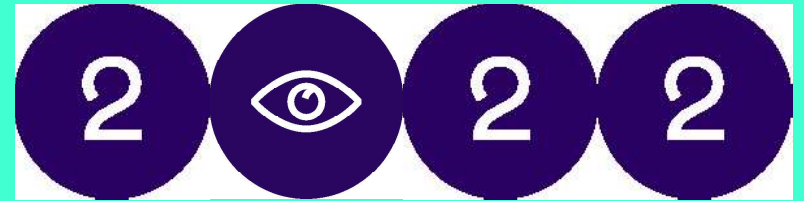




A year in numbers

Signicat AS Annual report



Adopted at the Annual General Meeting on 1 September 2022

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Statement of comprehensive income

1 January - 31 December

Amounts in NOK 1000	Notes	2022	2021
Operating revenues	1, 4	543,555	470,804
Total revenues		543,555	470,804
Cost of sales	5	142,662	149,517
Salary and personnel expenses	6, 12	204,165	160,984
Depreciation	8	74,950	54,168
Other operating expenses	18	185,833	115,663
Total operating expenses		607,610	480,332
Operating profit		-64,055	-9,528
Financial income		16,302	17,637
Financial expenses		-17,408	-21,808
Net financial items		-1,106	-4,171
Earnings before taxes		-65,161	-13,699
Taxes	7	7,751	-268
Profit or loss for the year		-57,410	-13,968



Statement of comprehensive income

1 January - 31 December

Amounts in NOK 1000	Notes	2022	2021
Other comprehensive income			
<i>Items not to be reclassified to profit or loss</i>			
Actuarial gain/loss on pension expense		142	29
Income tax on actuarial gain/loss on pension expense		-26	-6
Total other comprehensive income		116	23
Total comprehensive income for the year		-57,294	-13,945
Total comprehensive income for the year allocated to:			
Shareholders of parent company		-57,294	-13,945
Total comprehensive income for the year allocated to:		-57,294	-13,945
Allocation of the profit or loss for the year			
Covered by retained earnings		-	-
Covered by the share premium		-57,294	-13,945
Total comprehensive income for the year		-57,294	-13,945



Statement of financial position

Amounts in NOK 1000	Notes	31 December 2022	31 December 2021
Fixed assets			
Intangible assets			
Research and Development	8	183,890	172,515
Goodwill	8	156,775	156,774
Customer relations	8	8,452	9,329
Software	8	5,218	2,408
Deferred tax asset	7	21,792	14,041
Total intangible assets		376,127	355,067
Tangible assets			
Right-of-use assets	8, 9	36,650	50,228
Fixtures and equipment	8	2,956	3,546
Total tangible assets		39,606	53,774



Statement of financial position (continued)

Amounts in NOK 1000	Notes	31 December 2022	31 December 2021
Financial non-current assets			
Investment in subsidiary	10	1,506,878	910,843
Intercompany loans	10	79,065	3,070
Other long-term receivables		-	1,343
Total financial non-current assets		1,585,943	915,257
Total non-current assets		2,001,676	1,324,098
Current assets			
Receivables			
Trade receivables		86,945	73,181
Receivables on affiliates	10	40,787	50,183
Other receivables	15	47,616	42,648
Total receivables		175,348	166,013
Cash and cash equivalents	16	16,954	23,758
Total current assets		192,302	189,771
Total assets		2,193,978	1,513,869



Statement of financial position (continued)

Amounts in NOK 1000	Notes	2022	2021
Equity			
Issued capital	11	2,849	2,169
Other reserves		1,859,568	1,237,763
Total equity		1,862,418	1,239,933
Liabilities			
Long-term liabilities			
Pension liabilities	12	536	704
Long-term leasing liability IFRS 16	9	20,507	31,939
Long-term interest-bearing loans	13	40,241	55,745
Total long-term liabilities		61,285	88,388



Statement of financial position (continued)

Amounts in NOK 1000	Notes	2022	2021
Current liabilities			
Debt to credit institution		789	4,017
Short-term leasing liability IFRS 16	9	17,605	19,521
Short-term liability to group company		7,545	15,592
Accounts payable		77,056	10,295
Other current taxes		19,538	25,653
Other current liabilities	9, 14	147,740	110,471
Total current liabilities		271,153	185,548
Total liabilities		332,437	273,936
Total equity and liabilities		2,194,855	1,513,869



Statement of changes in equity

1 January - 31 December

Amounts in NOK 1000	Share capital	Share premium fund	Total
Equity at 1 January 2021	1,343	425,567	426,910
Capital increase	827	826,003	826,829
Change due to merger	-	138	138
Loss for the year	-	-13,968	-13,968
Other comprehensive income	-	23	23
Equity as at 31 December 2021	2,169	1,237,763	1,239,933

Amounts in NOK 1000	Share capital	Share premium fund	Total
Equity at 1 January 2022	2,169	1,237,763	1,239,933
Capital increase	680	679,099	679,779
Loss for the year	-	-57,409	-57,409
Other comprehensive income	-	116	116
Equity as at 31 December 2022	2,849	1,859,568	1,862,418



Statement of cashflow

1 January - 31 December

Amounts in NOK 1000	Notes	2022	2021
Cash flow from operations			
Profit before income taxes		-65,161	-13,699
Depreciations & amortisations		74,950	54,168
Change in trade debtors		-13,763	-14,090
Change in trade creditors		66,761	-15,123
Differences in expensed pensions and payments in/out of the pension scheme		-168	-80
Items classified as investments or financing		1,343	1,786
Change in Group receivables and liabilities		1,349	15,592
Change in other provisions		-33,251	10,310
Net cash flow from operations		32,061	38,865
Cash flow from investments			
Investment in R&D		-64,243	-70,215
Purchase of other fixed assets		-4,931	-2,090
Loans to group companies		-75,995	-1,3656
Investment in newly acquired subsidiaries		-486,229	-742,283
Net cash flow from investments		-631,398	-815,954



Statement of cashflow

1 January - 31 December

Amounts in NOK 1000	Notes	2022	2021
Cash flow from financing			
New loans		40,241	-
Net change in bank overdraft		-3,228	-25,513
Interests received		16,302	1,505
Interests paid		-15,624	-1,057
Interests paid related to IFRS 16		-1,784	-2,234
Net payments related IFRS 16		-13,348	-16,541
New equity received		569,973	826,829
Net cash flow from financing		592,533	782,990
Net change in cash and cash equivalents		-6,804	5,900
Cash and cash equivalents at the beginning of the period		23,758	17,858
Cash and cash equivalents at the end of the period		16,954	23,758

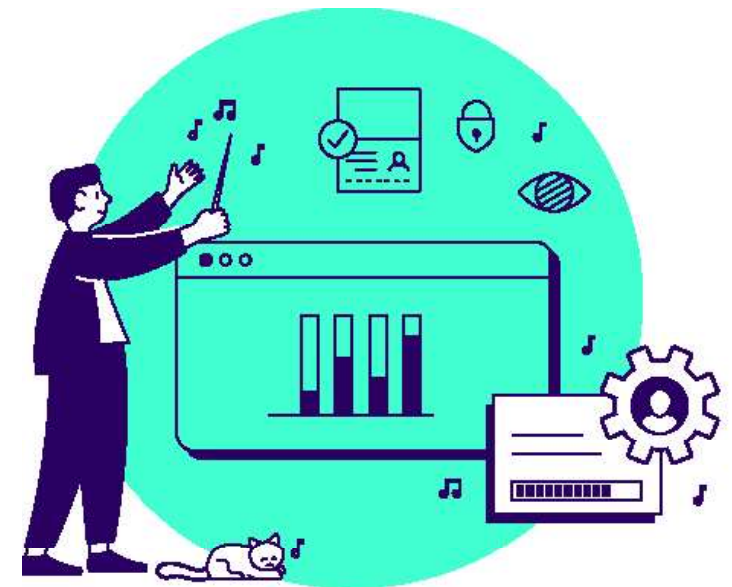
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Notes to the Signicat financial statements

Note 1

Significant accounting principles

Reporting entities

Signicat AS is a company based in Norway, headquartered in Trondheim. The Company has subsidiaries in Sweden, Lithuania, Estonia, Netherlands, Spain, United Kingdom and Germany, as well as offices in Lisbon, and sales offices/ department offices in Copenhagen, Helsinki, London, Haag, and Frankfurt. Signicat AS offers identity services through the security platform id.signicat. Identity services includes digital signing and authentications, which are offered to large and small entities within the public and private sectors.

Note 2

Basis for preparation

The financial statements are prepared in NOK, which is the Company's functional currency. The financial statements are prepared applying the historical cost convention. No assets, except for financial instruments, are carried at fair market value.

Note 2.1

Financial framework

The Company's financials have been prepared in accordance with the Norwegian Accounting Act § 3-9 and regulations on simplified IFRS (2014). This primarily involves accounting in accordance with the International Financial Reporting Standards (IFRS) and presentation and notes being in accordance with Norwegian GAAP.

Note 2.2

IFRS 16 Leases

Method for measuring and recognition

Measuring the lease obligation

The lease obligation is measured as the present value of future lease payments associated with the right to use the underlying asset in the lease period. The lease period is defined as the period during which the lease contracts cannot be cancelled.

The lease payments used for calculating the lease obligation primarily consist of reoccurring, fixed lease payments. Signicat does not include in its calculation of the obligation variable lease payments pertaining to increase in payments due to price indexing (which is used to adjust payments to changes in circumstances, such as inflation). Such costs are instead expensed as incurred in the fiscal year in which the circumstances triggering such increases/ changes occur. The lease obligation is measured accordingly; by increasing it to account for interest incurred, reducing it to account for lease payments made, and by remeasuring the obligation to account for changes in assumptions, changes in the lease contract itself, or by adjusting it to account for changes in price indexing or interest rate. Please refer to note 8 for additional information and details about the effects on the financial statements.



Notes to the Signicat financial statements

Note 2.3

Estimates and assumptions

The preparation of financial statements in accordance with simplified IFRS requires management to make assumptions and estimates that impact accounting principles and the accounting for assets, liabilities, revenues and expenses. Estimates and associated assumptions are based on experiences from prior years and other such relevant data, which, in all material respect, is considered reasonable. These assumptions and calculations form the basis for the accounting for assets and liabilities whose balances are not easily derived from other sources. Accordingly, estimates and assumptions may vary from actual figures.

The estimates and underlying assumptions are reassessed continually. Changes in accounting estimates are accounted for in the fiscal period in which such changes are determined if the changes only effect the period in which the change occurs. If the change also affects future periods, the effect of the change is allocated between the current and respective future periods

Note 3

Significant accounting pinciples

The accounting principles described below are applied consistently for all periods presented in the annual report for Signicat AS.

Note 3.1

Foreign currency

Transactions denominated in foreign currency is translated to the functional currency using the exchange rate in effect at the time of the transaction.

Monetary assets and liabilities in foreign currencies are translated to NOK using the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the revaluations are included in the income statement.

Revenues earned and expenses incurred abroad is translated to NOK using the average exchange rate in effect for the fiscal year. Assets and liabilities in foreign operations are translated to NOK using the exchange rate in effect at the balance sheet date. The effect of using difference exchange rates in the balance sheet an income statement is recognized in consolidated net income and included as a translation difference in stockholders' equity.



Notes to the Signicat financial statements

Note 3.2

Operating revenues

Operating revenues from the various revenue streams are recognized in the income when the risk of loss and benefit has been transferred to the buyer.

Note 3.3

Financial instruments

Signicat AS does not have any active financial derivative.

Note 3.4

Intangible assets

Intangible assets consist of goodwill, development costs, and customer lists. Deferred tax asset, as described under the heading “deferred tax and income tax” is included in the heading “intangible assets”, as this is considered a natural classification, even if it is not explicitly an intangible asset.

Goodwill

All subsidiaries are accounted for using the acquisition method. Goodwill represents amounts coming about at the time the acquisition is executed. For acquisitions occurring subsequent to January 1, 2004, goodwill represents the difference between acquisition price and the fair market value of the net assets acquired.

Goodwill is booked at cost at the time of the acquisitions, net of any accumulated impairment losses. Goodwill is allocated to cash generating units and is amortized. It is also tested for impairment on an annual basis.

Development costs

Costs associated with development activities are capitalized to the extent the costs can be measured reliably, the product or process is deemed technically and commercially viable, the Group has sufficient resources to complete the development, and it is probable that the future economic benefits attributable to the product or process will flow to the Company. Development costs are capitalized at cost, net of accumulated amortization and impairment. Capitalized development costs are deemed to have a useful life of 5 years, as the development primarily is associated with the development of various modules.

Other intangible assets

Other purchased intangible assets are carried at costs, net of accumulated amortization and impairment.

For other intangible assets with finite useful lives, the carrying value is tested for impairment at fiscal year-end if circumstances that may indicate impairment is identified. These intangible assets values are carried at cost net of accumulated amortization and accumulated impairment. No impairments have been identified in the current year.

Costs associated with internally generating goodwill and branding is expensed in the period incurred.



Notes to the Signicat financial statements

Note 3.5

Fixed assets

Fixed assets are carried at cost, net of accumulated depreciation and accumulated impairment if any. Cost represents all costs directly attributable to the purchasing of the asset. If the recoverable amount of the asset is lower than the asset's carrying value (cost, net of accumulated depreciation and accumulated impairment), an impairment charge is booked to reduce the carrying value to recoverable amount. Costs associated with routine maintenance and repairs is expensed as incurred. Costs associated with significant upgrades or refurbishments which significantly increases the assets' useful lives are capitalized. Costs associated with replacing fixed assets are capitalized.

Note 3.6

Depreciation and impairment

Depreciation is calculated straight-line, based on the asset's expected useful life, and recognized in the income statement. Assets with indefinite useful lives are not depreciated but are assessed for impairment (please refer to discussion below). The depreciation and impairment is classified as operating expenses. The useful lives of fixed assets are reassessed annually and is discussed in detail in notes 14 and 15.

Note 3.7

Impairment

The carrying values of the company's assets are reviewed at the balance sheet date to assess for indications of impairment. If such indications are identified, the respective asset's recoverable amount is calculated. The recoverable amount of goodwill, assets with indefinite useful lives, and intangible assets not yet in use, are calculated annually on the balance sheet date.

An impairment is booked if the carrying value of the asset or cash generating unit is greater than the estimated recoverable amount. A cash generating unit is the smallest identifiable group of net assets generating cash flows separately from other assets or groups of assets. The impairment amount is recognized in the income statement. For impairment of cash generating units first reduce the carrying value of any associated goodwill before reducing the asset values of the cash generating unit on a pro rata basis.

The recoverable amount of an asset or cash generating unit (CGU) is the greater of its fair value less cost to sell and value in use. Value in use refers to the present value of all future cash flows from an asset or CGU, discounted at the pre-tax interest rate reflecting the market determined time value of money given the risk level associated with the specific asset. For assets who does not primarily generate independent cash flows, the recoverable amount for the associated CGU in which the asset is included is calculated. An impairment loss is recognized when the carrying value of the asset or CGU is greater than its recoverable amount. Impairment losses are recognized in the income statement.

Impairment losses are only reversed to the extent that the carrying value does not exceed the carrying value the asset would have had if no impairments were booked in the past. An impairment of goodwill is never reversed.



Notes to the Signicat financial statements

Note 3.8

Investment in subsidiaries

Investments in subsidiaries are booked in accordance with the cost method in the financial statements of the parent company. The investments are valued at cost, net of any impairments. An impairment is booked when the fair value has fallen below the carrying value, and the fall in value is deemed other than temporary.

Note 3.9

Account receivables

Trade accounts receivable and other receivables are carried at cost, net of any loss of value. A loss of value for a financial asset carried at cost is calculated as the difference between the carrying value and the net present value of future cash flows from the receivable. Any such loss of value is recognized in the income statement.

Note 3.10

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and special drawing rights. Overdraft facility arrangements with banks that are payable on demand, which constitute an integral part of the Company's liquidity management, and investments of high liquidity, are categorized as cash and cash equivalents in the statement of cash flows.

Note 3.11

Compensation of employees – pensions

Defined contribution pension plans

The parent company has a general defined contribution pension plan. The subsidiary companies also have defined contribution plans, and the contribution rates differ between countries. A defined contribution plan is a plan where the Company make fixed payments to a pension fund, and has no legal obligation or duty to make payments in excess of the fixed contribution amounts. The fixed payments are recognized as personnel cost in the income statement as they are incurred.

Additionally, the parent company has a defined benefit plan for 1 employee, which is accounted for in accordance with IAS nr 19

Note 3.12

Accruals

An accrual is booked when the Company has a present legal or other obligation as a result of past events, which can be measured reliably, and is expected to result in an outflow of resources at settlement.

Note 3.13

Government grants

The parent company receives government grants in connection with development activities, in the form of Skattefunn and other grants to support development. The grants are recognized in the income statement when it is reasonably likely that the requirements for receiving the grants are satisfied, and it is reasonably likely that the grants will be paid. The government grants are included as operating revenues in the financial statements.



Notes to the Signicat financial statements

Note 3.14

Deferred tax and income tax

Income taxes on the period's taxable income consist of current taxes and deferred taxes. Income taxes are recognized in the income statement, except for taxes on amounts included in computation to arrive at total income. The tax effect of such items are recognized in the figures to arrive at total income.

The current tax liability (or asset) on the current year's taxable income is measured as the amount expected to be paid to (recovered from) the tax authorities using the enacted tax rates on the balance sheet date, in addition to any corrections of taxes payable from prior years.

Deferred taxes are accrued based on IAS 12, taking temporary differences between the tax and accounting values of certain assets and liabilities into consideration. These differences are expected to reverse in the future and, the enacted tax rates as of the balance sheet date is used in their calculation. Temporary differences associated with goodwill is not recognized as a temporary difference as goodwill is not tax depreciable or otherwise recognized for tax purposes (its tax base is nil). Accordingly, the current year's income tax expense represents movement in deferred tax balances for the period in combination with expected taxes on the current year's taxable income, adjusted for corrections of errors in prior years if any.

A deferred tax asset is only recognized to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference can be utilized. The deferred tax asset is reduced to the extent that that it is no longer probable that the tax asset will be utilized (i.e. that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset).

Note 4

Operating revenue

NOK 1000	2022	2021
Pr business area		
Subscription, transaction and product fees	539,024	461,391
Professional services	4,531	9,413
Total	543,555	470,804

Note 5

Cost of sales

NOK 1000	2022	2021
Cost of sales	142,662	133,838
External services	-	15,679
Total cost of sales	142,662	149,517



Notes to the Signicat financial statements

Note 6

Personnel expenses

NOK 1000	2022	2021
Salaries	193,057	147,722
National insurance contribution	24,555	20,538
Pension costs	10,968	32,414
Other benefits	15,629	4,564
Capitalized development expenses	-40,044	-44,254
Total	204,165	160,984
Average number of employees	180	164

The Company has entered a mandatory service-pension for its employees. In addition, the Company has a performance based arrangement with one employee (refer to note 10).

Remuneration to the auditor

NOK 1000	2022	2021
Statutory audit	1,243	726
Tax consulting	-	76
Other consulting work	382	539
Total remuneration to the auditor	1,625	1,341

The remuneration is excluded of VAT.

Remuneration to executives in 2022	Lønn / Salary	Pensjon / Pension	Opsjoner- andre ytelser / options-other	Samlet godtgjørelse / Total remuneration
Executives				
Chief executive officer	4,643	-	12	4,655
Chairman of the board	-	-	-	-
Directors	-	-	-	-

Remuneration to executives in 2021	Lønn / Salary	Pensjon / Pension	Opsjoner- andre ytelser/ options-other	Samlet godtgjørelse / Total remuneration
Executives				
Chief executive officer	3,288	-	4	3,292
Chairman of the board	-	-	-	-
Directors	-	-	-	-

The CEO has on stepping down an ordinary notice period of 6 months. There is no other compensation schemes linked to eventual retirement. The company has not given any loans or provided guarantees for the benefit of of senior executives. For 2022, no directors fees is paid to Board members.



Notes to the Signicat financial statements

Note 7

Taxes

Signicat AS

The annual tax cost is comprised of

NOK 1000	2022	2021
Changes in deferred tax due to merger	-	1,263
Changes in deferred tax	-7,751	-1,532
Total tax expense	-7,751	-268
Basis for current taxes:		
Earnings before tax	-65,161	-13,699
Permanent differences*	29,927	14,931
Change in temporary differences	13,412	6,852
Basis for current taxes	-21,821	8,084
Current payable tax:		
Effekt av Skattefunn	-2,489	-2,320
Net tax liability (-) or asset (+)	-2,489	-2,320

Net tax asset is included in "Other receivables"

* Included in permanent differences is the tax impact of an approved tax fund project of NOK 2,5 million.

Other effects are linked to FX currency differences and different tax rates within the group.

	2022	2021
Effective tax rate	11.9 %	-2.0 %
Nominal tax rate	22%	22%

Deferred tax – detail of temporary differences:

NOK 1000	2022	2021
Outstanding receivables:	7,839	3,333
Property, plant and equipment	-4,925	-7,801
Net pension liabilities or assets	536	704
Deferred taxable gain / loss	-23,870	-29,838
Capitaized rent agreements	1,462	1,231
Fremførbart underskudd/ NOL carryforward	118,013	96,192
Basis for deferred tax or tax asset	99,056	63,822
Deferred tax asset	21,792	14,041

Deferred tax assets are recognized when the company's forecasts for future profitability indicates that the benefit will be utilized within 3-5 years.

Reconciliation of nominal statutory tax, to effective tax rate.

NOK 1000	2022	2021
22% tax of Profit or loss before taxes	-14,335	-3,014
22% of permanent differences	6,584	3,285
Other effects	-	-5
Calculated tax cost	-7,751	268
Split tax cost between ord result and OCI		
Calculated tax cost ordinary result	-7,725	275
Calculated tax cost OCI	-26	-6
Calculated tax cost	- 7,751	268



Notes to the Signicat financial statements

Note 8

Fixed assets

Intangible assets					
NOK 1000	Goodwill	Software	Customer portfolio	R&D	Total intangible assets
Aquisition cost 1.1.21	59,942	-	4,800	186,899	251,640
Addition by acquisition	-	2,547	-	67,531	70,077
Additions	97,072	-	5,729	38,400	141,202
Total acquisition costs at 31.12.21	157,014	2,547	10,529	292,829	462,919
Aquisition cost 1.1.22	157,014	2,546,551	10,529	292,829	462,919
Additions	-	4,863	-	64,243	69,106
Total acquisition costs at 31.12.22	157,014	7,409	10,529	357,072	532,025
Accumulated depreciation 01.01.21	240	-	800	87,427	88,467
Current year depreciations	-	138	400	32,887	33,425
Acc depreciations 31.12.21	240	138	1,200	120,314	121,892
Accumulated depreciation 01.01.22	240	138	1,200	120,314	121,892
Current year depreciations	-	2,054	877	52,868	55,799
Acc depreciations 31.12.22	240	2,192	2,077	173,182	177,691
Net book value pr. 01.01.21	59,702	-	4,000	99,471	163,173
Change in net book value 2021	97,072	2,408	5,329	73,044	177,854
Net book value 31.12.2021	156,775	2,408	9,329	172,515	341,026
Net book value pr. 01.01.22	156,774	2,408	9,329	172,515	341,027
Change in net book value 2022	-	2,809	-877	11,375	13,307
Net book value 31.12.2022	156,775	5,218	8,452	183,890	354,334
Depreciation period	Indefinite life	Indefinite life	13 years	5-7 years	
Depreciation method			Linear	Linear	

Notes to the Signicat financial statements

Note 8

Fixed assets (continued)

NOK 1000	Right-of-use assets	Fixtures and equipment	Total fixed assets
Aquisition cost 1.1.21	62,226	11,711	73,937
Additions	25,731	170	25,901
Additions business combinations	3,396	2,043	5,438
Termination	-5,321	-	-5,321
Total acquisition costs at 31.12.21	86,031	13,924	99,954,560
Aquisition cost 1.1.22	86,031	13,924	99,955
Additions	4,915	68	4,983
Additions business combinations	-	-	-
Termination	-	-	-
Total acquisition costs at 31.12.22	90,946	13,992	104,937
Accumulated depreciation 01.01.21	18,975	6,462	25,438
Current year depreciations	16,827	3,916	20,743
Acc dep sold assets	-	-	-
Accumulated depreciations 31.12.21	35,802	10,378	46,181
Accumulated depreciation 01.01.22	35,802	10,378	46,181
Current year depreciations	18,494	657	19,151
Acc dep sold assets	-	-	-
Accumulated depreciations 31.12.22	54,296	11,036	65,332

NOK 1000	Right-of-use assets	Fixtures and equipment	Total fixed assets
Net book value 01.01.21	43,250	5,249	48,499
Net change book value 2021	6,978	-1,703	5,275
Net book value pr. 31.12.21	50,228	3,546	53,774
Net book value 01.01.22	50,228	3,546	53,774
Net change book value 2022	-13,579	-590	-14,169
Net book value pr. 31.12.22	36,650	2,956	39,605
Depreciation period	3-10 years	5 years	
Depreciation method	Linear	Linear	

Capitalized technology

Capitalized technology includes internal personnel costs related to development of new products for electronic id and electronic signature. The new products are an important part of the strategy to gain contracts in new markets outside the Nordic region and to sell new products to existing and new customers within the Nordic region. Signicat AS capitalized NOK 66.1 million during 2022 (NOK 67.5 million during 2021) and the amounts are amortized over a 5 year period which are the expected timeframe that the Group will benefit from the development activities.

During 2022, the Company received governments grants of NOK 2.4 million (NOK 1.6 million during 2021) which has been netted against the capitalized amount.

Impairment

Signicat AS reviews assets for impairment whenever there is an indication of impairment and at yearend. The test is performed at the cash-generating unit ("CGU") level for the total tangible and intangible asset in each unit. The CGU's have been identified to be each separate country the Group operate which is considered to be the smallest identifiable group of assets that generate cash flow that are largely independent from cash flow from other assets or group of assets. Acquired intangible assets are allocated to the Group's CGU based upon location og the acquiree.



Notes to the Signicat financial statements

Note 8

Fixed assets (continued)

Impairment

The recoverable amount for a CGU is the higher of the fair value less cost of disposal and its value in use. Value in use is calculated using the estimated future cash flow based upon a five-year financial forecast that have been approved by the management. Cash flow beyond the five-year period have been extrapolated using an estimated growth rate. If the recoverable amount is less than the total assets in the CGU, an impairment is recognized by first reducing the value of goodwill in the CGU, and after that by a reduction of other assets on a pro rata basis.

The key assumptions used in the value in use calculations is related to the discount rate and the growth rate.

Discount rate

The cash flows are discounted using the expected long-term weighted average cost of capital ("WACC"). The applied after-tax discount rate used on 31 December 2022 is 11.6 percent (2021: 12.2 percent). The WACC rates which are used to discount future cash flows are based on market risk free interest rates adjusted for inflation and include the debt premium, market risk premium, gearing, corporate tax rate and asset beta.

Growth rate

For the first five year period, the Companies' financial forecast approved by management has been used. The forecast includes a growth in both revenues and operating expense, but with the same net margin as currently achieved. After the five year period a growth rate of 2.0 percent has been used.

Sensitivity

On 31 December 2022, the Companies's value in use was higher than the carrying amounts of the CGU's. A sensitivity analysis has been performed, to determine if a reasonable change in key assumptions would cause the carrying amount to exceed the recoverable amount in any of the CGU's. For the CGU tested with the lowest margin, a reduction in the estimated revenue by 2 percent, an increase in the operating cost by 2 percent or an increase in WACC after tax by 2 percent point would not lead to any impairment loss.

Note 9

Leases

The Company leases several assets, including office buildings, vehicles and technical equipment. Leases of office buildings generally have lease terms between 2 and 7 years, while vehicles, technical other equipment have lease terms between 2 and 5 years. The Company has also leases within these categories that are expensed as incurred as they are either considered short term or of low value. For leases of office buildings, non-lease components (i.e., for instance common costs for services) are excluded from the lease payments. The Company has chosen the practical expedient to not separate non-lease components from the lease payments for transportation vehicles and other leased assets.

The Companies's right-of-use assets are recognized in the statement of financial position separately from fixtures and equipment and presented in the table below.



Notes to the Signicat financial statements

Note 9

Leases (continued)

Signicat AS:

Right-of-use assets

NOK 1000	Offices	IT and equipment	Transportation vehicles	Total
Right-of-use assets at 31 December 2021	31,703	18,494	32	50,228
Additions	4,915	-	-	4,915
Depreciation	-8,813	-9,649	-32	-18,494
Right-of-use assets at 31 December 2022	27,805	8,845	-	36,650
Useful life in years	2-7 Years	2-5 Years	2-5 Years	
Depreciation plan	Linear	Linear	Linear	

Lease liabilities

NOK 1000	Office rent	IT and equipment	Transportation vehicles	Total
Lease liabilities at 31 December 2021	31,853	19,573	33	51,460
Additions	4,915	-	-	4,915
Interest on the lease liability	1228	556	-	1,784
Lease payments	-9,846	-10,168	-33	-20,047
Lease liabilities at 31 December 2022	28,151	9,961	-	38,112



Notes to the Signicat financial statements

Note 9

Leases (continued)

Classification of non-current vs current

NOK 1000	31 December 2022	31 December 2021
Current lease liabilities	17,605	19,521
Non-current lease liabilities	20,507	31,939
Total lease liabilities	38,112	51,460

Undiscounted lease liabilities and maturity of cash outflows

NOK 1000	31 December 2022	31 December 2021
Less than 1 year	17,605	19,521
1-2 years	6,420	16,502
2-3 years	6,140	5,317
3-4 years	6,140	5,037
4-5 years	1,807	5,037
More than 5 years	-	48
Total undiscounted lease liabilities	38,112	51,460

Summary of other lease expenses recognised in profit or loss

NOK 1000	2022	2021
Operating expenses in the period related to short-term leases	783	665
Operating expenses in the period related to low value assets	309	603
Total lease expenses included in other operating expenses	1,092	1,268

Note 10

Investment in subsidiaries and group balances

Signicat AS owns 100% of the shares in Signicat AB. Investments in subsidiaries are accounted using the cost method, and is recognized at cost NOK 86 470 in the Signicat AS company balance sheet. Signicat AB has a share capital of SEK 100 000, and is located in Stockholm Sweden.

Signicat AS owns 100% of the shares in Signicat GmbH. Investment is accounting using cost method. The company was established in 2018 with a share capital of EUR 25 000.

Signicat AS bought 100% of the shares in Connectis B.V, Netherlands to a cost price of NOK 241 510 939. The investment is recorded according to cost method in Signicat AS.

Signicat AS bought 100% of the shares in Electronic Identification S.L., Spain to a cost price of NOK 378 958 758. The investment is recorded according to cost method in Signicat AS.

Signicat AS bought 100% of the shares in Dokobit Technology, UAB, Lithuania to a cost price of NOK 280 262 342. The investment is recorded according to cost method in Signicat AS.

Signicat AS bought 100% of the shares in Symphonic Solutions LTD, England to a cost price of NOK 588 309 555. The investment is recorded according to cost method in Signicat AS.

Investering NOK 1000	Cost price	2022 result	Equity 31.12.2022
Signicat AB	86	-995	2,218
Signicat GmbH	266	-12,735	-12,174
Connectis B.V	258,995	-19,502	-8,383
Electronic Identification S.L.	378,959	-57,483	-45,655
Dokobit Technology, UAB	280,262	-6,254	4,699
Symphonic Solutions LTD	588,310	2,429	24,393
Total	1,506,878	-94,540	-34,902



Notes to the Signicat financial statements

Note 10

Investment in subsidiaries and group balances (continued)

Intercompany accounts NOK 1000	Amounts	
	2022	2021
Loan to Group company	79,065	3,070
Short term group receivable	40,787	50,183

Signicat AS has provided an unsecured loan to the subsidiary in the amount of NOK 4.1 million, of which NOK 1.0 million has been written down for accounting purposes. The loan is to be repaid when the subsidiary's equity is sufficient to perform such a transaction.

Internal group transactions - Signicat AS NOK 1000	Amounts	
	2022	2021
Group revenue from Signicat AS to Signicat AB	33,814	7,702
Other operating cost in Signicat AS from GmbH	-13,837	-15,430

Note 11

Share capital and shareholders

Share capital:	Number	Value pr share	Share capital
Total share capital 31.12.2022	2,849	1	2,849

All shares are owned by Lion BidCo AS, Gryta 2B, 7010 Trondheim



Notes to the Signicat financial statements

Note 12

Pensions

The company has a defined benefit plan which includes 1 employee. The pension plan gives rights to future pension payments. These are mainly dependent of the numbers of years of employment, payroll level at the time of retirement and the size of contribution from national insurance. The liabilities are covered through insurance company. The employees which are not a part of the define benefit plan, are included in the defined contribution plan.

Pension costs		
NOK 1000	2022	2021
Service cost	143	139
Net finance cost	13	13
Net pension cost defined benefit plan	156	123

Economical assumptions		
in %	2022	2021
Discount rate	1.90 %	1.90 %
Expected long-term rate return on plan assets	1.90 %	1.90 %
Expected increase in salaries	2.75 %	2.75 %
Expected increase in pensions	1.75 %	0.00 %

Pension liabilities		
NOK 1000	31/12/2022	31/12/2021
Present value of funded and unfunded liabilities at 31.12	-3,874	-3,954
Fair value of plan assets at 31.12	3,338	3,250
Net pension liability(-)/asset(+)	-536	-704

Number of persons included in this pension plan:		
	12/31/22	12/31/21
Active members	1	1
Total	1	1



Notes to the Signicat financial statements

Note 13

Long-term debt

NOK 1000	Signicat AS	
	2022	2021
Long-term loan from Innovation Norge	-	4,100
Deferred consideration to previous owners	-	50,148
Other	-	1,497
Loan from Lion BidCo AS	40,241	-
Finance leasing liability	20,507	31,939
Long-term debt	60,748	87,684
1. years's instalment on long term debt	-	2,050
Long-term debt	60,748	85,634

The Company has a loan from Innovasjon Norge with NOK 2,1 million as of 31.12.22. The last installment of NOK 2,1 million will be paid during 2023.

Note 14

Other short term liability

NOK 1000	Signicat AS	
	2022	2021
Accrued holiday pay	17,070	17,066
1. years's instalment on loan from Innovation Norge	2,050	2,050
Deferred payment and other earn-out related to the acquisition of Dokobit Technology, UAB	70,441	50,148
Accrued expences	58,179	41,207
Total other short-term liability	147,740	110,471

Note 15

Other short term receivables

NOK 1000	Signicat AS	
	2022	2021
Earned revenue to be invoiced	32,689	31,652
Prepayments	12,438	8,672
Skattefunn	2,489	2,320
Other receivables	-	4
Other short-term receivables	47,616	42,648

All receivables are due within 12 months of the balance sheet date.

The Company has deducted realized losses on receivables with NOK 0,5 million during the fiscal year. IThere i is made NOK 2,3 million in provision further losses.



Notes to the Signicat financial statements

Note 16

Cash and cash equivalents and overdraft account

NOK 1000	Signicat AS	
	2022	2021
Restr. funds for coverage of office-rent	-	828
Restricted employee tax payable funds	8,419	5,999
Other restricted cash	-	729
Unrestricted funds	8,535	16,202
Total bank balances	16,954	23,758
Limit overdraft facilities	40,000	40,000
Used available credit	-19,113	-21,315
Unused portion of the overdraft facilities	20,887	18,685
Assets as security for the overdraft		
Trade receivables	86,944	73,181

Note 17

Government grants (Group)

The Company's business is covered by the Norwegian "SkatteFunn" scheme, administrated by the Norwegian Research Counsel.

This scheme gives the Company the opportunity to apply for partial refund of its research and development costs. For 2022 the Company is entited to a refund of NOK 2.5 million relating to expected "SkatteFunn" refunds.

Note 18

Other expenses

NOK 1000	Signicat AS	
	2022	2021
IT-telephone expenses	24,102	18,562
External services and consultants	70,627	45,414
Advertising -sales expenses	27	13,145
Marketing expenses Germany	-	10,080
Other operating expenses	91,077	28,461
Total other expenses	185,833	115,663



To the General Meeting of Signicat AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Signicat AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The Company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.



Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We 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 Company'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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors 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.



Oslo, 25 September 2023
KPMG AS

Gunnar Sotnakk
State Authorised Public Accountant
(This document is signed electronically)

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Gunnar Sotnakk

Statsautorisert revisor

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