Deloitte.

Dixa ApS

Artillerivej 86, st. tv.
2300 Copenhagen S
CVR No. 36561009

Annual report 2023

The Annual General Meeting adopted the annual report on 30.06.2024

Morten Spurr Pihlkjær
Chairman of the General Meeting

Contents

Entity details

Entity

Dixa ApS
Artillerivej 86, st. tv.
2300 Copenhagen S

Business Registration No.: 36561009
Registered office: Copenhagen
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Thomas Neergaard Hansen, chairman
Uwe Horstmann
Jocelyn Christopher White
Christian Brøndum
Eric Charles Salzman

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 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

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, 30.06.2024

Executive Board

Mads Christian Blicher Fosselius

Board of Directors

Thomas Neergaard Hansen
chairman

Uwe Horstmann

Jocelyn Christopher White

Christian Brøndum

Eric Charles Salzman

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 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 30.06.2024

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

	2023 USD'000	2022 USD'000	2021 USD'000	2020 USD'000	2019 USD'000
Key figures					
Gross profit/loss	2,328	3,110	7,428	2,674	(884)
Operating profit/loss	(29,281)	(57,499)*	(19,216)	(7,529)	(5,558)
Net financials	(1,780)	4,021*	1,286	(1,114)	(62)
Profit/loss for the year	(32,540)	(52,935)*	(17,056)	(7,752)	(5,225)
Balance sheet total	32,190	63,868	97,809	25,315	9,384
Investments in property, plant and equipment	41	120	171	188	130
Equity	7,062	38,385*	82,761	21,864	8,110
Cash flows from operating activities	(21,907)	(27,506)	(10,144)	(5,694)	(5,160)
Cash flows from investing activities	(5,655)	(5,187)	(18,264)	(3,853)	(1,112)
Cash flows from financing activities	4,102	(2,666)	85,954	20,534	(3,422)
Ratios					
Return on equity (%)	(143.20)	(87.39)	(32.60)	(51.72)	(64.42)
Equity ratio (%)	21.94	60.10	84.61	86.37	86.42

*Amounts have changed due to the material mistake in prior year, which are further described in the accounting policy section.

Figures for 2019 are not consolidated figures and cannot be compared.

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

Return on equity (%):
Profit/loss for the year * 100
Average equity

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.

Development in activities and finances

The Group's activities showed a loss for the financial year of USD -32,540k against USD –52,935k last year. The net loss for the year is a result of significant investments that have been made into development to support the growth plans of the company.

The Parent Company has contributed debtreliefs as group contributions of USD 26,2m. Therefor the Management has assessed the value of subsidaries, which has had an negative impact on income statement of USD 26,2m. Furthermore the write-down of the intercompany loans, which has had a positive impact on the income statement of USD 22,4m. For more information see in, Notes to parent financiel statement, note 4 and 12.

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 and provision for repayment of the Tax Credit Scheme. 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 2023, the Group had a cash position of USD 15,295k.

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 31.12.2023. 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 regarding the Tax Credit Scheme , intercompany receivables and investment in group entreprises. The management has performed impairment test of the booked values as of 31.12.2023. For more information see in note 1, 4, 12, 13, 14 and 19.

Material errors in previous years has been adjusted and consists adjustments relating to the puchase of shares in Solvemate concerning a mistake in the assessment of the contingent consideration. For more information see "accounting policies".

The parent has been selected for inspection by the Danish Tax Agency with primary focus on the Company's historical use of the rules of the Tax Credit Scheme (LL8x). The Danish Tax Agency has preliminarily concluded that the Company does not fulfil the conditions for using the Tax Credit Scheme for the income years 2021 and 2022. The Company's Management has therefore initiated a dialogue with the Danish Tax Agency on this matter. For considerations of prudence, when presenting the annual report for 2023, the Company's Management has chosen to recognise the tax credit received for the income years 2021 (USD 815 thousand) and 2022 (USD 652 thousand) as well as estimated interest surcharges as tax payable in the annual report at 31 December 2023. Please see note 1 for further details thereof.

Unusual circumstances affecting recognition and measurement

With the exception of the above regardring The Tax Credit scheme, no unusual circumstances have affected recognition and measurement in 2023.

Outlook

The management expects to keep investing considerably into both product improvements, new features, and market growth in the coming year. In total, the Management expects a loss for 2024 between USD 10-15m. However, with a continued focus on driving efficient growth the management expects the net loss to be lowered compared to 2023.

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 Group are refinanced in 2023 and has a combined credit facility of 20m EUR with one lender. 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 A-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 the loan and the fair value is 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 company has no other material loans.

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. 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 2023

	Notes	2023 USD	2022 USD
Gross profit/loss		**2,327,779**	**3,110,103**
Staff costs	2	(22,343,966)	(29,232,064)
Depreciation, amortisation and impairment losses	3	(9,099,714)	(31,376,660)
Other operating expenses		(165,249)	0
Operating profit/loss		**(29,281,150)**	**(57,498,621)**
Other financial income	4	696,997	5,129,316
Other financial expenses	5	(2,477,203)	(1,108,606)
Profit/loss before tax		**(31,061,356)**	**(53,477,911)**
Tax on profit/loss for the year	6	(1,478,987)	543,244
Profit/loss for the year	7	**(32,540,343)**	**(52,934,667)**

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 USD	2022 USD
Completed development projects	9	9,500,458	14,772,514
Acquired intangible assets		2,166,440	2,433,130
Goodwill		1,062,793	3,334,976
Development projects in progress	9	1,705,990	2,492,662
Intangible assets	8	**14,435,681**	**23,033,282**
Other fixtures and fittings, tools and equipment		63,948	149,908
Leasehold improvements		74,580	89,092
Property, plant and equipment	10	**138,528**	**239,000**
Deposits		705,057	735,402
Financial assets	11	**705,057**	**735,402**
Fixed assets		**15,279,266**	**24,007,684**
Trade receivables		1,122,235	61,672
Other receivables		94,513	136,140
Tax receivable	12	0	602,830
Prepayments	13	399,523	304,494
Receivables		**1,616,271**	**1,105,136**
Cash		**15,294,606**	**38,755,588**
Current assets		**16,910,877**	**39,860,724**
Assets		**32,190,143**	**63,868,408**

Equity and liabilities

	Notes	2023 USD	2022 USD
Contributed capital	14	45,083	44,833
Translation reserve		1,713,452	948,955
Retained earnings		5,302,988	37,391,573
Equity		**7,061,523**	**38,385,361**
Deferred tax	15	591,714	664,520
Other provisions	16	0	2,605,148
Provisions		**591,714**	**3,269,668**
Debt to other credit institutions		13,892,139	8,116,700
Other payables		706,295	646,506
Non-current liabilities other than provisions	17	**14,598,434**	**8,763,206**
Current portion of non-current liabilities other than provisions	17	2,285,887	9,023,048
Bank loans		0	436,174
Prepayments received from customers		154,229	160,175
Trade payables		1,412,458	1,460,768
Tax payable	18	1,654,290	0
Other payables		1,668,770	728,830
Deferred income	19	2,762,838	1,641,178
Current liabilities other than provisions		**9,938,472**	**13,450,173**
Liabilities other than provisions		**24,536,906**	**22,213,379**
Equity and liabilities		**32,190,143**	**63,868,408**
Uncertainty relating to recognition and measurement	1		
Unrecognised rental and lease commitments	21		
Contingent assets	22		
Assets charged and collateral	23		
Group relations	24		
Subsidiaries	25		

Consolidated statement of changes in equity for 2023

	Contributed capital USD	Share premium USD	Translation reserve USD	Retained earnings USD	Total USD
Equity beginning of year	44,833	0	988,846	39,798,425	40,832,104
Adjustment of material errors	0	0	(39,891)	(2,406,852)	(2,446,743)
Adjusted equity, beginning of year	**44,833**	**0**	**948,955**	**37,391,573**	**38,385,361**
Capital increase by debt conversion	250	2,077,264	0	0	2,077,514
Transferred from share premium	0	(451,758)	0	451,758	0
Exchange rate adjustments	0	0	764,497	0	764,497
Other entries on equity	0	(1,625,506)	0	0	(1,625,506)
Profit/loss for the year	0	0	0	(32,540,343)	(32,540,343)
Equity end of year	**45,083**	**0**	**1,713,452**	**5,302,988**	**7,061,523**

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

Consolidated cash flow statement for 2023

	Notes	2023 USD	2022 USD
Operating profit/loss		(29,281,150)	(57,498,621)
Amortisation, depreciation and impairment losses		9,099,713	31,376,660
Working capital changes	20	(1,621,634)	(2,723,758)
Adjustment of staff cost		0	1,430,537
Other adjustments		68,674	59,931
Cash flow from ordinary operating activities		**(21,734,397)**	**(27,355,251)**
Financial income received		696,997	0
Financial expenses paid		(1,647,876)	(883,184)
Taxes refunded/(paid)		778,133	732,661
Cash flows from operating activities		**(21,907,143)**	**(27,505,774)**
Acquisition etc. of intangible assets		(3,537,183)	(5,138,206)
Acquisition etc. of property, plant and equipment		(40,771)	(49,175)
Payment of contingent liability		(2,077,515)	0
Cash flows from investing activities		**(5,655,469)**	**(5,187,381)**
Free cash flows generated from operations and investments before financing		**(27,562,612)**	**(32,693,155)**
Loans raised		15,973,624	11,871,994
Repayments of loans etc.		(11,871,994)	(5,089,009)
Cash capital increase		0	121,339
Acquisition of companies		0	(9,570,088)
Cash flows from financing activities		**4,101,630**	**(2,665,764)**
Increase/decrease in cash and cash equivalents		**(23,460,982)**	**(35,358,919)**
Cash and cash equivalents beginning of year		38,755,588	74,114,507
Cash and cash equivalents end of year		**15,294,606**	**38,755,588**

Cash and cash equivalents at year-end are composed of:		
Cash	15,294,606	38,755,588
Cash and cash equivalents end of year	**15,294,606**	**38,755,588**

Notes to consolidated financial statements

1 Uncertainty relating to recognition and measurement

Development projects

The Group's uncertainty relating to recognition and measurement regards to the Group's development projects. The management has performed impairment test of the booked values as of 31.12.2023. For more information see in note 9.

Refinancing

The Group are refinanced in 2023 and has a combined credit facility of 20m EUR with one lender in the Parent Company. The issued loan contains a warrant element, which is recognized at fair value of USD 988k. There are uncertainty regarding the fair value as this is remeasured subsequently.

Tax Credit Scheme (LL8x)

The Company has been selected for inspection by the Danish Tax Agency with primary focus on the Company's historical use of the rules of the Tax Credit Scheme (LL8x). For further details, we refer to the management commentary as well as note 1 in the Parent Companys financial statements.

2 Staff costs

	2023 USD	2022 USD
Wages and salaries	21,427,817	27,037,830
Pension costs	516,935	702,894
Other social security costs	274,187	264,763
Other staff costs	125,027	1,226,577
	22,343,966	**29,232,064**
Average number of full-time employees	164	233

Special incentive programmes

Dixa has, as of 31 December 2023, the following warrant incentive plans targeted employees and key stakeholders.

Warrant program 2.19 (Articles of Association ("AoA") Art. 2.19), whereof approximately 22,527,336 warrants have been allocated of the total of 28,328,503 authorized warrants.

Warrant program 2.12 (AoA Art. 2.12) - 10,596,177 are outstanding and the authorization to issue more is closed.

Warrant program 2.10 (AoA art. 2.10) - 4,868,999 warrants are outstanding and the authorization is closed.

Warrant program 2.9 (AoA Art. 2.9) - 200,000 warrants are outstanding. Authorization closed.

The warrants/options provide the employees and other key stakeholders 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.

Management remenuration is included in the warrant program.
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

	2023 USD	2022 USD
Amortisation of intangible assets	9,021,115	8,525,665
Impairment losses on intangible assets	0	22,672,332
Depreciation on property, plant and equipment	78,599	178,663
	9,099,714	**31,376,660**

4 Other financial income

	2023 USD	2022 USD
Other interest income	696,997	0
Exchange rate adjustments	0	4,291,660
Fair value adjustments	0	837,656
	696,997	**5,129,316**

5 Other financial expenses

	2023 USD	2022 USD
Other interest expenses	1,566,861	153,486
Exchange rate adjustments	152,206	225,422
Other financial expenses	758,136	729,698
	2,477,203	**1,108,606**

6 Tax on profit/loss for the year

	2023 USD	2022 USD
Current tax	0	(645,315)
Change in deferred tax	(72,094)	(57,188)
Adjustment concerning previous years	1,551,081	159,259
	1,478,987	**(543,244)**

The Company has adjustment concerning previous years 2021 and 2022 as a result of the ongoing dialogue with the Danish Tax Agency regarding the right to use the Tax Credit Scheme. For further details, we refer to the management commentary as well as note 1 in the Parent Companys financial statements.

7 Proposed distribution of profit/loss

	2023 USD	2022 USD
Retained earnings	(32,540,343)	(52,934,667)
	(32,540,343)	**(52,934,667)**

8 Intangible assets

	Completed development projects USD	Acquired intangible assets USD	Goodwill USD	Development projects in progress USD
Cost beginning of year	31,507,167	2,643,643	20,370,412	2,492,662
Exchange rate adjustments	(2,854,322)	(2,609)	(237,327)	0
Transfers	1,403,581	0	0	(1,403,581)
Additions	2,920,274	0	0	616,909
Cost end of year	**32,976,700**	**2,641,034**	**20,133,085**	**1,705,990**
Amortisation and impairment losses beginning of year	(16,734,653)	(210,513)	(17,035,436)	0
Exchange rate adjustments	(19,411)	0	0	0
Amortisation for the year	(6,722,178)	(264,081)	(2,034,856)	0
Amortisation and impairment losses end of year	**(23,476,242)**	**(474,594)**	**(19,070,292)**	**0**
Carrying amount end of year	**9,500,458**	**2,166,440**	**1,062,793**	**1,705,990**

9 Development projects

Development projects comprises the Dixa platform, which is the core of Dixa's product offering. The development is improved with new features, functionalities and data to service 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 developing the product for the future. Depreciation is done in a 5 year period and the management don't have any indication of impairment to the book values as of 31.12.2023.

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment USD	Leasehold improvements USD
Cost beginning of year	414,068	153,483
Exchange rate adjustments	(57,484)	(5,159)
Additions	16,586	24,184
Cost end of year	**373,170**	**172,508**
Depreciation and impairment losses beginning of year	(264,160)	(64,391)
Depreciation for the year	(45,062)	(33,537)
Depreciation and impairment losses end of year	**(309,222)**	**(97,928)**
Carrying amount end of year	**63,948**	**74,580**

11 Financial assets

	Deposits USD
Cost beginning of year	735,402
Exchange rate adjustments	(262,228)
Additions	231,883
Cost end of year	**705,057**
Carrying amount end of year	**705,057**

12 Tax receivable

The Company has chosen not to recognise income tax receivable as a result of the ongoing dialogue with the Danish Tax Agency regarding the right to use the Tax Credit Scheme. For further details, we refer to the management commentary as well as note 1 in the Parent Companys financial statements.

13 Prepayments

Prepayments and accrued income consist of prepaid expenses.

14 Contributed capital

	Number
A-shares	127,101,435
B-shares	73,939,000
C-shares	46,466,000
D-shares	66,830,788
	314,337,223

All shares have a nominal value of 0.001 DKK.

15 Deferred tax

	2023 USD	2022 USD
Other taxable temporary differences	591,714	664,520
Deferred tax	**591,714**	**664,520**

Changes during the year	2023 USD	2022 USD
Beginning of year	664,520	721,708
Recognised in the income statement	(72,806)	(57,188)
End of year	**591,714**	**664,520**

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 2023 USD	Due within 12 months 2022 USD	Due after more than 12 months 2023 USD	Outstanding after 5 years 2023 USD
Debt to other credit institutions	2,285,887	9,023,048	13,892,139	0
Other payables	0	0	706,295	706,295
	2,285,887	**9,023,048**	**14,598,434**	**706,295**

18 Tax payable

The Company has been selected for inspection by the Danish Tax Agency with primary focus on the Company's historical use of the rules of the Tax Credit Scheme (LL8x). The Danish Tax Agency has preliminarily concluded that the Company does not fulfil the conditions for using the Tax Credit Scheme for the income years 2021 and 2022. The Company's Management has therefore initiated a dialogue with the Danish Tax Agency on this matter. For considerations of prudence, when presenting the annual report for 2023, the Company's Management has chosen to recognise the tax credit received for the income years 2021 (USD 815 thousand) and 2022 (USD 652 thousand) as well as estimated interest surcharges as tax payable in the annual report at 31 December 2023. Please see note 1 in the Parent Companys financial statements for further details thereof.

19 Deferred income

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

20 Changes in working capital

	2023 USD	2022 USD
Increase/decrease in receivables	(1,083,621)	956,242
Increase/decrease in trade payables etc.	(538,013)	(3,680,000)
	(1,621,634)	**(2,723,758)**

21 Unrecognised rental and lease commitments

	2023 USD	2022 USD
Total liabilities under rental or lease agreements until maturity	794,630	560,692

22 Contingent assets
The Group has unrecognised deferred tax assets of USD 22.331k regarding to carry forward tax losses.

23 Assets charged and collateral
A floating charge of a nominal amount of EUR 20.000k 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.

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

25 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 (sub to Dixa Austrailia Holding)	Australia	Ltd	100.00
Solvemate Gmbh	Germany	Gmbh	100.00
Miuros SAS	France	SAS	100.00
Dixa Estonia OÜ	Estonia	OÜ	100.00

Parent income statement for 2023

	Notes	2023 USD	2022 USD
Gross profit/loss		**(7,765,415)**	**(10,549,138)**
Staff costs	2	(11,274,452)	(13,975,510)
Depreciation, amortisation and impairment losses	3	(2,996,919)	(2,708,739)
Writedowns of current assets exceeding normal writedowns	4	22,431,070	(21,998,047)
Other operating expenses		(165,250)	0
Operating profit/loss		**229,034**	**(49,231,434)**
Other financial income	5	3,925,924	6,731,278
Impairment losses on financial assets		(26,224,111)	(19,288,862)
Other financial expenses	6	(2,297,744)	(768,960)
Profit/loss before tax		**(24,366,897)**	**(62,557,978)**
Tax on profit/loss for the year	7	(1,551,081)	626,045
Profit/loss for the year	8	**(25,917,978)**	**(61,931,933)**

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 USD	2022 USD
Completed development projects	10	7,891,448	7,834,777
Acquired rights		4,591,279	0
Development projects in progress	10	1,789,850	2,492,661
Intangible assets	9	**14,272,577**	**10,327,438**
Other fixtures and fittings, tools and equipment		43,554	91,576
Leasehold improvements		38,818	69,994
Property, plant and equipment	11	**82,372**	**161,570**
Investments in group enterprises		6,222,929	6,626,191
Deposits		341,695	311,842
Financial assets	12	**6,564,624**	**6,938,033**
Fixed assets		**20,919,573**	**17,427,041**
Trade receivables		1,088,964	374,202
Receivables from group enterprises	13	1,436,501	2,908,399
Other receivables		89,014	40,529
Tax receivable	14	0	644,628
Prepayments	15	596,794	457,951
Receivables		**3,211,273**	**4,425,709**
Cash		**14,556,122**	**37,590,142**
Current assets		**17,767,395**	**42,015,851**
Assets		**38,686,968**	**59,442,892**

Equity and liabilities

	Notes	2023 USD	2022 USD
Contributed capital		46,605	44,833
Translation reserve		1,219,216	404,098
Reserve for development costs		7,551,412	8,055,402
Retained earnings		4,789,809	29,752,039
Equity		**13,607,042**	**38,256,372**
Other provisions	16	0	2,446,743
Provisions		**0**	**2,446,743**
Debt to other credit institutions		14,000,786	6,347,806
Other payables	17	706,295	646,506
Non-current liabilities other than provisions	18	**14,707,081**	**6,994,312**
Current portion of non-current liabilities other than provisions	18	2,285,887	8,164,078
Bank loans		0	436,174
Prepayments received from customers		0	205
Trade payables		986,498	607,724
Payables to group enterprises		1,698,871	0
Tax payable	19	1,516,505	0
Other payables		1,406,681	1,107,861
Deferred income	20	2,478,403	1,429,423
Current liabilities other than provisions		**10,372,845**	**11,745,465**
Liabilities other than provisions		**25,079,926**	**18,739,777**
Equity and liabilities		**38,686,968**	**59,442,892**
Uncertainty relating to recognition and measurement	1		
Unrecognised rental and lease commitments	21		
Contingent assets	22		
Assets charged and collateral	23		
Non-arm’s length related party transactions	24		

Parent statement of changes in equity for 2023

	Contributed capital USD	Share premium USD	Translation reserve USD	Reserve for development costs USD	Retained earnings USD	Total USD
Equity beginning of year	44,833	0	445,860	8,055,402	32,157,020	40,703,115
Adjustment of material errors	0	0	(41,762)	0	(2,404,981)	(2,446,743)
Adjusted equity, beginning of year	**44,833**	**0**	**404,098**	**8,055,402**	**29,752,039**	**38,256,372**
Capital increase by debt conversion	250	2,077,264	0	0	0	2,077,514
Transferred from share premium	0	(451,758)	0	0	451,758	0
Exchange rate adjustments	1,522	0	815,118	0	0	816,640
Other entries on equity	0	(1,625,506)	0	0	0	(1,625,506)
Transfer to reserves	0	0	0	(503,990)	503,990	0
Profit/loss for the year	0	0	0	0	(25,917,978)	(25,917,978)
Equity end of year	**46,605**	**0**	**1,219,216**	**7,551,412**	**4,789,809**	**13,607,042**

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

Impairment losses of intercompany loans

The parent company has reversed it's impairment losses of intercompany loans to some of subsidiaries. For more informations see note 4.

Investment in group entreprises includes impairment losses on the subsidaries. For more informations see note 12.

Refinancing

The Group are refinanced in 2023 and has a combined credit facility of 20m EUR with one lender in the Parent Company. The issued loan contains a warrant element, which is recognized at fair value of USD 988k. There are uncertainty regarding the fair value as this is remeasured subsequently.

Tax Credit Scheme (LL8x)

The Company has been selected for inspection by the Danish Tax Agency with primary focus on the Company's historical use of the rules of the Tax Credit Scheme (LL8x). The Danish Tax Agency has preliminarily concluded that the Company does not fulfil the conditions for using the Tax Credit Scheme for the income years 2021 and 2022. It is Management's assessment that all requirements for using the Tax Credit Scheme have been observed for the income years 2021 as well as 2022 and that several of the Company's development projects in 2023 are qualified for using this scheme. On this basis, the Company's Management has initiated a dialogue with the Danish Tax Agency about the preliminary decision and expects in 2024 to initiate a number of meetings with the Danish Tax Agency, hoping that the Danish Tax Agency will change its preliminary decision.

For considerations of prudence, when presenting the annual report for 2023, the Company's Management has chosen to recognise the tax credit received for the income years 2021 (USD 815 thousand) and 2022 (USD 652 thousand) as well as estimated interest surcharges as tax payable in the annual report at 31 December 2023, whereas the Company has not recognised the potential tax credit receivable for 2023.

If the Company is approved for the Tax Credit Scheme for 2021, 2022 and also for 2023, the Company will potentially be able to recognise USD 1,937 thousand in current tax covering all 3 income years.

2 Staff costs

	2023 USD	2022 USD
Wages and salaries	10,755,778	13,237,717
Pension costs	424,059	595,446
Other social security costs	94,615	142,347
	11,274,452	**13,975,510**
Average number of full-time employees	83	119

Special incentive programmes

Dixa has, as of 31 December 2023, the following warrant incentive plans targeted employees and key stakeholders.

Warrant program 2.19 (Articles of Association ("AoA") Art. 2.19), whereof approximately 22,527,336 warrants have been allocated of the total of 28,328,503 authorized warrants.

Warrant program 2.12 (AoA Art. 2.12) - 10,596,177 are outstanding and the authorization to issue more is closed.

Warrant program 2.10 (AoA art. 2.10) - 4,868,999 warrants are outstanding and the authorization is closed.

Warrant program 2.9 (AoA Art. 2.9) - 200,000 warrants are outstanding. Authorization closed.

The warrants/options provide the employees and other key stakeholders 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.

Management remenuration is included in the warrant program.
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

	2023 USD	2022 USD
Amortisation of intangible assets	2,897,801	2,566,128
Depreciation on property, plant and equipment	99,118	142,611
	2,996,919	**2,708,739**

4 Writedowns of current assets exceeding ordinary writedowns

In 2022 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. In 2023 the writedowns have been reversed as the receivables has been partly paid out and converted to equity in subsidiaries.

5 Other financial income

	2023 USD	2022 USD
Financial income from group enterprises	3,206,572	1,895,373
Other interest income	696,997	0
Exchange rate adjustments	22,355	3,998,249
Fair value adjustments	0	837,656
	3,925,924	**6,731,278**

6 Other financial expenses

	2023 USD	2022 USD
Other interest expenses	1,566,681	39,476
Other financial expenses	731,063	729,484
	2,297,744	**768,960**

7 Tax on profit/loss for the year

	2023 USD	2022 USD
Current tax	0	(626,045)
Adjustment concerning previous years	1,551,081	0
	1,551,081	**(626,045)**

The Company has adjustment concerning previous years 2021 and 2022 as a result of the ongoing dialogue with the Danish Tax Agency regarding the right to use the Tax Credit Scheme. For further details, we refer to the management commentary as well as note 1.

8 Proposed distribution of profit and loss

	2023 USD	2022 USD
Retained earnings	(25,917,978)	(61,931,933)
	(25,917,978)	**(61,931,933)**

9 Intangible assets

	Completed development projects USD	Acquired rights USD	Development projects in progress USD
Cost beginning of year	13,162,372	0	2,492,661
Exchange rate adjustments	443,969	0	83,861
Transfers	1,403,581	0	(1,403,581)
Additions	1,347,946	4,591,279	785,686
Disposals	0	0	(168,777)
Cost end of year	**16,357,868**	**4,591,279**	**1,789,850**
Amortisation and impairment losses beginning of year	(5,327,595)	0	0
Exchange rate adjustments	(241,024)	0	0
Amortisation for the year	(2,897,801)	0	0
Amortisation and impairment losses end of year	**(8,466,420)**	**0**	**0**
Carrying amount end of year	**7,891,448**	**4,591,279**	**1,789,850**

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 book values as of 31.12.2023.

11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment USD	Leasehold improvements USD
Cost beginning of year	325,072	130,864
Exchange rate adjustments	10,965	4,414
Additions	16,586	0
Cost end of year	**352,623**	**135,278**
Depreciation and impairment losses beginning of year	(233,496)	(60,870)
Exchange rate adjustments	(9,291)	(2,754)
Depreciation for the year	(66,282)	(32,836)
Depreciation and impairment losses end of year	**(309,069)**	**(96,460)**
Carrying amount end of year	**43,554**	**38,818**

12 Financial assets

	Investments in group enterprises USD
Cost beginning of year	26,079,999
Exchange rate adjustments	879,685
Additions	26,157,064
Cost end of year	**53,116,748**
Impairment losses beginning of year	(19,453,808)
Exchange rate adjustments	(1,215,900)
Impairment losses for the year	(26,224,111)
Impairment losses end of year	**(46,893,819)**
Carrying amount end of year	**6,222,929**

Management has assessed the impairment of the subsidaries based on the value of equity at balance date added with the fair value of the workforce and IP rights.

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 in 2022 and 2023, where the management has assessed impairment is needed do to future financial performance expectations. See note 1 and 4 for further informations.

14 Tax receivable

The Company has chosen not to recognise income tax receivable as a result of the ongoing dialogue with the Danish Tax Agency regarding the right to use the Tax Credit Scheme. For further details, we refer to the management commentary as well as note 1.

15 Prepayments

Prepayments and accrued income consist of prepaid expenses.

16 Other provisions

Other provisions in the comparative figures consist of earn-out.

17 Other payables

	2023 USD	2022 USD
Holiday pay obligation	706,295	646,506
	706,295	**646,506**

18 Non-current liabilities other than provisions

	Due within 12 months 2023 USD	Due within 12 months 2022 USD	Due after more than 12 months 2023 USD	Outstanding after 5 years 2023 USD
Debt to other credit institutions	2,285,887	8,164,078	14,000,786	0
Other payables	0	0	706,295	706,295
	2,285,887	**8,164,078**	**14,707,081**	**706,295**

19 Tax payable

The Company has been selected for inspection by the Danish Tax Agency with primary focus on the Company's historical use of the rules of the Tax Credit Scheme (LL8x). The Danish Tax Agency has preliminarily concluded that the Company does not fulfil the conditions for using the Tax Credit Scheme for the income years 2021 and 2022. The Company's Management has therefore initiated a dialogue with the Danish Tax Agency on this matter. For considerations of prudence, when presenting the annual report for 2023, the Company's Management has chosen to recognise the tax credit received for the income years 2021 (USD 815 thousand) and 2022 (USD 652 thousand) as well as estimated interest surcharges as tax payable in the annual report at 31 December 2023. Please see note 1 for further details thereof.

20 Deferred income

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

21 Unrecognised rental and lease commitments

	2023 USD	2022 USD
Total liabilities under rental or lease agreements until maturity	272,853	560,692

22 Contingent assets

The Company has unrecognized deferred tax assets of USD 14,820k regarding to carry forward tax losses.

23 Assets charged and collateral

A floating charge of a nominal amount of EUR 20.000k 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.

24 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).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year, except of material erros in previous years.

In the consolidated financial statements and in the parent financial statements, the Group and parent company has adjusted the classification of certain costs and financial items in previous years. The comparables has been adjusted accordingly. The adjustments have not affected the result or equity.

Material errors in previous years

Adjustment of material errors in previous years consists of adjustments relating to the puchase of shares in Solvemate concerning a mistake in the assessment of the contingent consideration.

With reference to section 11(3) of the Danish Financial Statements Act, the amount of the effect on profit/loss, assets and liabilities is given below.

Group:
Result
Salaries (1,430,538)
Impairment of goodwill (2,347,977)
Depreciations on goodwill (190,376)
Fair value adjustment 837,656
= Result (3,131,235)

Equity:
Result (3,131,235)
Share base payment recognised as equity 724.381
Changes on Equity in total = (2,446,743)

Balance
Other provisions 2,446,743
= Balance (2,446,743)

Parent:
Result
Fair value adjustment 837,656
Write down of financial asstes (3,968,891)
= Result (3,131,235)

Equity:
Result (3,131,235)
Share base payment recognised as equity 724.381
Changes on Equity in total = (2,446,743)

Balance
Other provisions 2,446,743
= Balance (2,446,743)

Please refer to the statement of changes in equity in this annual report for the effect on the group's financial position.

Material uncertainty related to recognition and measurement

The Group

The Group's uncertainty relating to recognition and measurement regards to the Group's development projects. The management has performed impairment test of the booked values as of 31.12.2023. For more information see in note 9.

The Group are refinanced in 2023 and has a combined credit facility of 20m EUR with one lender in the Parent Company. The issued loan contains a warrant element, which is recognized at fair value of USD 988k. There are uncertainty regarding the fair value as this is remeasured subsequently.

The Company has been selected for inspection by the Danish Tax Agency with primary focus on the Company's historical use of the rules of the Tax Credit Scheme (LL8x). For further details, we refer to the management commentary as well as note 1 in the Parent Companys financial statements.

The parent company

The parent company has reversed it's impairment losses of intercompany loans to some of subsidiaries. For more informations see note 1 and 4.

Investment in group entreprises includes impairment losses on the subsidaries. For more informations see note 12.

The Group are refinanced in 2023 and has a combined credit facility of 20m EUR with one lender in the Parent Company. The issued loan contains a warrant element, which is recognized at fair value of USD 988k. There are uncertainty regarding the fair value as this is remeasured subsequently.

The Company has been selected for inspection by the Danish Tax Agency with primary focus on the Company's historical use of the rules of the Tax Credit Scheme (LL8x). For further details, we refer to the management commentary as well as note 1 in the Parent Companys financial statements.

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 thathave 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 exchangerate 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 aretranslated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities aretranslated 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, itemsderiving from non-monetary assets and liabilities are translated using the historical rates applicable to therelevant 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 probablethat the conditions of the grant will be fulfilled. Grants are recognised as income in the income statementas earned.

Income statement

Gross profit or loss

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

Revenue

Revenue from the sale of services is recognisedin the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties andsales 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 ordinaryinventory 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 normal writedowns
Writedowns of current assets exceeding normal writedowns are those on inventories, receivables and other current assets that differ from normal writedowns of these items.

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

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 bythe 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 fromacquisitions. 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 beenpossible 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 recognisedin 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 propertyrights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisationperiods 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 ofthe 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-basedvalue 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 comprised earn-out related to the acquisition of Solvemate in 2022.

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.