



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 987 307 749
Organisasjonsform: Aksjeselskap
Foretaksnavn: SQUAREHEAD TECHNOLOGY AS
Forretningsadresse: Nydalsveien 28
0484 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Tore Engebretsen
Dato for fastsettelse av årsregnskapet: 22.06.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 02.05.2024



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue		39 286 735	80 958 504
Other operating income		1 003 039	
Sum inntekter		40 289 774	80 958 504
Kostnader			
Cost of materials		8 334 141	18 218 148
Personnel expenses		32 562 916	32 494 473
Depreciation of operating and intangible assets		972 628	783 713
Other operating expenses		14 243 297	14 998 292
Sum kostnader		56 112 981	66 494 627
Driftsresultat		-15 823 207	14 463 878
Finansinntekter og finanskostnader			
Annen renteinntekt		102 174	78 601
Other financial income		10 041	11
Sum finansinntekter		112 215	78 612
Annen rentekostnad		30 233	-15 174
Other financial expenses		688	1 577
Sum finanskostnader		30 921	-13 598
Netto finans		81 294	92 209
Ordinært resultat før skattekostnad		-15 741 913	14 556 087
Tax on ordinary result		-4 507 001	2 377 968
Ordinært resultat etter skattekostnad		-11 234 912	12 178 119
Årsresultat		-11 234 912	12 178 119
Årsresultat etter minoritetsinteresser		-11 234 912	12 178 119
Totalresultat		-11 234 912	12 178 119



Resultatregnskap

Beløp i: NOK	Note	2020	2019
Overføringer og disponeringer			
Allocated to other equity			12 178 119
Transferred from other equity		-11 234 912	
Sum overføringer og disponeringer		-11 234 912	12 178 119



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Patents, licences, trademarks and similar rights		2 035 670	1 470 835
Utsatt skattefordel		8 661 539	4 154 538
Sum immaterielle eiendeler		10 697 209	5 625 373
Varige driftsmidler			
Equipment and other movables		554 888	688 230
Sum varige driftsmidler		554 888	688 230
Finansielle anleggsmidler			
Investering i datterselskap		30 000	30 000
Other long-term receivables		846 617	827 617
Sum finansielle anleggsmidler		876 617	857 617
Sum anleggsmidler		12 128 714	7 171 219
Omløpsmidler			
Varer			
Sum varer		11 661 404	7 213 982
Fordringer			
Accounts receivables		3 779 071	17 182 654
Other short-term receivables		12 075 371	8 197 200
Sum fordringer		15 854 442	25 379 853
Bankinnskudd, kontanter og lignende			
Cash and bank deposits		15 248 625	24 222 461
Sum bankinnskudd, kontanter og lignende		15 248 625	24 222 461
Sum omløpsmidler		42 764 470	56 816 296
SUM EIENDELER		54 893 184	63 987 516



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		391 873	386 880
Sum innskutt egenkapital		391 873	386 880
Opptjent egenkapital			
Other equity		38 686 305	49 019 539
Sum opptjent egenkapital		38 686 305	49 019 539
Sum egenkapital		39 078 178	49 406 419
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		2 278 380	2 694 936
Public duties payable		4 369 378	2 076 659
Other current debt		9 167 248	9 809 502
Sum kortsiktig gjeld		15 815 006	14 581 096
Sum gjeld		15 815 006	14 581 096
SUM EGENKAPITAL OG GJELD		54 893 184	63 987 516



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue		44 638 205	89 035 844
Other operating income		1 003 039	
Sum inntekter	2, 13	45 641 244	89 035 844
Kostnader			
Raw materials and consumables used		8 347 884	18 834 947
Payroll expenses	1, 2	36 211 064	36 123 776
Depreciation and amortisation expense	4	972 628	783 713
Other operating expenses	1, 2	15 686 291	16 786 127
Sum kostnader		61 217 867	72 528 563
Driftsresultat		-15 576 624	16 507 280
Finansinntekter og finanskostnader			
Annen renteinntekt		103 781	78 601
Sum finansinntekter		103 781	78 601
Annen rentekostnad		30 233	-15 174
Other financial expenses		-9 353	1 566
Sum finanskostnader		20 880	-13 608
Netto finans		82 901	92 209
Ordinært resultat før skattekostnad		-15 493 723	16 599 490
Tax on ordinary result	3	-4 500 760	2 831 984
Ordinært resultat etter skattekostnad		-10 992 963	13 767 506
Årsresultat	12	-10 992 963	13 767 506
Årsresultat etter minoritetsinteresser		-10 992 963	13 767 506
Totalresultat		-10 992 963	13 767 506
Overføringer og disponeringer			



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
Udekket tap		-8 400	-8 609
To other equity		250 349	13 776 115
From other equity		-11 234 912	
Sum overføringer og disponeringer		-10 992 963	13 767 506



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Concessions, patents, licences, trademarks, and similar rights	2, 4	2 035 670	1 470 835
Utsatt skattefordel	3	8 841 833	4 154 538
Sum immaterielle eiendeler		10 877 503	5 625 373
Varige driftsmidler			
Equipment and other movables	2, 4, 11	554 888	688 230
Sum varige driftsmidler		554 888	688 230
Finansielle anleggsmidler			
Investering i datterselskap	5		
Investering i annet foretak i samme konsern	5		
Lån til foretak i samme konsern	5		
Investeringer i tilknyttet selskap	5		
Lån til tilknyttet selskap og felles kontrollert virksomhet	5		
Obligasjoner	9	880 753	862 744
Sum finansielle anleggsmidler		880 753	862 744
Sum anleggsmidler		12 313 144	7 176 346
Omløpsmidler			
Varer			
Sum varer	7, 11	11 928 935	7 378 701
Fordringer			
Accounts receivables	6, 8, 11	3 814 939	19 497 526
Other receivables	2, 6	12 095 815	8 276 014
Sum fordringer		15 910 755	27 773 540
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	10	16 163 886	27 257 936
Sum bankinnskudd, kontanter og lignende		16 163 886	27 257 936



Konsernets balanse

Beløp i: NOK	Note	2020	2019
Sum omløpsmidler		44 003 576	62 410 176
SUM EIENDELER		56 316 720	69 586 523
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	14	391 873	386 880
Sum innskutt egenkapital		391 873	386 880
Opptjent egenkapital			
Other equity		42 951 622	53 178 273
Sum opptjent egenkapital		42 951 622	53 178 273
Sum egenkapital	12	43 343 495	53 565 153
Gjeld			
Langsiktig gjeld			
Utsatt skatt	3		
Annen langsiktig gjeld			
Other long term liabilities		356 239	
Sum annen langsiktig gjeld		356 239	
Sum langsiktig gjeld		356 239	0
Kortsiktig gjeld			
Leverandørgjeld		2 302 552	2 708 711
Tax payable	3		512 752
Public duties payable		4 369 378	2 076 659
Other short term liabilities	9	5 945 056	10 723 248
Sum kortsiktig gjeld		12 616 986	16 021 369
Sum gjeld		12 973 225	16 021 369
SUM EGENKAPITAL OG GJELD		56 316 720	69 586 523



Konsernets balanse

Beløp i: NOK	Note	2020	2019
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ECHAS REVISJON AS

STATSAUTORISERT REVISOR
ERIK CHRISTOFFERSEN

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1341 SLEPENDEN
TLF. 67 80 90 80
ORG.NR. 980 906 965
E-POST: ERIK.CHRISTOFFERSEN@ECHAS.NO

To the shareholders of
Squarehead Technology AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the financial statements of Squarehead Technology AS (the company), showing a loss of NOK 11 234 912 in the financial statements of the parent company and a loss of NOK 10 992 963 in the financial statements of the group.

The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at December 31, 2020, and the income statement, [statement of changes in equity] and cash flow statement 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 December 31, 2020, and the income statement, [statement of changes in equity] and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

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

MEDLEM AV DEN NORSKE REVISORFORENING



ECHAS REVISJON AS

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, included 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 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.

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 Groups's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting insofar as it is not likely that the Company or Group 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 the auditor's responsibilities, visit <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 and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.



ECHAS REVISJON AS

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Slependen, June 7th 2021

Echas Revisjon AS

Erik Christoffersen
Statsautorisert revisor



REVENUE STATEMENT

SQUAREHEAD TECHNOLOGY AS

OPERATING INCOME AND OPERATING EXPENSES	Note	2020	2019
Revenue		39 286 735	80 958 504
Other operating income		1 003 039	0
Total operating income		40 289 774	80 958 504
Cost of materials		8 334 141	18 218 148
Personnel expenses		32 562 916	32 494 473
Depreciation of operating and intangible assets		972 628	783 713
Other operating expenses		14 243 297	14 998 292
Total operating expenses		56 112 981	66 494 627
Operating profit		-15 823 207	14 463 878
FINANCIAL INCOME AND EXPENSES			
Other interest income		102 174	78 601
Other financial income		10 041	11
Other interest expenses		30 233	-15 174
Other financial expenses		688	1 577
Net financial items		81 294	92 209
Operating result before tax		-15 741 913	14 556 087
Tax on ordinary result		-4 507 001	2 377 968
Ordinary result after tax		-11 234 912	12 178 119
Annual net profit		-11 234 912	12 178 119
BROUGHT FORWARD			
Allocated to other equity		0	12 178 119
Transferred from other equity		11 234 912	0
Net brought forward		-11 234 912	12 178 119



BALANCE SHEET

SQUAREHEAD TECHNOLOGY AS

ASSETS	Note	2020	2019
FIXED ASSETS			
INTANGIBLE ASSETS			
Patents, licences, trademarks and similar rights		2 035 670	1 470 835
Deferred tax assets		8 661 539	4 154 538
Total intangible assets		10 697 209	5 625 373
TANGIBLE ASSETS			
Equipment and other movables		554 888	688 230
Total tangible assets		554 888	688 230
FINANCIAL FIXED ASSETS			
Investments in subsidiaries		30 000	30 000
Other long-term receivables		846 617	827 617
Total financial fixed assets		876 617	857 617
Total fixed assets		12 128 714	7 171 219
CURRENT ASSETS			
Inventories		11 661 404	7 213 982
DEBTORS			
Accounts receivables		3 779 071	17 182 654
Other short-term receivables		12 075 371	8 197 200
Total receivables		15 854 442	25 379 853
INVESTMENTS			
Cash and bank deposits		15 248 625	24 222 461
Total current assets		42 764 470	56 816 296
Total assets		54 893 184	63 987 516



BALANCE SHEET

SQUAREHEAD TECHNOLOGY AS

EQUITY AND LIABILITIES	Note	2020	2019
PAID-UP EQUITY			
Share capital		391 873	386 880
Total paid-up equity		391 873	386 880
UNRESTRICTED EQUITY			
Other equity		38 686 305	49 019 539
Total unrestricted equity		38 686 305	49 019 539
Total equity		39 078 178	49 406 419
LIABILITIES			
CURRENT DEBT			
Trade creditors		2 278 380	2 694 936
Public duties payable		4 369 378	2 076 659
Other current debt		9 167 248	9 809 502
Total current debt		15 815 006	14 581 096
Total liabilities		15 815 006	14 581 096
Total equity and liabilities		54 893 184	63 987 516

Oslo , 27.05.2021

The board of Squarehead Technology AS

Tore Engebretsen
chairman of the board

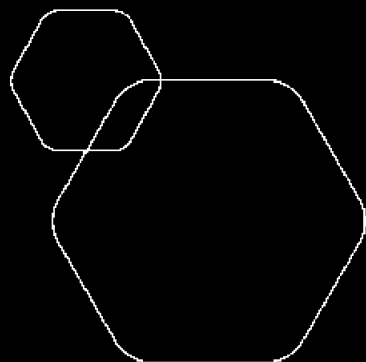
Bertrand Marius Steen
member of the board

Axel Dahl
member of the board

Vibeke Jahr
member of the board

Stig Oluf Nyvold
general Manager

Thor André Talhaug
member of the board



Annual Report 2020

Squarehead Technology AS

The board's annual report
Revenue statement
Balance sheet
Cash flow
Notes to the Accounts
Independent auditor's report



Org.no.: 987 307 749



Squarehead Technology AS

Annual Report 2020

Squarehead Technology enables the use of precision audio capture of acoustical events. Systems from Squarehead can both understand where a sound is coming from and focus in on that sound. By filtering out and reducing unwanted noise from areas of no interest, Squarehead achieves better range and clearer sound compared to conventional systems.

The company is a world leader in this segment and works towards three different market verticals; security, counter-UAS (aka drone detection) and industrial acoustics. Squarehead Technology is a technological and customer-driven company, with a clear strategy and dedicated employees. The company is headquartered in Oslo.

2020 was a year impacted by Covid-19 for Squarehead Technology. The company decreased its revenues by 49% compared to 2019. Counter-UAS accounted for 17 % of the revenues in 2020, compared to 52 % in 2019.

The global Counter-UAS market is relatively new and there is still a large degree of consolidation of various technologies. Squarehead's approach utilizing acoustic drone signatures is still relevant, and the company's sensors fills a specific gap compared to other sensor technologies. A similarly large Counter-UAS order compared to the one received in 2019 did not materialize in 2020 and does to a large extent explain the major portion of the revenue drop. Reduced activity levels among customers and international travel restrictions have made it difficult to maintain pressure and presence necessary to keep momentum and generate new sales leads. However, a significant increase in market activity is expected post corona.

The market for Acoustic Cameras has also been affected by the pandemic, and the revenue dropped by 38% compared to 2019.

However, the revenue generated by the security market vertical did not change significantly in 2020 compared to 2019. This is positive and is to a large extent a result based on repurchases from a large number of loyal customers recognizing Squarehead's lead position as an array manufacturer.

RESEARCH AND DEVELOPMENT ACTIVITIES

Throughout 2020, the company has maintained a high activity level in research and development projects. Employees have been constructive, positive and creative and have found solutions to work efficiently from home offices in such a way that progress has been similar to a normal year. It has always been the goal of the Board and management to maintain the pace of innovation and development to further strengthen the company's product portfolio even during these unprecedented times.

Significant resources have been invested in further performance improvement of the Counter-UAS product family ("Discovair 2"). The main activity has been related to the development of a new neural network model and associated infrastructure. This investment is a significant step forward for



Squarehead and is expected to have positive impact on the company's future general machine learning strategy. Strategic partnerships have been established in order to further strengthen the team.

Several new innovative microphone array front ends with associated software were developed in 2020. These were launched early 2021 and the company has already received orders from key customers.

Squarehead Technology received NOK 4,8 million in grants from the SkatteFunn scheme in 2020.

At the end of 2020, an application was submitted to Innovation Norway, with an expected grant conclusion in Q2-2021. A number of feasibility studies were conducted in 2020 and the associated project's end products will have significant impact on future market growth. Several strategic cooperation agreements were signed with industrial and defense companies and partners in order to strengthen the Innovation Norway application and provide the project with important domain and requirement knowledge.

The patent application filed in 2019 (Circular Array) is currently in PCT status. The patent "Drone Detection" was granted in USA and Europe in 2020 and is expected to be granted in more countries in 2021.

EMPLOYEES AND WORKING ENVIRONMENT

In 2020, Squarehead Technology did not hire any new full-time employees. By year end, the company had 38 employees, of which 5 works in other countries. Squarehead's U.S. subsidiary had 2 employees at year-end. Safeguarding the health and well-being of your employees is important to Squarehead Technology. Average sickness absence during the year was 4,6% (Norwegian employees), and no work accidents resulted in serious personal injury or property damage.

The working environment is good and it has not been necessary to implement improvement measures in 2020.

Gender diversity is important for Squarehead Technology, and the goal is to increase the proportion women in the company. 8 of the employees are women as of December 2020.

EXTERNAL ENVIRONMENT

The company does not engage in activities that pollute the external environment.

ETHICS

Ethical aspects are important for Squarehead Technology, and an ethics committee develops guidelines and standards related to sales in certain countries.



FINANCIAL SUMMARY

The Group's operating revenues for 2020 amounted to NOK 45.6 million. The Group produced a negative operating profit of NOK 15.6 million. Cash flow from operations was negative by NOK 11,5 million.

The revenues in the parent company, Squarehead Technology AS, amounted to NOK 40.3 million in 2020. Operating profit amounted to negative NOK 15.8 million.

In 2020, the Group had a negative profit after tax of NOK 11.0 million, which is proposed to be allocated to other Equity. Book equity at year-end was NOK 43.3 million.

The Board of Directors believes that the annual accounts provide a fair picture of the company's assets and obligations, financial position and profit and loss. The Board is not familiar with matters that are important for the assessment of the company's position and profit and loss not described in the annual accounts. No cases have occurred since the end of the financial year which, in the opinion of the Board of Directors, is essential for the assessment of the financial statements.

In accordance with Section 3-3 of the Accounting Act, it is confirmed that the prerequisite for continued operation is satisfied, and this prerequisite has been applied in the preparation of the accounts.

MARKET OUTLOOK

In 2020 Squarehead Technology's revenues was impacted by Covid-19. The company's international profile is heavily dependent on travels and customer visits in order to grow and generate new sales leads and new customers. Covid-19 also had a negative effect on Q1 2021 and is expected to have financial impact until the situation starts to normalize, hopefully towards second half of 2021. Due to this delay in addition to slow investment cycles in government budgets, there is a relatively low likelihood of closing substantial Counter-UAS contracts in 2021 similar to the ones in 2018 and 2019.

However, the activities towards Norwegian Armed Forces as well as towards some Norwegian industrial partners have promising expectations for revenue towards the end of 2021 and beyond. In addition, there are no signs indicating that Squarehead has lost any market traction nor that the competitive landscape has changed during the period of pandemic. A lot have been put on pause, rather than coming to a stop.

An increasing number of activities and opportunities requires more resources, and Squarehead has during the first 4 months of 2021 hired 6 new employees. This also reflects the Board's optimistic and positive view related to the future prospects and growth potential of Squarehead Technology.



Oslo, 27 May 2021

Board of Directors

Squarehead Technology AS

Tore Engebretsen
Chairman

Marius Steen

Axel Dahl

Vibeke Jahr

Thor A. Talhaug

Stig Nyvold
(CEO)



REVENUE STATEMENT - PARENT/GROUP

SQUAREHEAD TECHNOLOGY AS					
2020	Parent 2019		Note	Group 2020	2019
OPERATING INCOME AND OPERATING EXPENSES					
39 286 735	80 958 504	Revenue		44 638 205	89 035 844
1 003 039	0	Other operating income		1 003 039	0
40 289 774	80 958 504	Operating Income	2, 13	45 641 244	89 035 844
RAW MATERIALS AND CONSUMABLES USE					
8 334 141	18 218 148	Payroll expenses	1, 2	8 347 884	18 834 947
32 562 916	32 494 473	Depreciation and amortisation expense	4	36 211 064	36 123 776
972 628	783 713	Other operating expenses	1, 2	972 628	783 713
14 243 297	14 998 292	Operating expenses		15 686 291	16 786 127
56 112 981	66 494 627	Operating expenses		61 217 867	72 528 563
-15 823 207	14 463 878	Operating profit		-15 576 624	16 507 280
FINANCIAL INCOME AND EXPENSES					
102 174	78 601	Other interest income		103 781	78 601
30 233	-15 174	Other Interest expenses		30 233	-15 174
-9 353	1 566	Other financial expenses		-9 353	1 566
81 294	92 209	Net financial income and expenses		82 901	92 209
-15 741 913	14 556 087	Operating result before tax		-15 493 723	16 599 490
-4 507 001	2 377 968	Tax on ordinary result	3	-4 500 760	2 831 984
-11 234 912	12 178 119	Operating result after tax		-10 992 963	13 767 506
-11 234 912	12 178 119	Annual net profit	12	-10 992 963	13 767 506
BROUGHT FORWARD					
0	12 178 119	To other equity		250 349	13 776 115
0	0	Loss brought forward		8 400	8 609
11 234 912	0	From other equity		11 234 912	0
-11 234 912	12 178 119	Total allocated		-10 992 963	13 767 506



BALANCE SHEET - PARENT/GROUP					
SQUAREHEAD TECHNOLOGY AS					
2020	Parent 2019		Note	Group 2020	2019
ASSETS					
FIXED ASSETS					
INTANGIBLE FIXED ASSETS					
2 035 670	1 470 835	Concessions, patents, licences, trademarks, a	2, 4	2 035 670	1 470 835
8 661 539	4 154 538	Deferred tax asset	3	8 841 833	4 154 538
10 697 209	5 625 373	Total intangible assets		10 877 503	5 625 373
TANGIBLE FIXED ASSETS					
554 888	688 230	Equipment and other movables	2, 4, 11	554 888	688 230
554 888	688 230	Total tangible fixed assets		554 888	688 230
FINANCIAL FIXED ASSETS					
30 000	30 000	Investments in subsidiaries	5	0	0
846 617	827 617	Other long-term receivables	9	880 753	862 744
876 617	857 617	Total financial fixed assets		880 753	862 744
12 128 714	7 171 219	Total fixed assets		12 313 144	7 176 346
CURRENT ASSETS					
11 661 404	7 213 982	Inventories	7, 11	11 928 935	7 378 701
DEBTORS					
3 779 071	17 182 654	Accounts receivables	6, 8, 11	3 814 939	19 497 526
12 075 371	8 197 087	Other receivables	2, 6	12 095 815	8 276 014
15 854 442	25 379 740	Total debtors		15 910 755	27 773 540
15 248 625	24 222 461	Cash and bank deposits	10	16 163 886	27 257 936
42 764 470	56 816 183	Total current assets		44 003 576	62 410 176
54 893 184	63 987 403	Total assets		56 316 720	69 586 523



BALANCE SHEET - PARENT/GROUP					
SQUAREHEAD TECHNOLOGY AS					
2020	Parent 2019		Note	Group 2020	2019
EQUITY AND LIABILITIES					
RESTRICTED EQUITY					
391 873	386 880	Share capital	14	391 873	386 880
391 873	386 880	Total restricted equity		391 873	386 880
UNRESTRICTED EQUITY					
38 686 305	49 019 539	Other equity		42 951 622	53 178 273
38 686 305	49 019 539	Total unrestricted equity		42 951 622	53 178 273
39 078 178	49 406 419	Total equity	12	43 343 495	53 565 153
LIABILITIES					
0	0	Other long term liabilities		356 239	0
0	0	Total of other long term liabilities		356 239	0
CURRENT LIABILITIES					
2 278 380	2 694 936	Trade creditors		2 302 552	2 708 711
0	0	Tax payable	3	0	512 752
4 369 378	2 076 659	Public duties payable		4 369 378	2 076 659
9 167 248	9 809 389	Other short term liabilities	9	5 945 056	10 723 248
15 815 006	14 580 983	Total short term liabilities		12 616 986	16 021 369
15 815 006	14 580 983	Total liabilities		12 973 225	16 021 369
54 893 184	63 987 403	Total equity and liabilities		56 316 720	69 586 523

Oslo, 27.05.2021
The board of Squarehead Technology AS

Tore Engebretsen
chairman of the board

Bertrand Marius Steen
member of the board

Axel Dahl
member of the board

Vibeke Jahr
member of the board

Stig Oluf Nyvold
general Manager

Thor André Talhaug
member of the board



INDIRECT CASH FLOW - PARENT

SQUAREHEAD TECHNOLOGY AS

	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/loss before tax		-15 741 913	14 556 087
Ordinary depreciation		972 628	783 713
Change in inventory		-4 447 421	-1 673 819
Change in accounts receivable		13 403 583	-2 523 961
Change in accounts payable		-416 556	-1 491 769
Items classified as investment or financing activities		-19 000	-776 000
Change in other accrual items		-3 152 244	909 115
Net cash flows from operating activities		-9 400 923	9 783 367
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Payments to buy tangible assets		-479 583	-751 829
Net cash flows from investment activities		-479 583	-751 829
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity		906 671	625 404
Net cash flows from financing activities		906 671	625 404
Net change in cash and cash equivalents		-8 973 835	9 656 941
Cash and cash equivalents at the start of the period		24 222 461	14 565 519
Cash and cash equivalents at the end of the period		15 248 625	24 222 461



INDIRECT CASH FLOW - GROUP

SQUAREHEAD TECHNOLOGY AS

Statement of cash flows (NRS - Indirect model)

NRS Indirect method

	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/loss before tax		-15 493 723	16 599 490
Tax paid in the period		-761 758	0
Ordinary depreciation		972 628	783 713
Change in inventory		-4 550 234	-1 675 541
Change in accounts receivable		15 682 586	-1 520 200
Change in accounts payable		-406 158	-1 950 373
Items classified as investment or financing activities		-19 000	-776 000
Change in other accrual items		-6 945 478	690 920
Net cash flows from operating activities		-11 521 138	12 152 009
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Payments for the purchase of fixed assets		-479 583	-751 829
Net cash flows from investment activities		-479 583	-751 829
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity		906 671	625 404
Net cash flows from financing activities		906 671	625 404
Net change in cash and cash equivalents		-11 094 050	12 025 584
Cash and cash equivalents at the start of the period		27 257 936	15 232 352
Cash and cash equivalents at the end of the period		16 163 886	27 257 936



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Accounting principles

The annual accounts have been prepared in conformity with the provisions of the Accounting Act and good accounting practice.

CONSOLIDATION

The group accounts include Squarehead Technology AS and companies where Squarehead Technology AS has a controlling influence. Controlling influence is normally achieved when the group owns more than 50% of the shares in the company and the group is in a position to exercise actual control over the company. Minority interests are included in the group's equity. Transactions and receivables between companies in the group have been eliminated. The group accounts have been prepared applying uniform principles, in that the subsidiary follows the same accounting principles as the parent company.

The purchase method is used when accounting for business mergers. Companies that are bought or sold during the year are included in the group accounts from the time control is obtained until control ceases.

Associated companies are entities over which the group has significant but not controlling influence over financial and operational management (normally with ownership between 20 and 50 %). The group accounts include the group's share of the result from associated companies posted using the equity method from the time that significant influence is obtained until such influence ceases.

When the group's share of a loss exceeds the investment in an associated company, the group's capitalised value is reduced to 0 and further losses are not posted to the profit and loss account unless the group has an obligation to cover this loss.

USE OF ESTIMATES

In the preparation of the annual accounts estimates and assumptions have been made that have affected the profit and loss account and the valuation of assets and liabilities, and uncertain assets and liabilities on the balance sheet date in accordance with generally accepted accounting practice. Areas which to a large extent contain such subjective evaluations, a high degree of complexity, or areas where the assumptions and estimates are material for the annual accounts, are described in the notes.

FOREIGN CURRENCY

Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to NOK at the exchange rate on the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated to NOK using the exchange rate on the transaction date. Non-monetary items that are measured at fair value in a foreign currency are translated to NOK using the exchange rate on the measurement date. Exchange rate fluctuations are posted to the profit and loss account as they arise under other financial items.

REVENUES

Income from the sale of goods is recognised on the date of delivery. Services are posted as income as they are delivered. Income from the sale of services and long-term manufacturing projects (construction contracts) are posted to the profit and loss account in line with the project's degree of completion, when the outcome of the transaction can be estimated in a reliable manner. When the transaction's outcome cannot be estimated reliably, only income corresponding to a projects' incurred costs can be posted as revenue. At the time when it is identified that the project will give a negative result, the estimated loss on the contract is posted in full to the profit and loss account.



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TAX

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22% on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilised.

CLASSIFICATION AND VALUATION OF FIXED ASSETS

Fixed assets consist of assets intended for long-term ownership and use. Fixed assets are valued at acquisition cost less depreciation and write-downs. Long-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Plant and equipment is capitalised and appreciated over the economic lifetime of the asset. Significant items of plant and equipment that consist of several material components with different lifetimes are broken down in order to establish different depreciation periods for the different components. Direct maintenance of plant and equipment is expensed on an ongoing basis under operating costs, while additions or improvements are added to the asset's cost price and depreciated in line with the asset. Plant and equipment is written down to the recoverable amount in the event of a fall in value that is not expected to be temporary. The recoverable amount is the higher of the net sales value and the value in use. Value in use is the present value of future cash flows related to the asset. The write-down is reversed when the basis for the write-down is no longer present.

CLASSIFICATION AND VALUATION OF CURRENT ASSETS

Current assets and short-term liabilities consist normally of items that fall due for payment within one year of the balance sheet date, as well as items related to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

RESEARCH AND DEVELOPMENT

Expenses on research and development are capitalised to the extent one cannot identify a future economic benefit related to the development of an identifiable intangible asset and where the acquisition cost can be measured reliably. In the opposite case such costs are expensed as incurred.

SUBSIDIARIES AND ASSOCIATED COMPANIES

Subsidiaries and associated companies are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that dividends/ group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represents a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the parent company.

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GOODS

Goods are valued at the lower of acquisition cost and net sale value. Sale value is the estimated sale price in ordinary operations after deduction of estimated necessary expenses for completing the sale.

Acquisition cost includes expenses incurred in acquiring goods and costs necessary to bring the goods to the present position and are attributed using the FIFO principle.

RECEIVABLES

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables. In addition an unspecified provision is made to cover expected losses on claims in respect of customer receivables.

PENSION LIABILITIES - DEFINED-CONTRIBUTION SCHEME

The cost of a defined-contribution pension scheme corresponds to the premium paid to the insurance company for the period.

SHORT-TERM INVESTMENTS

Short-term investments (shares and interests valued as current assets) are valued at the lower of acquisition cost and fair value on the balance sheet date. Dividends and other distributions received from the companies are posted to income under other financial income.

GUARANTEES

A provision has been made for expected guarantee costs. The guarantee provision is entered in the balance sheet under other short-term liabilities.

Costs related to conditional outcomes are posted to the accounts when the outcome can be estimated and the cost is regarded as likely.

CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments.

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Note 1 Salary costs and benefits, remuneration to the chief executive, board and auditor

	Parent	Group
Salaries	26 340 708	28 802 934
Employer tax	4 188 264	5 374 187
Pension costs	1 206 939	1 206 939
Other benefits	827 004	827 004
Total	32 562 915	36 211 064

In 2020 the parent employed 38,7 man-years and the group employed 40,7 man-years.

The parent company has established an incentive scheme which gives the employees a right to a bonus and shares in the company. There was no bonus in 2020.

PENSION LIABILITIES

The parent company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The company's pension schemes satisfy the requirements of this Act.

Remuneration to leading personnel	Chief Executive	Board
Salaries Squarehead Technology AS	2 135 718	0
Other benefits	31 361	0
Pension costs	58 116	0
Total	2 225 195	0

The chief executive has a stock option agreement based on his employment in the company.

Auditor	Audit	Other services
Parent (ex VAT)	91 400	38 788
Group (partly incl VAT)	94 713	43 875

Note 2 Government grants

In 2020 a grant has been posted to income for research and development projects via the SkatteFUNN scheme of NOK 4 800 609 in the parent company. The amount has been posted in full as a reduction of capitalised costs related to the project. In 2019 the company received NOK 3 804 111 in grants.

The parent company has received a compensation for the losses due to the covid-19 pandemic from the Norwegian government.

The subsidiary in the USA has received a loan as a part of the US government covid-19 relief program.

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Note 3 Tax

	Parent		Group	
	2020	2019	2020	2019
Entered tax on ordinary profit/loss:				
Payable tax	0	0	206 977	753 252
Too much entered payable tax last year	0	0	0	-299 236
Changes in deferred tax assets	-4 507 001	2 377 968	-4 707 736	2 377 968
Tax expence on ordinary profit/loss	-4 507 001	2 377 968	-4 500 760	2 831 984
Taxable income:				
Ordinary result before tax:	-15 741 913	14 556 087	-15 493 723	16 599 490
Permanent differences	-4 744 457	-3 747 143	-4 744 457	-3 747 143
Changes in temporary differences	-975 557	3 570 409	-975 557	3 570 409
Allocation of loss to be brought forward	0	-14 379 353	0	-14 379 353
Taxable income	-21 461 927	0	-21 213 737	2 043 403
Payable tax in the balance:				
Payable tax on this years result	0	0	0	512 752
Total payable tax in the balance	0	0	0	512 752
Basis for deferred tax specified:				
Tangible assets	-268 142	-205 358	-268 142	-205 358
Stock	-2 845 157	-2 862 422	-2 845 157	-2 862 422
Allocations and more	-1 385 772	-2 406 848	-1 385 772	-2 406 848
Accumulated loss brought forward	-34 871 562	-13 409 635	-35 154 805	-13 684 478
Kept out of the basis for deferred tax	0	0	283 243	274 843
Basis for deferred tax assets	-39 370 633	-18 884 263	-39 370 633	-18 884 263
Deferred tax assets (22%)	-8 661 539	-4 154 538	-8 841 833	-4 154 538

Note 4 Fixed assets

Parent fixed assets

	Equipment and other movables	Patents	Licences	Total
Purchase cost as of 01/01/2020	2 132 902	1 930 044	1 057 666	5 120 612
+ Inflow purchased fixed assets	375 042	219 079	810 000	1 404 121
= Acquisition cost 31/12/2020	2 507 944	2 149 123	1 867 666	6 524 733
Accumulated depreciation 31/12/2020	-1 953 056	-656 787	-1 324 332	-3 934 175
= Book value 31/12/2020	554 888	1 492 336	543 334	2 590 558
This years ordinary depreciations	508 384	107 444	356 800	972 628
Economic life span	3-5 years	20 years	5 years	

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Note 5 Subsidiaries, associates, joint ventures

The parent company owns	Municipality	Owner share	Share of equity 31/12/2020	Share of result 2020	Book value
Squarehead Technology LLC	USA	100 %	4 299 031	26 353	0
Squarehead Laboratories AS	Oslo	100 %	-253 243	-8 400	30 000

Note 6 Inter-company items between companies in the same group etc.

Inter-company items between companies in the same group etc.

Squarehead Technology AS	2020	2019
Customer receivables	0	16 115 094
Other receivables	0	0
Sum	0	16 115 094

Squarehead Technology AS	2020	2019
Debt to suppliers	0	0
Other short-term liabilities	3 808 839	0
Sum	3 808 839	0

Note 7 Inventory

Parent

	2020	2019
Stocks of raw materials	4 545 437	3 140 524
Stocks of goods in development	294 760	280 111
Stocks of self-produced finished goods	6 341 584	3 477 539
Stocks of goods for demonstration	479 622	315 809
Total	11 661 404	7 213 982

Out of the total inventory value of Squarehead Technology AS as at 31.12.2020 NOK 1 937 688 has been written down to fair value due to being considered obsolete.

Group

	2020	2019
Stocks of raw materials	4 545 437	3 140 524
Stocks of goods in development	294 760	280 111
Stocks of self-produced finished goods	6 449 044	3 477 539
Stocks of goods for demonstration	639 694	480 527
Total	11 928 935	7 378 701



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Note 8 Customer receivables

Parent

	2020	2019
Customer receivables at par value	3 779 071	17 182 654
Provision for losses	0	0
Book value of customer receivables 31.12	3 779 071	17 182 654
Change in provision for losses	0	0
Realised losses	8 400	3 339
Total losses on receivables posted against the result	8 400	3 339

Group

	2020	2019
Customer receivables at par value	3 814 939	19 497 526
Provision for losses	0	0
Book value of customer receivables 31.12	3 814 939	19 497 526
Change in provision for losses	0	0
Realised losses	8 400	11 948
Total losses on receivables posted against the result	8 400	11 948

Expensed losses are classified as other operating costs in the profit and loss account.

Note 9 Receivables and liabilities

Parent

	2020	2019
Receivables with a maturity later than one year		
Other long-term receivables (deposit)	846 617	827 617

Group

	2020	2019
Receivables with a maturity later than one year		
Other short-term receivables	880 753	862 744

Included in other short-term debt is a NOK 1 385 772 deposition for a future guarantee obligations.



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Note 10 Bank deposits

Parent

Funds standing on the tax deduction account (restricted funds) amount to NOK 2 792 866.

Note 11 Charges and guarantees

The parent has a granted overdraft up to NOK 6 000 000. The overdraft is secured by charging equipment, inventories and customer receivables up to NOK 15 000 000. Pr 31.12. the granted overdraft has not been used.

Book value of charged assets	2020	2019
Plant and equipment	563 513	688 230
Inventories	11 661 404	7 213 982
Customer receivables	3 779 071	17 182 654
Total	16 003 987	25 084 866

Note 12 Equity capital

Parent

	Share capital	Other equity capital	Total equity capital
As at 01.01.2020	386 880	49 019 539	49 406 419
Capital increase	4 993	901 678	906 671
Result of the year		-11 234 912	-11 234 912
As at pr 31.12.2020	391 873	38 686 305	39 078 178

Group

	Share capital	Other equity capital	Total equity capital
As at 01.01.2020	386 880	53 178 273	53 565 153
Capital increase	4 993	901 678	906 671
Result of the year		-10 992 963	-10 992 963
Valuation differences		-135 366	-135 366
As at 31.12.2020	391 873	42 951 622	43 343 495



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Note 13 Revenues

Parent

	2020	2019
External (Sales of goods)	38 262 925	37 821 136
Internal (Sales of goods)	1 023 810	43 137 368
Norwegian government grant to compensate for covid-19 related losses	1 003 039	0
Total	40 289 774	80 958 504

Group

Sales of goods	44 638 205	89 035 844
Norwegian government grant to compensate for covid-19 related losses	1 003 039	0
Total	45 641 244	89 035 844

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Note 14 Shareholders

THE SHARE CAPITAL IN SQUAREHEAD TECHNOLOGY AS OF. 31.12 CONSISTS OF:

	Total	Face value	Entered
Ordinary shares	391 873	1,00	391 873
Sum	391 873		391 873

OWNERSHIP STRUCTURE

The largest shareholders in % at the year end:

	Ordinary	Owner interest
Nye Torkap AS	47 225	12,2
Passesta AS	38 918	9,9
Bryhni.com AS	28 323	7,2
Nunatak AS	26 865	6,9
Ubon Partners AS	25 053	6,4
Casamare Invest AS	23 873	6,1
TV 2 Gruppen AS	20 043	5,1
Ghibli AS	19 450	5,0
Stig Oluf Nyvold	15 500	4,0
Kolnes Cybernetic Consulting AS	15 142	3,9
Kaare M. Gautvik	12 600	3,2
Andenes Investments S.L	12 526	3,2
Slåpekroken AS	11 074	2,8
Sci Finance AS	10 587	2,7
Sollund AS	9 600	2,4
Robert Horne	9 200	2,3
Tor Anstein Olsen	7 957	2,0
Navartech AS	7 135	1,8
AS BioTrade	7 000	1,8
Camilla Jensen	4 831	1,2
Total >1% ownership	351 845	90,1
Total of other shares	38 971	9,9
Total of shares	386 880	100,0

SHARES AND OPTIONS OWNED BY THE DIRECTORS OF THE BOARD AND THE GENERAL MANAGER:

Name	Position	Ordinary
Stig Oluf Nyvold	general manager	15 500

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ECHAS REVISJON AS

STATSAUTORISERT REVISOR
ERIK CHRISTOFFERSEN

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To the shareholders of
Squarehead Technology AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the financial statements of Squarehead Technology AS (the company), showing a loss of NOK 11 234 912 in the financial statements of the parent company and a loss of NOK 10 992 963 in the financial statements of the group.

The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at December 31, 2020, and the income statement, [statement of changes in equity] and cash flow statement 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 December 31, 2020, and the income statement, [statement of changes in equity] and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

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

MEDLEM AV DEN NORSKE REVISORFORENING



ECHAS REVISJON AS

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, included 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 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.

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 Groups's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting insofar as it is not likely that the Company or Group 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 the auditor's responsibilities, visit <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 and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.



ECHAS REVISJON AS

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Slependen, June 7th 2021

Echas Revisjon AS

Erik Christoffersen
Statsautorisert revisor



Skatteetaten

Vår dato
24.02.2021

Din/Deres dato
11.02.2021

Saksbehandler
Lars Waalorp

800 80 000
Skatteetaten.no

Din/Deres referanse
AR415814046

Telefon
32212244

Org.nr
974761076

Vår referanse
2021/5194177

Postadresse
Postboks 9200 Grønland
0134 OSLO

SQUAREHEAD TECHNOLOGY AS
Postboks 13 Nydalen
0410 OSLO

Att. Maija Buvarp v/Echas Revisjon AS

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Squarehead Technology AS, org.nr. 987 307 749

Vi viser til deres brev av 11. februar 2021 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Squarehead Technology AS. Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Squarehead Technology AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Squarehead Technology AS er eid av norske og utenlandske investorer. Selskapet spesialiserte seg på systemer for retningsstyrt lydopptak og lydanalyse. Selskapet er morselskap til et selskap i USA, og mye av kommunikasjonen foregår derfor på engelsk. Omtrent halvparten av konsernets omsetning skjer gjennom det amerikanske datterselskapet.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig



prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet har utenlandske aksjonærer og er morselskap til et selskap i USA. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.