karsten Heia and Minister of Fishery and Seafood Odd Emil Ingebrigtsen
Image by Lars Åke Andersen, Frifoto

More consistent quality of raw materials

This technological innovation is the result of the KVASS research project on the quality measurement of whitefish through analysis of spectral images in real time. A business-led project funded by the Fishery and Aquaculture Industry Research Fund (FHF). The project partners have great expectations for the impact of the machine in the industry.

“Lerøy works every day to raise the quality at all levels of our production of high-quality seafood. With this project, Lerøy has contributed to the development of a technology that provides a better and more consistent raw material quality, which in turn delivers seafood of an even higher quality to our customers,” says Roy Martin Martinsen, Quality Manager for whitefish as a raw material in Lerøy Norway Seafoods.

Lerøy Havfisk AS is Norway's largest trawler company with ten vessels and 296 trawler licences for cod. “In recent years, the company has placed a great emphasis on raising the quality of trawl-caught fish,” says Operations Manager Odd Johan Fladmark. He looks forward to using the new tool in this work.

“With this equipment, we now see the possibility of being able to better sort the catch on board based on quality, which makes it possible for us to offer

a fully sorted raw material which is in line with the scanner's objective. We believe this will give us a better price for the fish and improve profitability for the onshore facilities”, says Fladmark.

A milestone for Maritech

Maritech has worked closely with both scientists and the industry to develop the solution and is very pleased with the result.

“We are proud of what we have achieved together and expect to see a significant impact on the industry”.

Odd Arne Kristengård, CEO of Maritech.

“This project excited me due to the possibilities which the objective quality measurements of fish passing through the production lines provide us with in terms of **a)** analyses for uncovering possible process improvements and **b)** correct utilization of raw material based on its quality. And of course – the possibilities for optimizing factory operations.”



Market & Customers

The market for digital seafood is extensive, with low current adoption of specialized software. Maritech is perfectly positioned to drive adoption and strengthen our leading global position.

The current and forecasted strong growth in global seafood demand is driven by increasing population, a focus on the health benefits of seafood consumption, and emphasis on sustainable and resource efficient food production. By 2030, the world's population will require 232 million metric tons (MT) of seafood, around 62 million MT more than the planet is expected to produce unless bold steps are taken*. This creates a strong demand for professionalization & digitalization of the seafood value chain.

Extensive opportunities

We are extremely well positioned in an industry that has just begun to adopt sophisticated digital solutions, and we identify extensive opportunities in our core markets Norway, North America, Chile & Iceland. We have low churn, increasing recurring share of revenue, and a strong foothold for further

expansion with 70% of Norway's seafood export traded through Maritech's software. Through our strategy, solutions, and continuous R&D efforts, we are addressing key related market trends such as traceability, digitalization & automation, quality, sustainability and fish health.

Our role and potential in the future is to ensure safe, sustainable seafood to the world.

Logistics

We have a strong position in the Norwegian market for logistics software, which we will continue to build and strengthen. The transport industry is recognized by a high potential for further digitization. Through our complete TMS and customs management solutions and our team, specialized in complex transportation, we are well-positioned to continue our growth in this segment.

*Source: International research organization WorldFish Center

Innovation through collaboration

Since 2010 we* have been the trusted advisor and main logistics software provider for SR Group. A close partnership recognized by mutual learning and innovation.

SR Group is one of Norway's leading logistics companies, offering transport, logistics, advisory and customs services in all of Norway and internationally.

"Customers like SR Group push us to think innovatively. It is very satisfying to see that we are able to meet their high requirements",

Ove Gjelstenli, Sales Director for Logistics at Maritech.

"They utilize our systems in the best possible way". The close collaboration with Maritech is mutually appreciated. "Maritech's logistics team with

competent and creative developers has contributed to creating solutions we are proud of", says Roy Kristensen, Assistant CEO/IT & Procurement, SR Group.

"Maritech has been a good partner throughout our growth, and together we have developed solutions that streamline our processes. Their solutions Timpex TMS and CMS handle all operational activities in all our six operating companies within transport and customs clearance. The solutions provide the precise information our customers and suppliers need".

*Timpex until acquisition by Maritech in 2019



Digitizing seafood logistics

In August 2020 we proudly launched Maritech Supply Chain – tailored to support and digitize complex processes across the seafood supply chain, and simplifying secure interaction between exporter, carrier, terminal and customs clearance.

Interdisciplinary innovation project

The solution is the result of the innovation project «Digitization of Norwegian seafood transport», where Maritech since 2017 has collaborated with Cermaq, Coast Seafood, Schenker and then Timpex, who was acquired by Maritech in 2019. The project has aimed to create a simpler and more efficient seafood logistics process by connecting exporters with carriers for digital interaction and document flow. The goal has been improved data quality, cost control and transport utilization, as well as simplified planning, coordination and management of the processes at all parties. For now, the solution is launched for the Norwegian market. An international launch will be announced at a later stage.

Seafood logistics is an extreme sport

Every minute, an average of 25 000 seafood meals are sent out of Norway, 36 million per day.

The logistics of this are very complex and require a high degree of precision, competence and flexibility – both in connection with the transport itself and in the planning phase. A number of uncertain factors also trigger several changes along the way.

– Seafood logistics is an extreme sport, says project manager at Maritech, Ajdin Rizvo. – We are very impressed with those who make this flow well every single day, keep a cool head and get Norwegian seafood out to the global market.

Improved working day, profitability and sustainability

The new solution supports, among other things, document flow and communication, invoice processing, price management and processing of customs documents. All changes are visible and traceable, which ensures correct data, simple documentation and reduction in waiting time throughout the entire value chain. Documents related to the shipment are made available to the carrier as soon as they are created, and the terminal has a full overview of incoming and outgoing goods and shipments. This makes it possible to handle sudden changes more efficiently, and you achieve improved predictability.

Bjørnar Kvalsnes, product manager at Maritech, says it is a milestone for the company to finally be able to offer a solution that handles seafood logistics.

– This has long been on the wish list, and it has been both educational and demanding to work with digitization of these processes. The collaboration with the project partners has been close and important, the support from Innovation Norway has also been crucial. The result is a tool that will both assist people, reduce risk and increase profitability. Together, we have found a “best practice” that will benefit all parties, and also provide an important sustainability gain in the form of improved capacity utilization for trucks, aircraft and ships. In this way, we can also contribute to giving our customers a greener operation, he concludes.



Organization

We are proud and humble to have built a team of more than 110 highly skilled employees all over the world.

A new streamlined global organizational structure was implemented in November 2020. The new structure is setup for scale supporting the expected growth, cross unit knowledge sharing, and more efficient utilization across the organization.

The main business lines (Services, Products) have gross margin and utilization responsibility. Sales is multidisciplinary, generating leads & building pipeline, and working in close collaboration with the product owners.

The Domain Professionals are organized under Services and are working cross-discipline to support with product development and services and sales, ensuring efficient delivery and utilization.

International resources are organized under each main business line (but are stand-alone legal entities), IoT and Data Science supports across the different units.

In 2020 we have integrated all employees from the acquired companies Timpex AS and Lillebakk AS. The two logistics teams which were formerly Timpex are localized in Åndalsnes (sales / support) and Trondheim (development), the IoT team from Lillebakk moved into our office in Molde in June. Jan 1st 2021 we integrated EDI-Systems, localized in Sortland.

We are pleased to be an attractive employer who are able to continue expanding our excellent team, and look forward to welcoming new members during 2021!





Steady growth for DGS Purchase & Sales

2020 has been a year of many highlights related to DigitalSeafood (DGS) Purchase & Sales. The system, launched in Norway in August 2019 and globally in February 2020, is our multi tenant best-of-breed cloud solution tailored for international seafood trade.

Throughout the year we have implemented the system for several new customers, and in December our sales team succeeded in signing the first global contract – our biggest international partnership of all times. A proud moment for the whole organization, and a true milestone for Maritech. Parallely our highly skilled R&D team is working continuously to create new and enhanced functionality in the system, launching new releases every month. Here are some examples of the new features which are now available for our customers:

Bringing global operations together

Seafood is a global industry with buying and selling operations often spread across multiple regions and countries. DGS Purchase & Sales, with a focus on traceability and digitalization, makes this process easy and efficient.

Multi-company operations: DGS Purchase & Sales now allows companies with multiple locations to coordinate inter-company sales and purchases, creating forecasts, transfers, purchases, and sales

orders across company domains, with seamless and automated transfer of inventory records. Connected companies can share item, customer, vendor, and other master data registries in the multi company setup.

Currency Management: To safeguard against widely fluctuating currency exchange rates, companies often set up hedging contracts (either through a bank or through advance contract rates locked in at a specified currency rate). DGS has built-in workflow for managing currency contracts to make this process visible and enforced.

Seafood Logistics: Share and collaborate with suppliers, customs and export agents, transporters, and others without the need for additional software or sifting through multiple and inefficient email threads. Integrated with DGS Purchase & Sales, Maritech's supply chain solution supports document flow and communication, invoice processing, price management and processing of customs documents. All changes are visible and traceable, which ensures correct data, simple documentation, and reduction in waiting time throughout the entire value chain. Documents related to shipments are made available to the carrier as soon as they are created, and the terminal has a full overview of incoming and outgoing goods and shipments. This makes it possible to handle sudden changes more efficiently, improving predictability and lowering costs.

Claims Management: Integrated with credit invoicing in DGS Purchase & Sales, claims management, with flexible rules definition, lets you process each item line claimed. Interaction with internal or external stakeholders, such as packing plants, producers, and transporters, is easy and efficient, from registration of a reason for the claim, assigning a person responsible and claim amounts, to processing by the stakeholder, in a customized user interface. Documents such as pictures, email

and other relevant records are stored and linked to the case, so it's easy to access when needed. Email templates can be customized and sent directly from the system with history. All communication can be handled and documented in the solution. Notifications can be set up to ensure prompt and efficient claims handling, from initial raising of a claim right through to the issuing of credit notes.

ATP (Available to Promise): Seafood specific inventory views can be broken out by size and quality grade (or any other user defined item attributes) so you can rapidly see what is on hand to sell. Plan for incoming catch or harvests with an integrated view of lines registered in purchase forecasts. You can create multiple customized templates for rapid access to differing on hand inventory views.

Invoice Management: Keep track of your margins and guard against freight over-billing by registering estimated overhead costs associated with purchases, sales, and transfers and then match against incoming actual cost invoices. Rules based functions let you set an acceptable tolerance range and alert you when that range is exceeded.

Items: Simplified setup and powerful user-defined attributes / dimensions. You can create multiple item families at once. An unlimited number of custom item dimension fields can be setup and added to items so you can track and report on any factors that are important to your operation.

Quality Certifications Management: Track and manage inventory with certified quality designations such as MSC or Global GAP, or others. You can set rules at the Vendor or Customer level to ensure items are tagged correctly and easily with the quality certificate information and readily visible at the time of sale. Tagged items are tracked from in-entry into inventory to final sale with their certification status, which cannot be altered.



The team builder

A motivator, a people's person, an ambitious and highly competent leader. Above all – a team builder. We are pleased to present our new CEO, Odd Arne Kristengård.

High speed

Kristengård was appointed as Chief Executive Officer of the Maritech Group from the 1st of November. Former CEO, Janne T. Morstøl, decided to leave the company in June 2020, Kristengård had the role as Acting CEO from June to November.

“Maritech has grown rapidly and become a leading software company with global reach. We are convinced Odd Arne is the right person to lead the company through the next phase of consolidation and development. Building infrastructure to support a rapidly expanding technology company is no small task, and Odd Arne has been crucial in steering the company’s technological vision in the right direction. His expertise will ensure we have the right foundation, tools and processes to support our further global growth,” says Mette Kamsvåg, Chair of the Board of Directors for Maritech.

“The recent years represent a tremendous development for us as a company,” Kristengård says. “Now we are entering a new phase where we are reorganizing and revising our strategy to equip ourselves for further international growth, and to take the next step within product development. Our most important mission is to lead our customers into the future and enable them to supply the global market with healthy, safe and sustainable seafood, as well as smart logistics with the least possible footprint.”

Learning every day

“Since 2014, we have delivered an annual growth rate of 23%, at the same time we have built an extremely strong team and world-class solutions. We are very proud of what we have achieved so far. Personally, I believe that the most important step has been the creation of our Innovation Lab – one of Central Norway’s largest development environments, where a top team of employees together create a digital seafood platform for the global market. They are creative, bold and ambitious, and we have succeeded in uniting new and old cultures. We have become a company that the very best want to work for, with a strong, common motivation to succeed together as one team.”

Kristengård holds degrees in IT (Molde University College) and Social Economics (NTNU) and has had many different roles so far in his career.

“I am a sponge, and have worked with sales, development, strategy, project management and business development”.

Odd Arne Kristengård

“I remember that I joined Maritech thinking I was an expert, Then I met our colleague Hallgeir Loe in Averøy, who has been involved in building the company from scratch. Then I realized that something is being created here that is very special. Since then, I have learned every day. And we have learned and developed tremendously as an organization.

In my eyes, the start of today’s company is the journey we began when we became Maritech again in 2012, after being part of AkvaGroup. When Mette (Kamsvåg, editor’s note) took on the role as Chair of the Board in 2015, the board agreed on a new strategy characterized by high goals, proactivity and speed. Then my predecessor Janne Morstøl became CEO, professionalizing our product development and the commercial aspect. Now we are going from being the largest in Norway to the largest in the world, with a unique product portfolio and a fantastic team. It’s incredibly inspiring.”

Family and football

As a leader, Kristengård is described as extremely skilled and a person with good social antennae. “I’m interested in people. Why they do what they do, how we can make them the best version of themselves. Then we reach far. Furthermore, I believe that openness and integrity are crucial values, as well as *a good balance between speed and nuances.”

As a father of four and an avid football coach, it comes in handy to be both determined and fond of people. Kristengård is an ardent Hjelset-Kleive supporter, and loves books, music and film. “Above all, I am a family man,” he concludes. “The family is my most important value, it always has been. And at home, my wife is the boss.”



Sustainability

We believe that the most important way we can make an impact is through our customers all over the world.

From our early beginning in 1975, focusing on traceability through the value chain has been a common denominator for all Maritech solutions and projects. Today, this foundation is more important than ever, enabling us to digitize complete processes for the global seafood industry, resulting in a greener and more efficient value chain.

Sustainability action plan

As a leading technology company, we are in a position where we see it as our duty, as well as a major opportunity, to help our customers to do more sustainable business. Examples are optimization of transport capacity, sensor data from IoT, and improved production planning resulting in reduced

waste and resource consumption. Our analytics tools provide valuable insights, and our traceability solutions ensure food security and documentation throughout the value chain.

In 2021 a cross-functional internal group will work together to create a new sustainability action plan for Maritech, to find out how we can maximize our efforts, and align and integrate new activities with our core operations and overall strategy.

Joining the UN Global Compact

In 2020 we applied and was accepted as a new participant in the UN Global Compact, the world's largest corporate sustainability initiative.



The organization was founded in 2000. Since then, 11600 companies from 156 countries have joined as participants. The initiative is a call to companies world-wide “to align strategies and operations with universal principles on human rights, labor, environment and anti-corruption – and take actions that advance societal goals”.

The UN Global Compact aim to mobilize a global movement of sustainable companies and stakeholders, and supports companies to:

- Do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labor, environment and anti-corruption, and to
- Take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

Source: unglobalcompact.org

We applied to join the UN Global Compact to learn and develop our sustainability strategy – through specific projects, competence programs and co-operation with other companies. Together we can achieve more than what each of us can on our own.

As a part of our UN Global Compact participation, Maritech has joined the Sustainable Ocean Business Action Platform, where the aim is to support and potentially cooperate with other ocean related organizations in sustainability projects. The platform emphasizes the responsibility of businesses to take necessary actions to secure a healthy and productive ocean.

Pre-project: The future landing of fish

In 2019, the Norwegian Department of Fisheries and Seafood published the proposition NOU 2019: 21 Future Fisheries Control for public consultation. If the proposals in this consultation are implemented, it will lead to major changes in terms of landing fish; tracking, automation and control from catch to the fish is packed. As this is a highly relevant topic for Maritech we decided to apply for pre-project funding from Innovation Norway in H1 2020, to map out relevant aspects related to the future landing of fish. The application was approved and the work has started, led by our Product and Technology Director Bjørnar Kvalsnes and our IoT Director Andre Lillebakk (image p. 22) in close cooperation with ProtoMore Innovation Lab in Molde. We believe that, while satisfying new regulatory requirements and ensuring sustainable fishery practices, it may be possible to increase the value of wild fish, by optimizing the landing process in terms of quality and tracking.



From reactive to proactive

In August 2020 Kjell Jørgensen joined Maritech as our new Global Services Director, responsible for implementing global competence teams and AMS as the corner stone and foundation all our future services will be built upon.

Application Management Services (AMS)

The main objective for AMS is to take the customer support from being a reactive break-and-fix- service to a proactive offering. We believe in achieving this through utilizing several best practice tools and a structured organization. On the tool-set side we have implemented the ITIL processes for incident, service request and change request. This gives the customer the benefit a clear and consistent definition of all things support, and secures a uniform approach to all customer requests, resulting in a structured and efficient workflow.

Global Competence teams

On the support side, Maritech has re-organized and re-structured the support teams with one virtual, dedicated service desk and a combination of dedicated and allocated 2nd and 3rd line support resources.

The services are a global offering and when the global organization is a part of this structured and uniform way of working through virtual teams and across timezones, all customers will experience better access to resources, swifter response, shorter resolution times and a 24 / 7 on call service for critical incidents.

Our core values

Innovate together

Our team is innovative, bold, and ambitious. We create business value for our customers from technology innovations, two-way dialogue and continual improvements. We are open to new ideas and changes and constantly curious to find the best solutions.

Help each other

We are team players and work to bring out the best in each other. Efficient and open communication drives success. We help each other to excel and we celebrate wins together.

Act with integrity

Maritech puts respect and sincerity first. We are trustworthy when dealing with other employees, customers and partners.

Passion for seafood

Our strength is a unique blend of seafood and technology expertise. We know seafood and we know how to tailor software to create value in seafood production. We support sustainable food production.

Group management



Odd Arne Kristengård

CEO

Mr. Kristengård holds our broad perspective and has a longstanding track record as an essential part of Maritech's management team. He is a respected and valued leader who is described as trusting, determined, accomplished and down to earth.



Erik Outzen

VP Services

Mr. Outzen is an experienced technology leader and business development professional. His strong expertise in enterprise software and business process improvement is essential to our future innovation and expansion related to business solutions. Prior to Maritech, Mr. Outzen was CEO and founder of Merit Globe AS, and CEO of Star Information Systems AS.



Oddvar Husby

VP Data Science

Mr. Husby is a strong analyst with great communication and leadership skills. He holds a PhD in Mathematics from Norwegian University of Science and Technology (NTNU), has extensive experience from the energy sector and is the Chairman of the Board of our strategic partner Sea Data Center.



Klas Vangen

VP Sales

Mr. Vangen is leading our international sales and is a team player and energetic leader. Mr. Vangen sets clear goals and works hard with his team to reach them, a heritage from his years as a former professional Olympic athlete. He also has extensive sales management experience from international companies such as Nike and Bergans.



Bjørnar Kvalsnes

Director Product and Technology

Mr. Kvalsnes is in charge of our product development, R&D and technology strategy. He has broad experience related to concept and solutions development and is characterized by a strategic, innovative mindset and focus on end-user experience.



Thomas Brevik

CFO

Mr. Brevik joined our team in April 2020 as Logistics Director and was promoted to CFO in August the same year. He is a driven and experienced strategist with valuable competence related to business development and innovation. Mr. Brevik has previously worked in The Norwegian Armed Forces, as a Management Consultant and in the finance industry.



Extended management team

Astrid Bolstad Dale

Director PMO (Project Management Office)

Kjell Jørgensen

Director Global Services

Raymond Haga

Finance and Business Development Director

Andre Lillebakk

Director IoT

Marie Gjære Gundersen

Marketing Director

Sindre Jensen

Principal Cloud Architect

Christine Møller-Christensen

Service Manager Logistics

Hildegunn Trondsen

Manager Development Team

Blair Shelton

Managing Director Maritech NA

Nils Petter Farstad

Manager Technical Solutions

Board of Directors



Mette Kamsvåg | Chairwoman of the board
M-K Consulting

Mette Kamsvåg has 20 years' experience from IT and payment services and has been a member of the management of BBS and Nets for 15 years. She was CEO of Nets from 2011 to 2014. She is today working as an advisor within strategy, change processes and M&A.



Jan Erik Løvik | Member of the board
Co-founder and Partner of Broodstock Capital

Jan Erik Løvik's breadth of experience includes over 15 years as a management consultant in Arkwright and Sensacon. Jan Erik founded Sensacon in 2008 and served as Managing Director until 2016. Jan Erik also co-founded FSV Group, a leading Norwegian service boat operators.



Pål Kristian Moe | Member of the board
Partner of Broodstock Capital

Pål Kristian Moe has extensive international experience related to private equity management, management consulting, corporate finance (IPOs, M&A, financing), business- and strategy development, and brand strategy. Mr. Moe has board experience within Oil & Gas, oil-service, technology, food, real estate, and investment management.



Geir Hansen | Member of the board
CEO of Geodata AS

Geir Hansen is a technology leader with broad competence across product marketing, solution sales, software development and consulting business. He has strong experience in developing and executing strategy through building teams and leading change in technical organizations.



Hallgeir Loe | Member of the board
Employee Representative

As one of the company's longest-standing developers, Mr. Loe has worked on many different applications, before focusing solely on the Trading application in 1993. He is currently Maritech's Employee Representative on the Board of Directors.

Board of Directors' Report

Declaration on the annual financial statements

Maritech is a leading provider of software and IoT to the global seafood industry. The company provides solutions to many of the largest and leading seafood and logistics companies in the market. Maritech is in an expansive growth phase that includes product development, internationalization, new business models and market extension. In cooperation with the seafood industry, the company is developing tomorrow's solutions with a strong focus on digitalization and automation. The company's headquarters are in Averøy, Norway with the largest office in Molde. In addition, the company has regional offices in Åndalsnes, Trondheim, Harstad, Sortland, Tromsø and Oslo. The company's North American headquarters are in Halifax, NS, Canada and the company is also present in Chile and in Iceland as majority owner in Sea Data Center.

In accordance with the Norwegian Accounting Act § 3.3a, the board confirms that the company fulfils the requirements necessary to operate as a going concern and the 2020 financial statements have been prepared based on this assumption.

Income statement

The report includes comparisons with figures for the same period in 2019 (in parenthesis). Operating revenue for 2020 for the Group was NOK 148 million (108), a growth of 37%. EBITDA was NOK 1 million, a decrease from NOK 2 million last year. The parent company had an EBITDA isolated of NOK 2 million (4). The decrease in the Group EBITDA from last year is related to strategic investment in functionality by moving to the cloud, in expanding in the value chain and geographical expansions in North America,

Iceland and Chile. Group EBIT was NOK -17 million (-11). Cash flow from operating activities was of NOK 6 million (7).

Revenue growth was driven by growth in Maritech Systems and revenue growth in our North America operation. In addition, four months of revenue from the acquisition of logistics solution provider, EDI Systems, is added to the Group revenue. In 2020, Maritech Systems continued our investments in innovation and our cloud-based platform, DigitalSeafood, in addition to strengthening the organization for further growth. Structural initiatives and the integration of three acquired companies, together with the mentioned investments in innovation and organization, led to a loss for the year. The investments are taken to position the company for future growth.

Maritech continues to leverage its leading market position, which is based not only on the strength of our industry-tailored software solutions, but also the skilled expertise of our industry professionals with broad knowledge of seafood and logistics best practices and technologies like data science and industrial IoT.

Balance sheet, liquidity & cash flow

The Group's book value of total assets at the end of 2020 was NOK 85 million. The Group's equity was NOK 26 million, resulting in an equity ratio of 30%. Current assets amounted to NOK 32 million and current liabilities were NOK 41 million. At December 31, 2020, the non-current assets amounted to NOK 53 million, of which deferred tax assets of NOK 8 million and other intangible assets including goodwill was NOK 42 million. The Group's cash flow from operations in 2019 was NOK 6 million (7). The cash balance on December 31, 2020 was NOK 8 million (of which NOK 3 million is restricted) and the Group had interest bearing debt of NOK 22 million.

Strategy and key events

We have built the foundation for global expansion; our next step is to capitalize on past investments through our new strategy for 2021-2025. From 2021 to 2022 our main focus will be cloud conversion and international growth, and we will be lifting our remaining products & modules to the cloud. From 2023 to 2025 we will reach full SaaS & Cloud adoption through a full-range cloud offering and end-of-life for our on-premise portfolio, offered through standardized & optimized SaaS and recurring service model. We will become truly international as one global Maritech and be fully able to capitalize on our integrated offering across the seafood value chain.

Key events in 2020 have been the international launch of DigitalSeafood Purchase & Sales in April, the launch of Maritech Supply Chain in September, and the launch of Maritech Eye in November.

Risk

Maritech's operation and results depend on many elements and the company continuously seeks to identify and mitigate risks. The risks Maritech is exposed to include customer dependence, technology and market development and financial risk (primarily related to currency exposure).

Market related risk

Maritech operates in an area with rapid technological development. In order to offer the most attractive and competitive solutions to its customers, Maritech must continuously monitor and deploy new technology. Maritech's Board considers the risk of unforeseen technology developments which make the company's products less competitive to be low. The knowledge, expertise and experience of the company's employees combined with good market contact and close cooperation with the company's customers helps the company to keep up to date with technology and market trends, and the Board therefore considers the company to have a market-driven product roadmap reflecting the latest technology trends.

Operational risk

Maritech has strong relationships with the majority of the largest seafood companies in Norway. Should one of these customers choose another supplier, this will have an impact on the company. The company has implemented a governance model with its large customers to ensure they are given satisfactory products and support.

Maritech acquired Wise Dynamics in 2015, acquired Timpex in the end of 2019, became a majority shareholder in Sea Data Center in 2019, and acquired EDI Systems and all shares in Lillebakk in 2020. We have integrated the acquired companies and re-organized to strengthen the organization for further growth.

In the autumn of 2020, BearingPoint conducted a Technical Assessment of Product & technology. This was an evaluation of both the team, roadmap, development methodology, safety, infrastructure and architecture. Maritech had a high score in most areas. And the report shows that we have come a long way in a short time. The development department works modern and efficiently and has delivered a lot in a short time. The report also highlights a number of risks. Both in terms of silos, development methodology and safety. This is something we focus on and follow up closely in the future.

Research and development

Maritech is continuously investing in research and development to ensure the product portfolio is maintained and new products are developed and brought to the market. The R&D activities have both a short term and a long-term perspective and the Board considers that Maritech's product roadmap provides the basis for future company growth.

Maritech's cloud-based platform, Digital Seafood, is hosted in a public cloud, Microsoft Azure, to support international growth and take advantage of software components available in the cloud platform. A large share of our employees is working in Maritech's development organizations across the Group.

In addition, the company's consultants are involved in specifying functional requirements for the products. Maritech has capitalized a share of product development cost related to products that are expected to contribute significantly to the company's future revenue. All other R&D costs are recognized and fully expensed as they occur.

Organization and work force

Equal opportunities

The company strives to offer equal opportunities to all, independent of gender, physical handicap, religion, sexual orientation or ethnic background. Maritech's compensation system is based on equal pay for equal work. As an average for 2020, the Group had 102 employees working at 8 offices in Norway and 3 locations in North America. In addition, the company is present in Reykjavik, Iceland and Puerto Montt, Chile. 26 percent of the workforce is female.

Domain Professionals

In 2020, the company has re-organized to ensure clear roles and increased operational efficiency. Our new organization is structured along the customer dimension and the product dimension. Data Science, Sales and marketing are multi-disciplinary and work in close cooperation with all business lines. Services is divided into Business Solutions, Technical Solutions, and Logistics Solutions. As a part of Product & Technology we find Cloud Architecture, our Innovation Lab, the product team and dedicated business development resources. Domain professionals are working cross-discipline to support with product development and services and sales, ensuring efficient delivery and utilization.

Values

In order to ensure cultural alignment when growing the company, our core values are Innovate together, Help each other, Act with integrity, and Passion for seafood.

Safety, health & environment (SHE)

Maritech is not regulated by environmental licenses or injunctions. The company does not carry out any activities with a significant negative impact on the external environment.

During the year, there have been no reports of serious accidents that resulted in serious personal injury or property damage. The company registers Sick Leave according to Norwegian law. The absence due to sickness is low, below 4 %. The Board considers the company's working environment to be good.

The management and the employees cooperate continuously to improve the working environment.

Sustainability

We believe it is our responsibility to contribute to increased food safety, and to help our customers to do more sustainable business. In 2020 we joined the UN Global Compact to cooperate with others and learn best practices regarding sustainable business modeling. We are also establishing an internal competence group to create an action plan and research potential partners, projects and areas of relevance. As a part of our R&D efforts we have started a pre-project regarding the future landing of fish, which is partially funded by Innovation Norway.

We have chosen to focus specially on the following Sustainable Development Goals: 2: Zero hunger, 3: Good health and well-being, 9: Industry, innovation and infrastructure, 12: Responsible consumption and production, 14: Life below water and 16: Peace, justice and strong institutions.

Corporate Governance

The general assembly is the company's supreme authority and the shareholders' representatives to the Board are elected by the general assembly. The company's Board consists of five members. The Board is responsible for the company's strategic development and is responsible for following the company's financial situation as well as ensuring that the company prepares operational plans and budgets. In 2020, the Board had six ordinary board meetings.

Outlook

The market for seafood is expected to grow and the company believes that the long-term outlook for software and data solutions for seafood is positive. The need for tailored solutions for seafood allowing digitalization, traceability and business control drives our markets. Maritech is well-positioned as a leading provider of software solutions to the Norwegian seafood industry. Our customers range in size from single unit facilities to large multi-national corporations who manage multiple, vertically integrated operations spanning diverse locations and markets and we continue to see opportunities in our key markets.

Organic growth is the primary objective for Maritech. However selective acquisitions are continuously considered to expand in the value chain and to expand geographically. Profitable growth, positive operational cash flow, and a strengthened position in key markets are Maritech's focus areas. Based on the current demand from our customers, a focused organization and a tailored product portfolio, the company expects growth and positive cash flow from operations going forward.

Averøy, 22.03.2021

The board of Maritech Systems AS

Mette Kamsvåg
Chairman of the board

Jan Erik Løvik
Member of the board

Geir Hansen
Member of the board

Pål Kristian Moe
Member of the board

Hallgeir Loe
Member of the board

Odd Arne Kristengård
CEO



Profit and loss

Parent company (NOK)		Note	Group (NOK)	
2020	2019		2020	2019
Operating income and operating expenses				
105 805 178	64 498 195		147 438 812	107 454 762
10 446	26 313		262 724	374 273
105 815 624	64 524 508		147 701 536	107 829 035
13 990 349	4 050 158		31 372 600	20 021 306
64 826 122	40 652 739		84 766 172	62 465 571
14 103 920	6 430 787		17 433 960	10 548 689
0	0		0	3 078 717
24 527 883	16 259 327		30 858 932	23 133 570
117 448 274	67 393 011		164 431 664	119 247 854
-11 632 650	-2 868 503		-16 730 128	-11 418 819
Financial income and expenses				
250 806	264 648		0	0
0	0		0	12 362
510 681	165 108		528 280	257 840
0	6 024 940		0	0
1 171 485	225 880		1 679 163	880 481
-409 998	-5 821 065		-1 150 884	-610 279
-12 042 648	-8 689 568		-17 881 012	-12 029 098
-3 507 496	-1 033 251		-4 222 956	-1 892 471
-8 535 152	-7 656 317		-13 658 056	-10 136 627
0	0		45 409	-2 055 036
-8 535 152	-7 656 317		-13 703 465	-8 081 591
Brought forward				
0	0			
-8 535 152	-7 656 317			
-8 535 152	-7 656 317			

Balance Sheet

	31.12.2020	31.12.2019	Note	31.12.2020	31.12.2019
Assets					
Fixed assets					
Intangible fixed assets					
	18 756 353	15 618 991	3, 4, 12	18 756 353	22 496 086
	6 990 486	1 686 208	5	8 044 574	3 717 718
	17 643 215	0	3	23 505 489	23 845 154
	43 390 054	17 305 199		50 306 416	50 058 958
Tangible fixed assets					
	1 403 033	682 523	3, 4	1 560 908	1 702 230
	1 403 033	682 523		1 560 908	1 702 230
Financial fixed assets					
	15 512 169	33 518 800	8, 16	0	0
	1 206 134	5 913 520	4, 9	0	0
	450 000	1		450 000	450 001
	1 099 635	633 621	4	1 099 635	871 329
	18 267 938	40 065 942		1 549 635	1 321 330
	63 061 025	58 053 663		53 416 959	53 082 518
Current assets					
Inventories					
	1 271 886	692 944	4, 15	1 271 886	3 018 942
	1 271 886	692 944		1 271 886	3 018 942
Debtors					
	13 917 768	6 831 964	4, 9	16 364 236	18 695 522
	5 651 343	3 832 166	10, 12	5 901 257	6 174 199
	19 569 111	10 664 130		22 265 492	24 869 720
Cash and bank deposits					
	5 759 809	5 737 939	11	8 222 071	11 850 652
	5 759 809	5 737 939		8 222 071	11 850 652
	26 600 806	17 095 013		31 759 449	39 739 314
	89 661 831	75 148 676		85 176 408	92 821 832

Balance Sheet

Parent company (NOK)		Note	Group (NOK)	
31.12.2020	31.12.2019		31.12.2020	31.12.2019
Equity and liabilities				
Restricted equity				
17 943 950	17 943 950	6, 7	17 943 950	17 943 950
23 304 036	23 304 036	6	23 304 036	23 304 036
41 247 986	41 247 986		41 247 986	41 247 986
Retained earnings				
0	4 630 324	6	0	0
-8 107 944	0	6	-15 027 832	-2 161 828
-8 107 944	4 630 324		-15 027 832	-2 161 828
0	0		-408 654	-410 197
33 140 042	45 878 310		25 811 499	38 675 961
Liabilities				
Other long-term liabilities				
15 027 204	13 409 086	4	15 027 204	15 420 978
3 120 000	0		3 120 000	0
18 147 204	13 409 086		18 147 204	15 420 978
Current liabilities				
6 666 186	0	4	7 256 762	5 071 597
6 210 513	4 337 963	9	7 397 079	5 564 748
0	0	5	161 535	0
7 423 485	4 321 680		8 547 658	9 860 590
18 074 401	7 201 637	9	17 854 671	18 227 958
38 374 585	15 861 280		41 217 704	38 724 893
56 521 789	29 270 366		59 364 909	54 145 871
89 661 831	75 148 676		85 176 408	92 821 832

Balance Sheet

Averøy, 22.03.2021

The board of Maritech Systems AS


Mette Kamsvåg

Chairman of the board


Jan Erik Løvik

Member of the board


Geir Hansen

Member of the board


Pål Kristian Moe

Member of the board


Hallgeir Loe

Member of the board


Odd Arne Kristengård

CEO

Notes to the financial statement 2020

Note 1 Accounting principles

The annual accounts have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Consolidation

The consolidated financial statement comprises companies where parent company and/or subsidiaries directly or indirectly have controlling interests. The consolidated statement shows profit and loss, balancesheet and cash flow as if the group was one entity. An ownership is normally considered as a controlling interest when the parent company directly or indirectly controls more than 50 % of the voting rights. Accounting principles are applied equally throughout the group. Newly acquired subsidiaries are consolidated from the point in time when controlling interest is reached.

The Group consolidated financial statement comprises the following companies:

- Maritech Systems AS (Averøy, Norway) (parent company)
- Maritech Dynamics Ltd (Halifax, Canada) (100 % owned from Nov. 2015)
- Maritech Dynamics Inc (Seattle, USA) (100 % owned by Maritech Dynamics Ltd)
- Sea Data Center (Reykjavik, Iceland) (60 % owned from Feb 2019)
- Maritech Systems Chile SpA (Santiago, Chile) (100 % owned from June 2019)
- EDI-Systems AS (Sortland, Norway) (100 % owned from Aug. 2020)
- Timpex AS (Åndalsnes, Norway) (100 % owned. Merged March 2020)

- Lillebakk Engineering AS (Molde, Norway) (100 % owned. Merged Sept. 2020)

Acquisition of 100 % of the shares in EDI-System AS is dated ultimo August 2020, and the accounts is consolidated from September 1th 2020.

All material transactions between group companies have been eliminated in the consolidated financial statement.

Elimination of shares in subsidiaries

Shares in subsidiaries are in the group statement eliminated according to the acquisition-method. The difference between purchase price and balance sheet value of net assets at the time of acquisition is analyzed and allocated to specific balance sheet items according to fair value. Values that cannot be allocated in this way, that exist due to expectations to future earnings are allocated to goodwill and depreciated according to expected useful life. In order to consolidate the Group's financial statements have entries in other currencies in the subsidiary's balance accounts been converted according to the rate on the balance sheet date, and income statement have been converted according to the average exchange rate for the period. Conversion differences which occur at consolidation are accounted directly against equity.

Revenue

Income from sale of goods and services are recognised at fair value, net after deduction of VAT, returns, discounts and reductions.

Revenue from sale of goods

Revenue from sale of goods are recognised in the income statement when both risk and control have passed on to the buyer. The risk being the asset's

profit and loss potential, whilst control is defined as having both the decision-making rights as well as the jurisdiction. Normally this will be when the goods are delivered to the customer. Historical data is applied to estimate and make provisions for quantity discount and returns at the date of sales.

Revenue from sale for services

Revenues for services are recognised when the services are performed and the company has a right to payment for performed.

Classification and assessment of balance sheet items

Assets intended for long term ownership or use are classified as fixed assets. Assets relating to the operating cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Intangible assets

Expenditure on Research and Development is capitalised providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the expenses can be measured reliably. Otherwise, such expenditure is expensed as and when incurred. Capitalised development costs are amortised linearly over the asset's expected useful life.

When the depreciation plan is changed, the effect is distributed over the remaining depreciation period.

Fixed assets

Tangible fixed assets are capitalised and depreciated linearly down to the residual value over the expected useful economic life of the assets. Maintenance of operating equipment is expensed on an ongoing basis. Upgrades or improvements are added to the acquisition cost of the asset and depreciated in line with the asset. The difference between maintenance and upgrade / improvement is assessed based on the condition of the asset when purchased.

Costs related to leases of fixed assets are expensed over the lease period. Prepayments are reflected in the balance sheet as a prepaid expense, and are distributed over the rental period. The company only has operational leasing.

Impairment of fixed assets

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent ingoing cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and the value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use.

Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

Investments in other companies

The cost method is applied to investments in other companies. The carrying amount is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are generally recognised as income. Dividends/group contribution from subsidiaries are booked in the same year as the subsidiary makes the provision for the amount. Dividends from other companies are reflected as financial income when the dividends are approved. Investments are written down to fair value if the fair value is lower than the carrying amount.

Inventory

The inventory of purchased goods is valued at the lower of acquisition cost according to the FIFO principle and net sales value. Finished goods of own production and work in progress are valued at production cost, including both variable and fixed production costs.

Receivables

Accounts receivables and other receivables are recorded in the balance sheet at face value after

deduction of provisions for expected loss. Provisions for losses are made on the basis of individual assessments of the individual receivables.

Additionally, for accounts receivables, an unspecified provision is made to cover expected losses.

Tax

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at 22 % on the basis of the temporary differences that exist between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset and netted.

The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and tax losses varied forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate at the end of the accounting year. Agio gains and losses relating to sales and purchases of goods in foreign currencies are recognised as operating income and cost of goods sold.

Cash Flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.



Note 2 Personnel expenses, number of employees, remuneration, loan to employees

Payroll expenses - Parent Company	Parent company		Group	
	2020	2019	2020	2019
Salaries/wages	60 687 701	37 304 567	78 022 720	53 903 159
Social security fees	7 813 046	5 545 669	9 246 167	7 470 943
Pension expenses	3 497 059	2 379 681	4 071 212	3 039 725
Other remuneration	2 422 488	1 503 458	3 106 702	5 524 634
Public grants	-3 844 172	-2 456 064	-3 844 172	-3 848 316
Own R&D	-5 750 000	-3 624 572	-5 836 457	-3 624 572
Total	64 826 122	40 652 739	84 766 172	62 465 573

Average number of man-years

Parent company	79	49	Group	101	74
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Remuneration to executives (Parent company)

	CEO		Board	
	2020	2019	2020	2019
Salaries/wages	2 506 466		285 000	
Pension expenses	213 406		0	
Other remuneration	23 141		0	
Total	2 743 013		285 000	

No loans/sureties have been granted to the CEO, the Chairman of the Board or other related parties. The CEO Odd Arne Kristengård has performance based salary of maximum 30 % of his fixed base salary. The CEO is entitled to six months' salary after termination or amendment of his position/employment after a mutual notice period of six month. The former CEO has received a severance pay since leaving the company in June. The CEO and former CEO are eligible to bonuses in the event of a sale of the shares in Maritech Systems AS.

OTP (Statutory occupational pension)

The company is required to have a pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirement of this law.

	Parent company	Group
Expensed audit fee		
Statutory audit fee	207 000	332 167
Technical assistance with financial statements	59 000	72 000
Other services	444 413	496 913
Total audit fee	710 413	901 080

Note 3 Fixed assets

Parent Company	R&D, licences and trademarks	Goodwill	Equipment and other movables	Total
Acquisition cost 01.01	36 596 993	15 677 769	2 127 612	54 402 374
Additions	12 491 715	21 478 696	1 643 014	35 613 425
Disposals	0	0	0	0
Acquisition cost 31.12	49 088 708	37 156 465	3 770 626	90 015 799
Acc. depreciation/ impairment 31.12	-30 332 355	-19 513 250	-2 367 593	-52 213 198
Book value 31.12	18 756 353	17 643 215	1 403 033	37 802 601

Depreciation in the year

Deprecation plan	9 354 353	3 835 481	914 086	14 103 920
Economic useful life	Linear 5 year	Linear 5 year	Linear 3-5 year	

Group	R&D, licences and trademarks	Goodwill	Equipment and other movables	Total
Acquisition cost 01.01	48 353 524	46 063 400	3 738 018	98 154 942
Exchange rate differences	0	-2 970	-12 015	-14 985
Additions	6 961 458	5 368 101	911 874	13 241 433
Disposals	0	0	0	0
Acquisition cost 31.12	55 314 982	51 428 531	4 637 877	111 381 390
Acc. depreciation/ impairment 31.12	-36 558 629	-27 923 042	-3 076 968	-67 558 639
Book value 31.12	18 756 353	23 505 489	1 560 909	43 822 751

Depreciation in the year

Impairment in the year	10 687 984	5 704 796	1 041 180	17 433 960
Depreciation plan	0	0	Linear	0
Economic useful life	Linear 3-5 year	Linear 5 year	Linear 3-5 year	

Remaining goodwill is connected to the acquisition of Sea Data Center ehf and Timpex AS in 2019, and EDI-Systems AS in 2020.

Note 4 Debtors, liabilities, pledged assets and guarantees etc.

	Parent Company		Group	
	2020	2019	2020	2019
Receivables which fall due later than one year after the expiry of the financial year	1 384 667	5 913 520	178 533	0
Long-term debt which fall due later than five years after the expiry of the financial year	1 339 266	0	1 339 266	0
Liabilities secured by mortgage	2020	2019	2020	2019
Liabilities to credit institution	21 693 390	13 409 086	22 283 966	20 492 575
Total	21 693 390	13 409 086	22 283 966	20 492 575
Balance sheet value of assets placed as security	2020	2019	2020	2019
R&D, licences and trademark	18 756 353	15 618 991	18 756 353	22 496 086
Equipment and other movables	1 403 033	682 523	1 560 908	1 702 230
Inventories	1 271 886	692 944	1 271 886	3 018 942
Accounts receivables	13 917 769	6 831 964	16 364 236	18 695 522
Loan to group companies	1 206 134	5 913 520	0	0
Other long-term receivables	208 533	0	208 533	0
Total	36 763 708	29 739 942	38 161 916	45 912 780
Assets are also placed as security for:				
Unused bank overdraft	10 212 846	5 000 000	10 635 772	6 674 171
Guarantee commitments	3 820 362	509 671	3 820 362	535 552
Total	14 033 208	5 509 671	14 456 134	7 209 723

Note 5 Tax

Parent company

	2020	2019
This year's tax expense		
Entered tax on ordinary profit/loss:		
Changes in deferred tax assets	-4 336 826	-1 033 251
Effect of merger	829 328	
Tax expense on ordinary profit/loss	-3 507 498	-1 033 251
Taxable income:		
Ordinary result before tax	-12 042 648	-8 689 568
Permanent differences	-6 479 202	4 467 071
Changes in temporary differences	5 762 380	212 965
Taxable income	-12 759 470	-4 009 531
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	0	0

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	2020	2019	Difference
Tangible assets	-7 480 981	-3 216 889	4 264 092
Stock	0	-144 391	-144 391
Accounts receivable	-1 194 730	-323 479	871 251
Allocations and more	-3 131 689	-2 102 779	1 028 910
Pension premium / liabilities	891 103	633 621	-257 482
Total	-10 916 297	-5 153 917	5 762 380
Accumulated loss to be brought forward	-25 267 415	-12 507 945	12 759 470
Not included in the deferred tax calculation	4 408 774	5 599 768	1 190 994
Basis for deferred tax assets	-31 774 938	-12 062 094	19 712 844
Deferred tax assets (22 %)	-6 990 486	-2 653 661	4 336 826

Group

	2020	2019
This year's tax expense		
Entered tax on ordinary profit/loss:		
Payable tax	113 868	
Deferred tax acquired subsidiaries	-829 328	
Tax expense parent company	-3 507 496	
Tax expense on ordinary profit/loss	-4 222 956	-1 892 471

Note 6 Equity

Parent Company	Share capital	Share premium reserve	Retained earnings	Total equity
Equity 01.01	17 943 950	23 304 036	4 630 324	45 878 310
Merger Timpex AS	0	0	290 545	290 545
Merger Lillebakk AS			-4 493 661	-4 493 661
Annual net profit/loss			-8 535 152	-8 535 152
Equity 31.12	17 943 950	23 304 036	-8 107 944	33 140 042

Group	Share capital	Share premium reserve	Retained earnings	Non controlling interests (minority)	Total equity
Equity 01.01	17 943 950	23 304 036	-2 161 828	-410 197	38 675 961
Capital increase in the year	0	0			0
Error in previous year in Maritech Dynamics Ltd			745 232	0	745 232
Exchange rate differences			92 228	-43 866	48 362
Annual net profit/loss			-13 703 465	45 409	-13 658 056
Equity 31.12	17 943 950	23 304 036	-15 027 833	-408 654	25 811 499

Note 7 Shareholders

The share capital in Maritech Systems AS as of December 31th consists of:

	Total	Face value	Entered
Ordinary shares	1 794 395	10,00	17 943 950

Ownership structure

The largest shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
BC SPV III B Holding AS	982 940	54,8	54,8
BC SPV III Holding AS	775 462	43,2	43,2
M-K Consulting AS (owned by chairman of the board)	35 993	2,0	2,0
Total number of shares	1 794 395	100,0	100,0

Note 8 Investments in subsidiaries

Investments in subsidiaries are booked according to the cost method.

Company	Location	Ownership/ voting rights
Maritech Dynamics Ltd	Halifax, Canada	100,00 %
Sea Data Center ehf	Reykjavik, Iceland	60,00 %
Maritech Systems Chile SpA	Santiago, Chile	100,00 %
EDI-Systems AS	Sortland, Norway	100,00 %

Note 9 Intercompany balances

Receivables	2020	2019
Long term receivables	1 206 134	5 913 520
Accounts receivables	261 773	1 069 938
Liabilities	2020	2019
Trade creditors	43 920	1 797 246
Short term liabilities	2 800 000	0

Note 10 Other current receivables

	Parent Company		Group	
	2020	2019	2020	2019
Other receivables and accruals	1 598 975	1 167 302	1 848 889	2 898 697
Skattefunn (Tax deduction for R&D)	2 626 354	1 596 374	2 626 354	1 927 012
Public grants	1 426 014	1 068 490	1 426 014	1 348 490
Total	5 651 343	3 832 166	5 901 257	6 174 199

Note 11 Restricted bank deposits

	2020	2019
Parent company		
Restricted funds deposited in the tax deduction account (withheld employee tax)	3 075 586	1 814 124

Note 12 Grants

Maritech Systems AS has been given a grant from Norges Forskningsråd (skattefunn) in connection with a development project.

Amounts booked to the balance is listed as a Short term receivable with the tax authorities as debtors.

The value of the grant is deducted from the asset's acquisition cost, and resulting in the net value being recognised in the balance.

By direct expense of R & D costs, the counter item of the receivable becomes a cost reduction.

Note 13 Revenues

Business Unit	2020
Business Solutions	55 035 038
IoT & Production	51 446 538
Data Science	8 662 202
Logistics Solutions	36 990 944
Eliminations & other	-4 433 186
Revenue	147 701 536

Note 14 Leases

Operating leases:

Lease object (Parent Company)	Expiration of agreement	Annual lease
Buildings and other real estate	2021 - 2022	2 854 976
Equipment, fixtures and fittings and other movables	2021 - 2023	154 316
Total		3 009 292

Note 15 Inventories

Parent Company	2020	2019
Purchased finished goods	1 271 886	692 944
Total	1 271 886	692 944

Inventories valued at purchased cost	1 271 886	837 335
Inventories valued at net realisable value	1 271 886	692 944
Write-down for obsolescence	0	144 391

Group	2020	2019
Purchased finished goods	1 271 886	3 018 942

Note 16 Events after the closure of the 2020 accounting

After the closure of the 2020 accounts, EDI-Systems AS has been merged with the parent company.



Indirect Cash Flow

Parent Company		Group	
2020	2019	2020	2019
Cash flows from operating activities			
-12 042 648	-8 689 568	-17 881 012	-12 029 098
	6 024 940		3 078 717
14 103 920	6 340 787	17 433 960	10 548 689
-578 942	-310 698	1 747 056	-1 252 766
-7 085 804	310 970	2 331 286	-6 025 517
1 872 550	2 187 347	1 832 331	2 621 574
-257 482	-95 608	-257 482	-95 608
-1 819 643	-1 826 241	272 942	-2 340 539
12 014 017	1 615 369	53 557	12 984 872
6 205 968	5 557 298	5 532 638	7 490 324
Cash flows from investment activities			
0	0		
-6 875 000	-5 345 040	-10 121 433	-37 312 688
4 707 386	-1 346 801	0	0
-1 320 612			
-4 831 174	-31 169 338	0	0
-8 319 400	-37 861 179	-10 121 433	-37 312 688
Cash flows from financing activities			
-393 770	5 681 816	-393 774	8 653 510
2 529 072		2 185 165	
0		0	22 000 031
0		0	0
2 135 302	5 681 816	1 791 391	30 653 541
21 870	-4 622 034	-2 797 404	831 177
5 737 939	10 359 973	11 019 475	11 169 624
5 759 809	5 737 939	8 222 071	12 000 801

Independent Auditor's Report

To the General Meeting in Maritech Systems AS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Maritech Systems AS.

<p>The financial statements comprise:</p> <ul style="list-style-type: none"> • The financial statements of the parent company, which comprise the balance sheet as at 31 December 2020, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and • The financial statements of the group, which comprise the balance sheet as at 31 December 2020, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. 	<p>In our opinion:</p> <ul style="list-style-type: none"> • 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 Maritech Systems AS 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 financial statements give a true and fair view of the financial position of the group Maritech Systems AS 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.
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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.

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include 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 and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Molde, 22 March 2021
BDO AS

A handwritten signature in blue ink that reads 'Roald Viken'.

Roald Viken
State Authorised Public Accountant



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