Deloitte.

Dixa ApS

Vimmelskaftet 41 A, 1.
1161 Copenhagen
CVR No. 36561009

Annual report 2022

The Annual General Meeting adopted the annual report on 30.06.2023

Simon Kristensen
Chairman of the General Meeting

Contents

Entity details

Entity
Dixa ApS

Vimmelskaftet 41 A, 1.

1161 Copenhagen

Business Registration No.: 36561009

Registered office: København

Financial year: 01.01.2022 - 31.12.2022

Board of Directors
Uwe Horstmann

Jocelyn Christopher White

Thomas Neergaard Hansen

Thomas Gareth Hussey

Niels Vejrup Carlsen

Executive Board
Mads Christian Blicher Fosselius

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Dixa ApS for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 30.06.2023

Executive Board

Mads Christian Blicher Fosselius

Board of Directors

Uwe Horstmann

Jocelyn Christopher White

Thomas Neergaard Hansen

Thomas Gareth Hussey

Niels Vejrup Carlsen

Independent auditor's report

To the shareholders of Dixa ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Dixa ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor’s responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor’s report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 and the additional requirements applicable in

Denmark 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 consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 30.06.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov
State Authorised Public Accountant
Identification No (MNE) mne35428

Sune Pagh Sølvsteen
State Authorised Public Accountant
Identification No (MNE) mne47819

Management commentary

Financial highlights

	2022 USD'000	2021 USD'000	2020 USD'000
Key figures			
Gross profit/loss	3,110	7,428	2,674
Operating profit/loss	(53,530)	(19,216)	(7,529)
Net financials	3,183	1,286	(1,114)
Profit/loss for the year	(49,803)	(17,056)	(7,752)
Balance sheet total	63,868	97,809	25,315
Investments in property, plant and equipment	120	171	188
Equity	40,832	82,761	21,559
Cash flows from operating activities	(27,506)	(10,144)	(5,694)
Cash flows from investing activities	(5,187)	(18,264)	(3,853)
Cash flows from financing activities	(2,666)	85,954	20,534
Ratios			
Equity ratio (%)	63.93	84.61	85.16

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%):
Equity * 100
Balance sheet total

Primary activities

Dixa ApS's primary activity is development and innovation within the customer service / customer engagement industry and include operation of a Software-as-a-Service (SaaS) customer service platform. The platform empowers companies and brands to create connected service experiences across all communication channels for their customers and customer service agents in a friendly and engaging way, and to research and develop software and related services which, in the opinion of the Executive Board, is associated hereto.

Acquisitions

In the beginning of 2022, the Company entered a double acquisition of France-based Miuros (Data & Artificial Intelligence based Quality Assurance & Analytics platform) and German-based Solvemate (Data & Artificial Intelligence based Automation & Bot platform) respectively. Both acquisitions have been funded with a combination of cash and shares. The new shares are effected as capital increases in the Group and Parent statement of changes in equity for 2022 and are the majority of total capital increase of the year. The acquisitions support the Company's ability to deliver valuable experiences and effortless customer service for its customers - and their customer service agents and customers.

Development in activities and finances

The Group's activities showed a loss for the financial year of USD -49,803t against USD -17,056t last year.

The net loss for the year is partly a result of significant investments that have been made into development of both the product and the platform to support the growth plans.

The increased net loss was affected by the acquisitions in 2022 that had a positive impact on revenue which was more than offset by higher staff costs and other external expenses.

Finally, the result was negatively affected by impairments on the acquired companies Miuros, Solvemate and Elevio (acquired in 2021). The impairments were performed due to a downward trend on multiples for similar SaaS companies sold during 2022. Based on benchmarks the Group and parent has assessed that the multiples of Elevio, Solvemate and Miuros have dropped between 50-66% per 31 December 2022 compared to acquisition time. See note 8 and 9 for further descriptions in the Group and note 12 for the parent.

After the acquisitions the Group increased the focus towards efficient growth which resulted in optimization of the organization and updated commercial strategy. As a result the staff costs and other external costs declined during the second half of the year.

Profit/loss for the year in relation to expected developments

The net loss for the year was higher than expected as a result of the impairments carried out at year end. Other than that, the result was in line with the expectations.

Liquidity

The Management assesses that the Group has sufficient liquidity for continued operations. At the end of 2022, the Group had a cash position of USD 38,319t.

Uncertainty relating to recognition and measurement

The Group's uncertainty relating to recognition and measurement regards to the Group's development projects and goodwill. The management has performed impairment test of the booked values as of 31.12.2022. For more information see in note 1, 8 and 9.

The parent's uncertainty relating to recognition and measurement regards to the parent's tax recievables, intercompany recievables and investment in group entreprises. The management has performed impairment test of the booked values as of 31.12.2022. For more information see in note 1, 12 and 13.

Unusual circumstances affecting recognition and measurement

No unusual circumstances have affected recognition and measurement in 2022.

Outlook

The management expects to keep investing considerably into both product improvements, new features, and market growth in the coming year. As a result of this, the management expects to incur operating losses also in 2023. However, with a continued focus on driving efficient growth the management expects the net loss to be significantly lowered compared to 2022. This will be the result of higher revenue, and reduced staff costs and other external expenses, but also due to the impairments that affected 2022. In total, the Management expects a loss for 2023 between USD 15-20m.

Use of financial instruments

The Group has no financial instruments. The Group's financial risks constitute exposures in connection with its financial position and its ability to provide liquidity and cash flows for its future operations.

The Group operates internationally, which is why the Group is exposed to changes in exchange rates, especially in relation to USD vs. EUR/DKK and GBP.

The parent company has two loans from the same lender and has in 2022 raised a new loan. The loans carries a fixed interest rate. In addition, warrants have been issued to the lender, which are immediately exercisable and must be exercised within 10 years. The warrants are for D-shares, which are preference shares. At initial recognition, Dixa determines the fair value of the warrants. The remaining amount compared to the loan-amount received is allocated to the host debt contract. The fair value of the warrants are presented within equity and the fair value is not remeasured subsequently. The host debt contract is presented as a financial liability and measured at amortized cost. The consequence of separating the warrants, thereby reducing the carrying amount of the host debt contract at initial recognition is the effective interest increases, as the amount allocated to the warrants must be amortized over the term of the loan.

The Group or the parent compnay has no other material loans why the Group and parent are not exposed for changes in interests.

Knowledge resources

The Group’s primary knowledge resources are employees and the historically developed know-how within development of IT-platforms. The Group’s future earnings are therefore conditional on the knowledge resources within development but in particular also on market knowledge.

Environmental performance

The Group has no activities directly affecting the environment. It is the Group’s interest to conduct environmentally sound operations.

Research and development activities

The company's largest asset is the company's Research & Development project containing the Dixa platform and the company's employees working within this area.

The Company is spending significant resources on development & research and are constantly working towards keeping the strong set of competences, which are employed today in Dixa. The Company did invest 5.1 mUSD in research and development of the platform.

It is Dixa's strategy to keep and further develop the current strong competences and resources in the company.

Events after the balance sheet date

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2022

	Notes	2022 USD	2021 USD
Gross profit/loss		**3,110,103**	**7,427,847**
Staff costs	2	(27,801,526)	(22,335,059)
Depreciation, amortisation and impairment losses	3	(28,838,308)	(4,308,357)
Operating profit/loss		**(53,529,731)**	**(19,215,569)**
Other financial income	4	4,291,660	3,305,458
Other financial expenses	5	(1,108,606)	(2,019,694)
Profit/loss before tax		**(50,346,677)**	**(17,929,805)**
Tax on profit/loss for the year	6	543,244	874,160
Profit/loss for the year	7	**(49,803,433)**	**(17,055,645)**

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 USD	2021 USD
Completed development projects	9	14,772,514	17,728,092
Acquired intangible assets		2,433,130	0
Goodwill		3,334,976	0
Development projects in progress	9	2,492,662	2,953,133
Intangible assets	8	**23,033,282**	**20,681,225**
Other fixtures and fittings, tools and equipment		149,908	220,689
Leasehold improvements		89,092	114,554
Property, plant and equipment	10	**239,000**	**335,243**
Deposits		735,402	878,169
Financial assets	11	**735,402**	**878,169**
Fixed assets		**24,007,684**	**21,894,637**
Trade receivables		61,672	290,540
Other receivables		136,140	137,290
Tax receivable	12	602,830	849,434
Prepayments	13	304,494	522,706
Receivables		**1,105,136**	**1,799,970**
Cash		**38,755,588**	**74,114,507**
Current assets		**39,860,724**	**75,914,477**
Assets		**63,868,408**	**97,809,114**

Equity and liabilities

	Notes	2022 USD	2021 USD
Contributed capital	14	44,833	46,210
Translation reserve		988,846	1,129,236
Reserve for development costs		0	8,144,156
Retained earnings		39,798,425	73,441,064
Equity		**40,832,104**	**82,760,666**
Deferred tax	15	664,520	0
Other provisions	16	158,405	0
Provisions		**822,925**	**0**
Debt to other credit institutions		8,116,700	4,284,085
Other payables		646,506	687,004
Non-current liabilities other than provisions	17	**8,763,206**	**4,971,089**
Current portion of non-current liabilities other than provisions	17	9,023,048	3,910,038
Bank loans		436,174	0
Prepayments received from customers		160,175	0
Trade payables		1,460,768	1,709,818
Other payables		728,830	2,252,611
Deferred income	18	1,641,178	2,204,892
Current liabilities other than provisions		**13,450,173**	**10,077,359**
Liabilities other than provisions		**22,213,379**	**15,048,448**
Equity and liabilities		**63,868,408**	**97,809,114**
Uncertainty relating to recognition and measurement	1		
Unrecognised rental and lease commitments	20		
Contingent assets	21		
Assets charged and collateral	22		
Group relations	23		
Subsidiaries	24		

Consolidated statement of changes in equity for 2022

	Contributed capital USD	Share premium USD	Translation reserve USD	Reserve for development costs USD	Retained earnings USD
Equity beginning of year	46,210	0	1,129,236	8,144,156	73,441,064
Effect of mergers and business combinations	1,323	10,989,883	0	0	0
Increase of capital	33	121,306	0	0	0
Transferred from share premium	0	(11,111,189)	0	0	11,111,189
Exchange rate adjustments	(2,733)	0	(140,390)	0	(4,930,044)
Other entries on equity	0	0	0	0	1,835,493
Transfer to reserves	0	0	0	(8,144,156)	8,144,156
Profit/loss for the year	0	0	0	0	(49,803,433)
Equity end of year	**44,833**	**0**	**988,846**	**0**	**39,798,425**

	Total USD
Equity beginning of year	82,760,666
Effect of mergers and business combinations	10,991,206
Increase of capital	121,339
Transferred from share premium	0
Exchange rate adjustments	(5,073,167)
Other entries on equity	1,835,493
Transfer to reserves	0
Profit/loss for the year	(49,803,433)
Equity end of year	**40,832,104**

Other entries on equity consists of the equity element of debt to credit institutions.

Consolidated cash flow statement for 2022

	Notes	2022 USD	2021 USD
Operating profit/loss		(53,529,731)	(19,215,569)
Amortisation, depreciation and impairment losses		28,838,307	4,308,357
Working capital changes	19	(2,723,758)	2,551,320
Other adjustments		59,931	0
Cash flow from ordinary operating activities		**(27,355,251)**	**(12,355,892)**
Financial income received		0	3,305,458
Financial expenses paid		(883,184)	(2,019,694)
Taxes refunded/(paid)		732,661	926,361
Cash flows from operating activities		**(27,505,774)**	**(10,143,767)**
Acquisition etc. of intangible assets		(5,138,206)	(14,573,433)
Acquisition etc. of property, plant and equipment		(49,175)	(170,727)
Other cash flows from investing activities		0	(3,520,215)
Cash flows from investing activities		**(5,187,381)**	**(18,264,375)**
Free cash flows generated from operations and investments before financing		**(32,693,155)**	**(28,408,142)**
Loans raised		11,871,994	8,194,123
Repayments of loans etc.		(5,089,009)	0
Cash capital increase		121,339	77,760,101
Acquisition of companies		(9,570,088)	0
Cash flows from financing activities		**(2,665,764)**	**85,954,224**
Increase/decrease in cash and cash equivalents		**(35,358,919)**	**57,546,082**
Cash and cash equivalents beginning of year		74,114,507	16,568,425
Cash and cash equivalents end of year		**38,755,588**	**74,114,507**
Cash and cash equivalents at year-end are composed of:			
Cash		38,755,588	74,114,507
Cash and cash equivalents end of year		**38,755,588**	**74,114,507**

Notes to consolidated financial statements

1 Uncertainty relating to recognition and measurement

The goodwill includes impairment losses on the acquired companies Miuros and Solvemate. Based on benchmarks the Management has assessed that the multiples of Solvemate and Miuros have dropped 66% per 31 December 2022 compared to acquisition time. For more informations see note 8.

One developement project includes impairment losses in 2022 on the acquired company Elevio from 2021 that was regonized as an asset deal. Based on benchmarks the Management has assessed that the multiples of Elevio has dropped 55% per 31 December 2022 compared to acquisition time. For more informations see note 9.

The outstanding corporate tax receivable included in the balance sheet relates to the use of the tax credit scheme under section 8X of the Danish Tax Assessment Act, whereby the parent company receives payment for the tax value of losses resulting from research and development expenses. For more informations see note 12.

2 Staff costs

	2022 USD	2021 USD
Wages and salaries	25,607,292	20,001,078
Pension costs	702,894	628,557
Other social security costs	264,763	348,964
Other staff costs	1,226,577	1,356,460
	27,801,526	**22,335,059**
Average number of full-time employees	**233**	**168**

Special incentive programmes

Dixa has, as of 31 December 2022, one active employee incentive warrant program, whereof approximately 13,549,191 warrants have been allocated of the total of 28,328,503 authorized warrants.

Under its legacy warrant program 2.12 - 15,099,194 are outstanding and the authorization to issue more is closed.

Under its legacy warrant program 2.10 - 5,581,500 warrants are outstanding and the authorization is closed.

Under its warrant program 2.9 - 200,000 warrants are outstanding.

The warrant and stock options provide the employees and other key contributors the right to purchase shares at the strike price as individually agreed, however within the ranges of each authorisation. The majority of the warrants and stock options have vesting plans of 4 years.

According to S 98(3) of the Danish Financial Statements, Management has chosen not to disclose the total remuneration for the management.

3 Depreciation, amortisation and impairment losses

	2022 USD	2021 USD
Amortisation of intangible assets	8,335,289	4,213,255
Impairment losses on intangible assets	20,324,356	0
Depreciation on property, plant and equipment	178,663	95,102
	28,838,308	**4,308,357**

4 Other financial income

	2022 USD	2021 USD
Other interest income	0	54
Exchange rate adjustments	4,291,660	3,305,404
	4,291,660	**3,305,458**

5 Other financial expenses

	2022 USD	2021 USD
Other interest expenses	153,486	46,292
Exchange rate adjustments	225,422	650,380
Other financial expenses	729,698	1,323,022
	1,108,606	**2,019,694**

6 Tax on profit/loss for the year

	2022 USD	2021 USD
Current tax	(645,315)	(874,160)
Change in deferred tax	(57,188)	0
Adjustment concerning previous years	159,259	0
	(543,244)	**(874,160)**

7 Proposed distribution of profit/loss

	2022 USD	2021 USD
Retained earnings	(49,803,433)	(17,055,645)
	(49,803,433)	**(17,055,645)**

8 Intangible assets

	Completed development projects USD	Acquired intangible assets USD	Goodwill USD	Development projects in progress USD
Cost beginning of year	23,201,639	0	0	2,953,133
Addition through business combinations etc	3,577,432	0	0	0
Exchange rate adjustments	(613,670)	0	0	(256,913)
Transfers	1,846,784	0	0	(1,846,784)
Additions	3,494,982	2,643,643	20,370,412	1,643,226
Cost end of year	**31,507,167**	**2,643,643**	**20,370,412**	**2,492,662**
Amortisation and impairment losses beginning of year	(5,473,547)	0	0	0
Exchange rate adjustments	152,590	0	0	0
Impairment losses for the year	(4,890,000)	0	(15,434,356)	0
Amortisation for the year	(6,523,696)	(210,513)	(1,601,080)	0
Amortisation and impairment losses end of year	**(16,734,653)**	**(210,513)**	**(17,035,436)**	**0**
Carrying amount end of year	**14,772,514**	**2,433,130**	**3,334,976**	**2,492,662**

The goodwill includes impairment losses on the acquired companies Miuros and Solvemate. The market has experienced a downward trend in ARR multiples for similar SaaS companies sold during 2022. Miuros and Solvemate were both purchased in Q1, and therefore the market drop is a clear indication of potential impairment, why an impairment test has been carried out. The impairment test was performed using fair value less costs of disposal, and was performed using an ARR multiple. Based on benchmarks the Management has assessed that the multiples of Solvemate and Miuros have dropped 66% per 31 December 2022 compared to acquisition time.

9 Development projects

Development projects comprises the Dixa platform, which is the heart in Dixa's business the one and only business area. The development is improved with new versions, features and data to understate the business and needs from the clients. The future return on the development project is expected to exceed the investment. The growth of business within Dixa is big but the profit and loss statement of the year is also affected from massive investments in sales and new business areas.

Depreciation is done in a 5 year period and the management don't have any indication of impairment to the book values as of 31.12.2022.

One developement project includes impairment losses in 2022 on the acquired company Elevio from 2021 that was regonized as an asset deal. The market has experienced a downward trend in ARR multiples for similar SaaS companies sold during 2022. Elevio was purchased in Q1 2021, and therefore the market drop is a clear indication of potential impairment, why an impairment test has been carried out. The impairment test was performed using fair value less costs of disposal, and was performed using an ARR multiple. Based on benchmarks the Management has assessed that the multiples of Elevio has dropped 55% per 31 December 2022 compared to acquisition time.

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment USD	Leasehold improvements USD
Cost beginning of year	357,149	137,488
Addition through business combinations etc	70,994	0
Exchange rate adjustments	(39,000)	(8,256)
Additions	24,925	24,251
Cost end of year	**414,068**	**153,483**
Depreciation and impairment losses beginning of year	(136,460)	(22,934)
Exchange rate adjustments	8,143	1,363
Depreciation for the year	(135,843)	(42,820)
Depreciation and impairment losses end of year	**(264,160)**	**(64,391)**
Carrying amount end of year	**149,908**	**89,092**

11 Financial assets

	Deposits USD
Cost beginning of year	878,169
Exchange rate adjustments	(55,928)
Additions	1,369,015
Disposals	(1,455,854)
Cost end of year	**735,402**
Carrying amount end of year	**735,402**

12 Tax receivable

The outstanding corporate tax receivable included in the balance sheet relates to the use of the tax credit scheme under section 8X of the Danish Tax Assessment Act, whereby the Group company receives payment for the tax value of losses resulting from research and development expenses. Based on the review of the criteria forusing the scheme, it is management's clear understanding that the company is eligible to use the scheme, and the recognition has been made based on thisassessment. There is a risk that the Danish Tax Authority may determine that the conditions for using the scheme have not been met. If so, subsequent financialyears will be negatively affected by the reduction of the outstanding corporate tax receivable through "Tax for the year" in the consolidated statement of profit orloss and other comprehensive income.

13 Prepayments

Prepayments and accrued income consist of prepaid expenses.

14 Contributed capital

	Number
A-shares	125,415,133
B-shares	73,939,000
C-shares	46,466,000
D-shares	66,830,788
	312,650,921

All shares have a nominal value of 0.001 DKK.

15 Deferred tax

	2022 USD
Other taxable temporary differences	664,520
Deferred tax	**664,520**

Changes during the year	2022 USD
Beginning of year	721,708
Recognised in the income statement	(57,188)
End of year	**664,520**

Deferred tax relates to the acquisitions of Miuros and Solvemate in the financial year.

16 Other provisions

Other provisions contains tax provisions estimated if current tranfer pricing principles has been implemented in the Group for all its financial years.

17 Non-current liabilities other than provisions

	Due within 12 months 2022 USD	Due within 12 months 2021 USD	Due after more than 12 months 2022 USD	Outstanding after 5 years 2022 USD
Debt to other credit institutions	9,023,048	3,910,038	8,116,700	27,500
Other payables	0	0	646,506	645,506
	9,023,048	**3,910,038**	**8,763,206**	**673,006**

18 Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

19 Changes in working capital

	2022 USD	2021 USD
Increase/decrease in receivables	956,242	(547,775)
Increase/decrease in trade payables etc.	(3,680,000)	3,099,095
	(2,723,758)	**2,551,320**

20 Unrecognised rental and lease commitments

	2022 USD	2021 USD
Total liabilities under rental or lease agreements until maturity	560,692	897,138

21 Contingent assets

The Group has unrecognised deferred tax assets of 11.394k USD.

22 Assets charged and collateral

A floating charge of a nominal amount of EUR 9.000k has been provided as security for loan of the Company's goodwill, domain names and rights protected by the Danish Consolidate Patents Act, the Danish Consolidate Trademark Act, the Danish Consolidate Designs Act, the Danish Utility Models Act, the Danish Patterns Act, the Danish Copyright Act and the Danish Act on Protection of the Design of Semiconductor Products (topography), operating equipment and unsecured claims relating to the sale of goods and services, also including inventories of raw materials, semi-manufactures and finished goods as well as vehicles that are not or have not previously been registered.

23 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest and smallest group:
Dixa ApS, Copenhagen, Denmark

24 Subsidiaries

	Registered in	Corporate form	Ownership %
Dixa Ltd	United Kingdom	Ltd	100.00
Dixa Inc	United States	Inc	100.00
Dixa Australia Holding Pty Ltd	Australia	Ltd	100.00
Elevio Pty Ltd	Australia	Ltd	100.00
Solvemate Gmbh	Germany	Gmbh	100.00
Murios SAS	France	SAS	100.00
Dixa Estonia OÜ	Estonia	OÜ	100.00

Parent income statement for 2022

	Notes	2022 USD	2021 USD
Gross profit/loss		**(9,454,107)**	**8,631,719**
Staff costs	2	(15,070,542)	(15,382,779)
Depreciation, amortisation and impairment losses	3	(2,708,739)	(1,745,711)
Writedowns of current assets exceeding ordinary writedowns	4	(21,998,047)	0
Operating profit/loss		**(49,231,435)**	**(8,496,771)**
Other financial income	5	6,034,179	3,885,926
Impairment losses on financial assets		(15,319,971)	0
Other financial expenses	6	(911,389)	(1,889,242)
Profit/loss before tax		**(59,428,616)**	**(6,500,087)**
Tax on profit/loss for the year	7	626,045	874,160
Profit/loss for the year	8	**(58,802,571)**	**(5,625,927)**

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 USD	2021 USD
Completed development projects	10	7,834,777	7,488,092
Development projects in progress	10	2,492,661	2,953,133
Intangible assets	9	**10,327,438**	**10,441,225**
Other fixtures and fittings, tools and equipment		91,576	205,171
Leasehold improvements		69,994	111,644
Property, plant and equipment	11	**161,570**	**316,815**
Investments in group enterprises		6,626,191	2
Deposits		311,842	756,205
Financial assets	12	**6,938,033**	**756,207**
Fixed assets		**17,427,041**	**11,514,247**
Trade receivables		374,202	282,990
Receivables from group enterprises	13	2,908,399	21,470,648
Other receivables		40,529	72,084
Tax receivable	14	644,628	849,434
Prepayments	15	457,951	376,399
Receivables		**4,425,709**	**23,051,555**
Cash		**37,590,142**	**72,011,675**
Current assets		**42,015,851**	**95,063,230**
Assets		**59,442,892**	**106,577,477**

Equity and liabilities

	Notes	2022 USD	2021 USD
Contributed capital		44,833	46,210
Translation reserve		445,860	1,047,855
Reserve for development costs		8,055,402	8,144,156
Retained earnings		32,157,020	85,157,672
Equity		**40,703,115**	**94,395,893**
Debt to other credit institutions		6,347,806	4,284,085
Other payables	16	665,901	687,004
Non-current liabilities other than provisions	17	**7,013,707**	**4,971,089**
Current portion of non-current liabilities other than provisions	17	8,164,078	3,910,038
Bank loans		436,174	0
Prepayments received from customers		205	0
Trade payables		607,724	1,138,372
Other payables		1,088,466	1,115,267
Deferred income	18	1,429,423	1,046,818
Current liabilities other than provisions		**11,726,070**	**7,210,495**
Liabilities other than provisions		**18,739,777**	**12,181,584**
Equity and liabilities		**59,442,892**	**106,577,477**
Uncertainty relating to recognition and measurement	1		
Unrecognised rental and lease commitments	19		
Contingent assets	20		
Assets charged and collateral	21		
Transactions with related parties	22		

Parent statement of changes in equity for 2022

	Contributed capital USD	Share premium USD	Translation reserve USD	Reserve for development costs USD	Retained earnings USD
Equity beginning of year	46,210	0	1,047,855	8,144,156	85,157,672
Effect of mergers and business combinations	1,323	10,989,883	0	0	0
Increase of capital	33	121,306	0	0	0
Transferred from share premium	0	(11,111,189)	0	0	11,111,189
Exchange rate adjustments	(2,733)	0	(601,995)	0	(5,556,565)
Other entries on equity	0	0	0	0	158,541
Transfer to reserves	0	0	0	(88,754)	88,754
Profit/loss for the year	0	0	0	0	(58,802,571)
Equity end of year	**44,833**	**0**	**445,860**	**8,055,402**	**32,157,020**

	Total USD
Equity beginning of year	94,395,893
Effect of mergers and business combinations	10,991,206
Increase of capital	121,339
Transferred from share premium	0
Exchange rate adjustments	(6,161,293)
Other entries on equity	158,541
Transfer to reserves	0
Profit/loss for the year	(58,802,571)
Equity end of year	**40,703,115**

Other entries on equity consists of the equity element of debt to credit institutions.

Notes to parent financial statements

1 Uncertainty relating to recognition and measurement

The parent company has impairment losses of intercompany loans to some of subsidiaries where the management has assessed impairment is needed do to future financial performance expectations. For more informations see note 4.

Investment in group entreprises includes impairment losses on the acquired companies Miuros and Solvemate. Based on benchmarks the Management has assessed that the multiples of Solvemate and Miuros have dropped 66% per 31 December 2022 compared to acquisition time. For more informations see note 12.

The outstanding corporate tax receivable included in the balance sheet relates to the use of the tax credit scheme under section 8X of the Danish Tax Assessment Act, whereby the parent company receives payment for the tax value of losses resulting from research and development expenses. For more informations see note 13.

2 Staff costs

	2022 USD	**2021 USD**
Wages and salaries	13,438,900	13,422,950
Pension costs	595,446	538,944
Other social security costs	142,347	154,058
Other staff costs	893,849	1,266,827
	15,070,542	**15,382,779**

Average number of full-time employees	129	131

Special incentive programmes

Dixa has, as of 31 December 2022, one active employee incentive warrant program, whereof approximately 13,549,191 warrants have been allocated of the total of 28,328,503 authorized warrants.

Under its legacy warrant program 2.12 - 15,099,194 are outstanding and the authorization to issue more is closed.

Under its legacy warrant program 2.10 - 5,581,500 warrants are outstanding and the authorization is closed.

Under its warrant program 2.9 - 200,000 warrants are outstanding.

The warrant and stock options provide the employees and other key contributors the right to purchase shares at the strike price as individually agreed, however within the ranges of each authorisation. The majority of the warrants and stock options have vesting plans of 4 years.

According to S 98(3) of the Danish Financial Statements, Management has chosen not to disclose the total remuneration for the management.

3 Depreciation, amortisation and impairment losses

	2022 USD	2021 USD
Amortisation of intangible assets	2,566,128	1,653,255
Depreciation on property, plant and equipment	142,611	92,456
	2,708,739	**1,745,711**

4 Writedowns of current assets exceeding ordinary writedowns

Writedowns contains impairment losses of intercompany loans to some of subsidiaries where the management has assessed impairment is needed do to future financial performance expectations.

5 Other financial income

	2022 USD	2021 USD
Financial income from group enterprises	1,895,373	580,523
Exchange rate adjustments	4,138,806	3,305,403
	6,034,179	**3,885,926**

6 Other financial expenses

	2022 USD	2021 USD
Other interest expenses	39,476	46,190
Exchange rate adjustments	142,429	520,183
Other financial expenses	729,484	1,322,869
	911,389	**1,889,242**

7 Tax on profit/loss for the year

	2022 USD	2021 USD
Current tax	(626,045)	(874,160)
	(626,045)	**(874,160)**

8 Proposed distribution of profit and loss

	2022 USD	2021 USD
Retained earnings	(58,802,571)	(5,625,927)
	(58,802,571)	**(5,625,927)**

9 Intangible assets

	Completed development projects USD	Development projects in progress USD
Cost beginning of year	10,401,639	2,953,133
Exchange rate adjustments	(613,160)	(256,914)
Transfers	1,846,784	(1,846,784)
Additions	1,527,109	1,643,226
Cost end of year	**13,162,372**	**2,492,661**
Amortisation and impairment losses beginning of year	(2,913,547)	0
Exchange rate adjustments	152,080	0
Amortisation for the year	(2,566,128)	0
Amortisation and impairment losses end of year	**(5,327,595)**	**0**
Carrying amount end of year	**7,834,777**	**2,492,661**

10 Development projects

Development projects comprises the Dixa platform, which is the heart in Dixa's business the one and only business area. The development is improved with new versions, features and data to understate the business and needs from the clients. The future return on the development project is expected to exceed the investment. The growth of business within Dixa is big but the profit and loss statement of the year is also affected from massive investments in sales and new business areas.

Depreciation is done in a 5 year period and the management don't have any indication of impairment to the bookvalues as of 31.12.2022.

11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment USD	Leasehold improvements USD
Cost beginning of year	339,022	134,442
Exchange rate adjustments	(19,985)	(7,924)
Additions	6,035	4,346
Cost end of year	**325,072**	**130,864**
Depreciation and impairment losses beginning of year	(133,851)	(22,798)
Exchange rate adjustments	7,890	(2,995)
Depreciation for the year	(107,535)	(35,077)
Depreciation and impairment losses end of year	**(233,496)**	**(60,870)**
Carrying amount end of year	**91,576**	**69,994**

12 Financial assets

	Investments in group enterprises USD	Deposits USD
Cost beginning of year	2	756,205
Exchange rate adjustments	6,391	(44,577)
Additions	22,054,154	213,788
Disposals	0	(613,574)
Cost end of year	**22,060,547**	**311,842**
Impairment losses on goodwill	(15,434,356)	0
Impairment losses end of year	**(15,434,356)**	**0**
Carrying amount end of year	**6,626,191**	**311,842**

The investments in group entreprises includes impairment losses on the acquired companies Miuros and Solvemate. The market has experienced a downward trend in ARR multiples for similar SaaS companies sold during 2022. Miuros and Solvemate were both purchased in Q1, and therefore the market drop is a clear indication of potential impairment, why an impairment test has been carried out. The impairment test was performed using fair value less costs of disposal, and was performed using an ARR multiple. Based on benchmarks the Management has assessed that the multiples of Solvemate and Miuros have dropped 66% per 31 December 2022 compared to acquisition time.

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

13 Receivables from group enterprises

Receivables from group entreprises contains impairment losses of intercompany loans to some of subsidiaries where the management has assessed impairment is needed do to future financial performance expectations. See note for further informations.

14 Tax receivable

The outstanding corporate tax receivable included in the balance sheet relates to the use of the tax credit scheme under section 8X of the Danish Tax AssessmentAct, whereby the company receives payment for the tax value of losses resulting from research and development expenses. Based on the review of the criteria forusing the scheme, it is management's clear understanding that the company is eligible to use the scheme, and the recognition has been made based on thisassessment. There is a risk that the Danish Tax Authority may determine that the conditions for using the scheme have not been met. If so, subsequent financialyears will be negatively affected by the reduction of the outstanding corporate tax receivable through "Tax for the year" in the consolidated statement of profit orloss and other comprehensive income.

15 Prepayments

Prepayments and accrued income consist of prepaid expenses.

16 Other payables

	2022 USD	2021 USD
Holiday pay obligation	665,901	687,004
	665,901	**687,004**

17 Non-current liabilities other than provisions

	Due within 12 months 2022 USD	Due within 12 months 2021 USD	Due after more than 12 months 2022 USD	Outstanding after 5 years 2022 USD
Debt to other credit institutions	8,164,078	3,910,038	6,347,806	0
Other payables	0	0	665,901	645,506
	8,164,078	**3,910,038**	**7,013,707**	**645,506**

18 Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

19 Unrecognised rental and lease commitments

	2022 USD	2021 USD
Total liabilities under rental or lease agreements until maturity	560,692	695,487

20 Contingent assets

The Company has unrecognized deferred tax assets of 7.237k USD containing to carry forward tax losses.

21 Assets charged and collateral

A floating charge of a nominal amount of EUR 9.000k has been provided as security for loan of the Company's goodwill, domain names and rights protected by the Danish Consolidate Patents Act, the Danish Consolidate Trademark Act, the Danish Consolidate Designs Act, the Danish Utility Models Act, the Danish Patterns Act, the Danish Copyright Act and the Danish Act on Protection of the Design of Semiconductor Products (topography), operating equipment and unsecured claims relating to the sale of goods and services, also including inventories of raw materials, semi-manufactures and finished goods as well as vehicles that are not or have not previously been registered.

22 Non-arm's length related party transactions

The parent company has tranfered all development projects from one of its subsidiaries without any payment. All other transactions with related parties have taken place on the basis of arm's length principles.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

Changes in accounting policies

The Entity has changed its accounting policies with regard to presentation of own work capitalized and regarding cash flow statement.

The change in accounting policies regarding own work capitalized has not led to a decrease or increase in equity, assets or liabilities. Own work capitalized was previous shown as a deduct of staff cost, but is now presented on a seperate line, as part of gross profit.

In accordance with an interpretation by the Danish Business Authority, drawings on the company's cash-flow facility in Statement of cash flows are classified as cash flows from financing activities, where the withdrawal on the credit was previously classified as cash in the cash flow statement. The change results in a positive on cash flows from financing activities of 6.758.067 in 2022 (89.711 for 2021) and an increase in Cash and cash equivalents of 6.758.067 kr at 31 December 2022 (89.711 DKK at 31 December 2021). Comparative figures have been restated.

The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistent with last year with minor reclassifications.

Material uncertainty related to recognition and measurement

The Group

The goodwill includes impairment losses on the acquired companies Miuros and Solvemate. Based on benchmarks the Management has assessed that the multiples of Solvemate and Miuros have dropped 66% per 31 December 2022 compared to acquisition time. For more informations see note 8.

One developement project includes impairment losses in 2022 on the acquired company Elevio from 2021 that was regonized as an asset deal. Based on benchmarks the Management has assessed that the multiples of Elevio has dropped 55% per 31 December 2022 compared to acquisition time. For more informations see note 9.

The parent company

The parent company has impairment losses of intercompany loans to some of subsidiaries where the management has assessed impairment is needed do to future financial performance expectations. For more informations see note 4.

Investment in group entreprises includes impairment losses on the acquired companies Miuros and Solvemate. Based on benchmarks the Management has assessed that the multiples of Solvemate and Miuros have dropped 66% per 31 December 2022 compared to acquisition time. For more informations see note 12.

The outstanding corporate tax receivable included in the balance sheet relates to the use of the tax credit scheme under section 8X of the Danish Tax Assessment Act, whereby the parent company receives payment for the tax value of losses resulting from research and development expenses. For more informations see note 13.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group’s accounting policies.

Subsidiaries’ financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries’ net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

The Company holds a loan where warrants for preference shares has been issued to the lender. The loan is a hybrid contract containing a host debt contract and an embedded derivative, i.e. the warrants. The warrants and the host debt contract are accounted for separately as the economic characteristics and risks of the warrants are not closely related to the host debt contract. Warrants are classified upon initial recognition as an equity instrument due to the substance of the contractual agreement and are measured at fair value. Warrants are not subsequently remeasured. The amount allocated to the host debt contract is presented as a financial liability and measured at amortized cost.

Public grants

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed. Revenue from licences is recognized over the licence period.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Writedowns of current assets exceeding ordinary writedowns

Writedowns of current assets exceeding ordinary writedowns are those on inventories, receivables and other current assets that differ from ordinary writedowns of these items.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies.

Impairment losses on financial assets

Impairment losses on financial assets comprises impairment losses on financial assets which are not measured at fair value on a current basis.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and exchange losses.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Goodwill
Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For all amounts of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.
Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights and aquired rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are measured at cost. Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises bank deposits.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other provisions
Other provisions comprise anticipated costs of tax provisions etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Tax provisions contains estimated tax costs if current tranfer pricing principles has been implemented in the group for all its financial years.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.