



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	991 753 591
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	GELATO ASA
Forretningsadresse:	Dronning Eufemias gate 8 0191 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Baard Farmen Andresen
Dato for fastsettelse av årsregnskapet:	20.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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

Brønnøysundregistrene, 20.08.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	1 074 863 230	863 999 981
Annen driftsinntekt	1	579 071	1 289 398
Sum inntekter		1 075 442 301	865 289 379
Kostnader			
Varekostnad		858 751 683	594 060 400
Lønnskostnad	2,3,4	86 998 549	78 596 753
Avskrivning på varige driftsmidler og immaterielle eiendeler	5,6	20 537 727	16 851 586
Annen driftskostnad	4	436 544 604	358 231 892
Sum kostnader		1 402 832 563	1 047 740 631
Driftsresultat		-327 390 262	-182 451 252
Finansinntekter og finanskostnader			
Annen renteinntekt			25 905
Annen finansinntekt		580 734	434 447
Sum finansinntekter		580 734	460 352
Rentekostnad til foretak i samme konsern		6 014 095	0
Annen rentekostnad		180 537	257 685
Annen finanskostnad		6 475 513	
Sum finanskostnader		12 670 145	257 685
Netto finans	7	-12 089 411	202 667
Ordinært resultat før skattekostnad		-339 479 673	-182 248 585
Skattekostnad på ordinært resultat	8	-73 407 401	-39 651 649
Ordinært resultat etter skattekostnad		-266 072 272	-142 596 936
Årsresultat		-266 072 272	-142 596 936
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	9	-266 072 272	-142 596 936
Sum overføringer og disponeringer		-266 072 272	-142 596 936



Resultatregnskap

Beløp i: NOK	Note	2022	2021
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Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utvikling	5	65 111 668	50 003 548
Utsatt skattefordel	8	212 895 509	139 488 108
Sum immaterielle eiendeler		278 007 177	189 491 656
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	6	1 844 210	786 569
Sum varige driftsmidler		1 844 210	786 569
Finansielle anleggsmidler			
Investering i datterselskap	10	23 783 521	18 662 005
Andre fordringer	11	851 863	3 143 249
Sum finansielle anleggsmidler		24 635 384	21 805 254
Sum anleggsmidler		304 486 771	212 083 479
Omløpsmidler			
Varer			
Varer	12	11 560 032	4 480 718
Sum varer		11 560 032	4 480 718
Fordringer			
Kundefordringer		39 076 103	34 347 041
Andre fordringer	11,13	23 347 513	29 138 424
Sum fordringer		62 423 616	63 485 465
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	14	90 325 179	47 327 686
Sum bankinnskudd, kontanter og lignende		90 325 179	47 327 686
Sum omløpsmidler		164 308 827	115 293 869
SUM EIENDELER		468 795 598	327 377 348



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	9,15	86 927 148	86 927 148
Overkurs	9	399 905 352	399 905 352
Ikke registrert kapitalforhøyelse	9	392 163 500	
Annen innskutt egenkapital	9	64 336 262	53 259 536
Sum innskutt egenkapital		943 332 262	540 092 036
Opptjent egenkapital			
Annen egenkapital		-749 106 155	-483 033 883
Sum opptjent egenkapital		-749 106 155	-483 033 883
Sum egenkapital		194 226 107	57 058 153
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	13	125 970 293	171 002 884
Skyldige offentlige avgifter		54 452 580	51 065 968
Annen kortsiktig gjeld	13	94 146 619	48 250 343
Sum kortsiktig gjeld		274 569 492	270 319 195
Sum gjeld		274 569 492	270 319 195
SUM EGENKAPITAL OG GJELD		468 795 599	327 377 348



Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	4	1 087 303 856	872 877 394
Annen driftsinntekt	4	605 309	1 298 619
Sum inntekter		1 087 909 165	874 176 013
Kostnader			
Varekostnad	13	640 151 677	494 274 032
Lønnskostnad	5	253 909 636	171 900 521
Avskrivning på varige driftsmidler og immaterielle eiendeler	11,12	20 579 502	16 875 042
Avskrivning bruksrettighet	7	10 321 250	4 071 361
Annen driftskostnad	6	458 778 968	365 806 678
Annen inntekt (-) / tap	8	13 072 214	171 991
Sum kostnader		1 396 813 247	1 053 099 625
Driftsresultat		-308 904 082	-178 923 612
Finansinntekter og finanskostnader			
Annen finansinntekt		604 533	31 831
Sum finansinntekter		604 533	31 831
Annen finanskostnad		7 312 752	773 418
Valutainntekt (-) / valutatap		-2 065 067	-113 461
Sum finanskostnader		5 247 685	659 957
Netto finans	9	-4 643 152	-628 126
Ordinært resultat før skattekostnad		-313 547 234	-179 551 738
Skattekostnad på ordinært resultat	10	-62 027 378	-45 026 355
Ordinært resultat etter skattekostnad		-251 519 856	-134 525 383
Årsresultat		-251 519 856	-134 525 383
Overføringer og disponeringer			
Overføring til/fra fond		-251 519 856	-134 525 383
Sum overføringer og disponeringer		-251 519 856	-134 525 383



Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
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Konsernets balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utvikling	11	65 111 668	50 003 548
Utsatt skattefordel	10	227 698 071	155 375 823
Sum immaterielle eiendeler		292 809 739	205 379 371
Varige driftsmidler			
Bruksrett kontorlokaler	7	9 697 446	19 543 243
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	12	1 897 425	850 164
Sum varige driftsmidler		11 594 871	20 393 407
Finansielle anleggsmidler			
Andre fordringer	14	1 422 742	3 681 260
Sum finansielle anleggsmidler		1 422 742	3 681 260
Sum anleggsmidler		305 827 352	229 454 038
Omløpsmidler			
Varer			
Varer	13	12 021 868	7 365 438
Sum varer		12 021 868	7 365 438
Fordringer			
Kundefordringer	14	40 521 715	37 008 096
Andre fordringer	14	26 662 463	30 394 468
Konsernfordringer	20	6 880	128 232
Sum fordringer		67 191 058	67 530 796
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	15	163 688 592	80 987 898
Sum bankinnskudd, kontanter og lignende		163 688 592	80 987 898
Sum omløpsmidler		242 901 518	155 884 132
SUM EIENDELER		548 728 870	385 338 170



Konsernets balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	16	86 927 148	86 927 148
Overkurs	16	399 905 352	399 905 352
Ikke registrert kapitalforhøyelse	16	392 163 500	0
Annen innskutt egenkapital	16	74 939 182	61 397 124
Sum innskutt egenkapital		953 935 182	548 229 624
Opptjent egenkapital			
Annen egenkapital		-713 723 915	-463 770 632
Sum opptjent egenkapital		-713 723 915	-463 770 632
Sum egenkapital		240 211 267	84 458 992
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig leieforpliktelse	7	1 360 809	9 297 997
Sum annen langsiktig gjeld		1 360 809	9 297 997
Sum langsiktig gjeld		1 360 809	9 297 997
Kortsiktig gjeld			
Leverandørgjeld		102 888 162	130 378 571
Betalbar skatt	10	5 290 473	1 698 418
Skyldige offentlige avgifter		73 934 518	63 456 029
Kortsiktig konserngjeld	19	20 000	12 713 148
Annen kortsiktig gjeld	18	115 887 674	72 573 937
Kortsiktig leieforpliktelse	7	9 135 969	10 761 078
Sum kortsiktig gjeld		307 156 796	291 581 181
Sum gjeld		308 517 605	300 879 178
SUM EGENKAPITAL OG GJELD		548 728 872	385 338 170



Konsernets balanse

Beløp i: NOK	Note	2022	2021
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Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 30.01.2015	Vår dato 04.02.2015
Telefon 22078139	Deres referanse Sven Bouwman	Vår referanse 2015/79521

GELATO GROUP AS
Postboks 164
1325 LYSAKER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

– Vi viser til deres brev av 30. januar 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

Gelato Group AS org. nr. 991 753 591
OP Invest AS org. nr. 891 753 632

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Gelato Group AS og OP Invest AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Gelato Group AS er et heleid datterselskap av OP Invest AS. Over 50 % av OP Invest AS eies av utenlandske aksjonærer. Selskapene har utenlandske styremedlem. Selskapene driver virksomhet innen trykkeribransjen. Det vesentlige av omsetningen finner sted i utlandet. Selskapene opererer i en internasjonal bransje, hvor kunder og leverandører i all hovedsak er utenlandske. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

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

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

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse: Sentralbord
Se www.skatteetaten.no 800 80 000
Org.nr. 996250318 Telefaks
E-post: skatteetaten.no/sendepost 22 17 08 60



”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at over 50 % av aksjonærene er utenlandske. Det vesentlige av omsetningen finner sted i utlandet. Videre er det vektlagt at selskapene driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



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List of Signatures Page 1/1

Gelato ASA - Board of Director_s Report 2022.pdf

Name	Method	Signed at
Klas Erik Johansson	BANKID	2023-06-08 13:05 GMT+02
Henrik Müller-Hansen	One-Time-Password	2023-06-07 20:48 GMT+02
John Hepburn	One-Time-Password	2023-06-07 20:44 GMT+02
Nicole Vanderbilt	One-Time-Password	2023-06-07 18:37 GMT+02



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BOARD OF DIRECTOR'S REPORT 2022

Gelato ASA

(org. no.: 991 753 591)

PRIMARY ACTIVITIES

Gelato ASA is a privately held software company offering a wide range of software services for the global printing and digitally produced custom products industry, enabling the delivery of customized products to consumers and companies across the world producing and distributing them locally. The company launched its services in 2007 under the name of Optimalprint.

OWNERSHIP STRUCTURE

Gelato ASA was registered in the Brønnøysund Register Center on the 27th of September 2007 and is a wholly-owned subsidiary of OP Invest AS (org.no.: 891 753 632). The office address of the companies is at Dronning Eufemias gate 8, 0191, Oslo, Norway.

Gelato ASA (previously "Gelato AS") was converted into a public liability company as of 10 November 2021.

GOING CONCERN

In accordance with Norwegian accounting regulations, the Board confirms that the annual financial statements have been prepared on a going-concern basis.

Parent: The company's total equity as per 31.12.2022 is 194 226 107 NOK.

Group: The group's total equity as per 31.12.2022 is 240 211 267 NOK.

WORK ENVIRONMENT

Gelato views its employees as our most valuable resource. The work environment in the company is guided by the values within an equal-opportunity employer. We insist on fair, non-discriminative treatment for all employees, in recruitment and in selection for promotion or training opportunities, irrespective of race, color, nationality, age, sex, sexual orientation, gender identity, ethnic origin, marital status, disability or religion. Individuals at every level share responsibility for maintaining a culture that is built on the hard work associated with creating lasting impact and building a global company. We work to support open and positive relationships, free from prejudice, stereotyping and unfair bias.

The company's internal controls have been implemented based on the requirements set forth in the applicable Health, Safety and Environment (HSE) regulations.

Sick leave in the Group during 2022 was 455 working days in total.

The company directly employed an average of 42 FTE and indirectly employed an average of 9 FTE through a professional employer company during 2022.

The group employed an average of 187 FTE during 2022.

During the year no serious accidents resulting in material damage or personal injuries have occurred or been reported.

ENVIRONMENTAL STATEMENT

We understand the importance of protecting the environment and through the structure of our print and distribution network and on-demand production we contribute to limiting the environmental burden on earth, air, water and ecosystem.



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The company is not regulated by any licenses or impositions. For the parts of the operations of the group that relate to the sale of printed products, production is conducted by subcontractors.

On-demand, local printing can significantly reduce the environmental impact of printing. Studies performed show that Gelato's business model, including its global network of local production partners in 34 countries, is helping companies reduce their carbon footprint.

Gelato is a participant member of the UN Global Compact. Gelato has reported its Sustainability progress for 2022, the report is available at www.gelato.com.

TRANSPARENCY ACT

The due diligence report according to the Transparency act is available at www.gelato.com.

EQUALITY

We believe that an open, connected world is essential to break down barriers that limit access to certain positions within our company. We believe that people should be treated with respect at all times. We strongly condemn any discrimination. Instead, we promote equality through actively working with diversity related to gender, religion, language and culture.

Parent: As of 31.12.2022, the company's gender distribution of the employees in the company is 45% female and 55% male.

Group: As of 31.12.2022, the group's gender distribution of the employees in the group is 36% female and 64% male.

FUTURE DEVELOPMENT

The company and group focus on the following services, all supported by our global printing and custom products and distribution through its platform Gelato Network.

Gelato B2B API

Gelato B2B API was launched in 2019 to empower global ecommerce and the creator economy to serve any customer overnight with any customized product. The platform allows global companies and entrepreneurs, including internal customer Optimalprint, to access its network of production and distribution partners to produce and deliver personalized products.

Gelato B2B API is a business that sells to merchants of all sizes a bundle of primarily production-on-demand physical products, combined with software services to manage their business and digital content to personalize their products. Given the successful growth of Gelato B2B API business since launch, which supports on-demand production for e-commerce businesses, we used 2022 to focus on our self-service segment. We continue to see growth opportunities in this market, with the addition of new marketing channels (such as SEO, and affiliate marketing), new products, and new software services to make the customers' workflows more efficient.

We invested in customer experience launching "Gelato Plus", a premium membership program that offers to our customers access to a wide range of software's and personalized marketing tools for enhanced customer experience in their own online stores. In 2023 we have accelerated our transition from selling only physical products, to also selling software subscriptions.



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GelatoOS

GelatoOS will be a software business that sells software services to production-on-demand hubs across the world to run their operations, for Gelato's and other companies' volumes. Since very early in our history, we have been developing and providing our production partners with software services to run their operations when they produce for Gelato - GelatoOS. Customer feedback has been consistently positive with partners requesting us to use our software to run their operations also when they produce for other companies. We have validated the market opportunity through significant research and we have decided to commercialize our software in a new business unit. GelatoOS will make the sourcing, production, and distribution operations of production hubs across the globe more efficient, by improving throughput, reducing errors, and reducing material costs. Gelato has a head-start with its network and existing scale.

Optimalprint

Optimalprint is a leading e-commerce business that sells to consumers across the world a bundle of personalized and pre-designed physical products combined with Software tools and digital content to design beautiful unique products. A significant part of the revenue will be recurring from customers who have a subscription (Optimalprint Plus). To drive life-time-value we continue to focus on increasing product and shipping profitability, expanding our revenue from non-seasonal products, and design products through improving our discoverability of products and the range of premium content we offer.

RISK FACTORS

The company is focused on taking the necessary actions to manage and reduce any business risks, such that the overall risk exposure of the company is continuously contained to what is considered to be commercially acceptable.

The operations of Gelato ASA are exposed to certain operational and financial risks. For example, the company is investing in growth, particularly in Gelato B2B API, and will face uncertainty related to future estimates of revenue. In addition, in a fast growth environment there are always risks related to execution, in our case mainly related to production capacity, quality and delivery.

Gelato ASA is exposed to adverse legal and tax consequences, resulting from regulatory environments and complexities of foreign corporate income tax systems, value added tax ("VAT") regimes, tax withholding rules, custom duties, and restrictions on the repatriation of earnings. Legal and tax uncertainties evolve as the business increases its global operations. To mitigate risks, we partner with carefully selected advisors and back-office providers such as PwC, Viewledger, EY, KPMG, TMF, Taxually and Vertex, and world class local legal advisors across the globe.

The company has reviewed the risk related to the war in Ukraine for the company and ensured the company has been in compliance with all relevant sanctions.

The board of directors, managing directors and officers of Gelato ASA are covered by a D&O insurance limiting the aggregate liability for financial losses to NOK 50 000 000.

Currency risk: The underlying currency risk for the company is limited since nearly all revenues are matched with costs in like-for-like currencies across geographical markets. The currency risk is therefore mainly related to the translation into the financial statement presentation currency.

Interest risk: The company has no interest-bearing debt.

Credit risk: A significant majority of customer payments are received before production is initiated. However, post-paid orders increase as we grow the Gelato B2B API business.



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Liquidity risk: As of 31.12.2022, cash and cash equivalents of the company equaled 90 325 179 NOK. The company has no external or interest-bearing debt and a limited number of short-term liabilities. The liquidity position of the company is solid. The company will receive necessary funding or capital increase from the parent company when needed.

RESEARCH AND DEVELOPMENT

Gelato continues to allocate considerable resources to R&D activities as new services and functionalities are developed and rolled out globally. R&D within Gelato is related to continuous software development of existing and new platforms and services and is one of the company's core activities.

FINANCIAL SUMMARY

Parent:

Total revenues were 1 075 442 301 NOK in 2022 (2021: 865 289 379), with an EBITDA of -306 852 535 NOK in 2022 (2021: -165 599 666 NOK).

The difference between EBITDA and change in net cash is largely explained by improving profitability driven by cost reductions, the capitalization of intangible assets, amortization of intangible assets, change in accruals, and change in working capital.

Net income for the period was -266 072 272 NOK (2021: -142 596 935 NOK).

Change in deferred tax accounted on the balance sheet was 73 407 402 NOK in 2022 (2021: 39 651 649).

Based on the expected future profits in Gelato ASA, the Board deems it to be correct to account deferred taxes on the balance sheet.

Total equity per 31.12.2022 was 194 226 107 NOK, compared to 57 058 153 NOK per 31.12.2021. The company's equity ratio was 41.43% (2021:17.42%).

Total equity and liabilities per 31.12.2022 were 468 795 599 NOK, up from 327 377 348 NOK per 31.12.2021.

Group:

Total revenues were 1 087 909 165 NOK in 2022 (2021: 874 176 013), with an EBITDA of -278 003 330 NOK in 2022 (2021: -157 977 209 NOK).

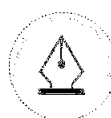
The difference between EBITDA and change in net cash is largely explained by improving profitability driven by cost reductions, the capitalization of intangible assets, amortization of intangible assets, change in accruals, and change in working capital.

Net losses for the period was -251 519 856 NOK (2021: -134 525 383 NOK).

Change in deferred tax accounted on the balance sheet was 72 322 248 NOK in 2022 (2021: 55 399 197).

Based on the expected future profits in Gelato ASA, the Board deems it to be correct to account deferred taxes on the balance sheet.

Total equity per 31.12.2022 was 240 211 267 NOK, compared to 84 458 992 NOK per 31.12.2021. The company's equity ratio was 43.78% (2021: 21.91%).



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Total equity and liabilities per 31.12.2022 were 548 728 871 NOK, up from 385 338 170 NOK per 31.12.2021.

It is the Board's opinion that the annual accounts provide a true and fair view of the Company's activities in 2022.

NET INCOME AND DISTRIBUTIONS

Parent: The Board proposes the following distribution of the net income of Gelato ASA (parent):

<u>Transferred from other equity</u>	<u>-266 072 272 NOK</u>
Total distributed	-266 072 272 NOK

Group: The Board proposes the following distribution of the net income of Gelato ASA (group):

<u>Transferred from other equity</u>	<u>-251 519 856 NOK</u>
Total distributed	-251 519 856 NOK

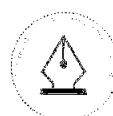
Oslo, 07/06/2023

Nicole Marie Vanderbilt
Board member

John Keith Hepburn
Chairman of the board

Klas Erik Johansson
Board member

Henrik Müller-Hansen
CEO



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To the General Meeting of Gelato ASA

Independent Auditor's Report

Opinion

We have audited the financial statements of Gelato ASA, which comprise:

- the financial statements of the parent company Gelato ASA (the Company), which comprise the balance sheet as at 31 December 2022, the statement of profit or loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Gelato ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the statement of profit or loss, 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,
- 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 Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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 and the Group 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 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

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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 the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 7 June 2023

PricewaterhouseCoopers AS

Geir Haglund
State Authorised Public Accountant
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Haglund, Geir	BANKID_MOBILE	2023-06-12 20:15

This document package contains:

- Closing page (this page)
- The original document(s)
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List of Signatures Page 1/1

Gelato ASA - standalone - Financial statement 2022.pdf

Name	Method	Signed at
Klas Erik Johansson	BANKID	2023-06-08 13:20 GMT+02
Henrik Müller-Hansen	One-Time-Password	2023-06-07 20:50 GMT+02
John Hepburn	One-Time-Password	2023-06-07 20:45 GMT+02
Nicole Vanderbilt	One-Time-Password	2023-06-07 18:36 GMT+02

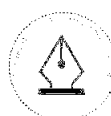


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Gelato ASA

FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022



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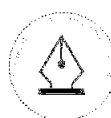
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Gelato ASA

Statement of profit or loss 1 January - 31 December
in NOK

	Note	2022	2021
Sales revenue	1	1,074,863,230	863,999,981
Other revenue	1	579,071	1,289,398
Total revenues		1,075,442,301	865,289,379
Cost of goods		858,751,683	594,060,400
Payroll expenses	2, 3, 4	86,998,549	78,596,753
Other operating expenses	4	436,544,604	358,231,892
Losses before interest, taxes, depreciation, amortization (EBITDA)		(306,852,535)	(165,599,666)
Depreciation, amortization	5,6	20,537,727	16,851,586
Net operating income		(327,390,262)	(182,451,252)
Financial items			
Other financial income		580,734	25,905
Other financial expenses		6,194,632	257,685
Currency effects (gains)/losses - net		6,475,513	(434,447)
Net financial items	7	(12,089,411)	202,667
Losses before tax		(339,479,673)	(182,248,585)
Income tax	8	(73,407,401)	(39,651,649)
Net income for the year is distributed as follows		(266,072,272)	(142,596,936)
Transferred from (-)/ to other equity			
Total distributed	9	(266,072,272)	(142,596,936)



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Gelato ASA

Balance sheet
in NOK

Assets	Note	31.12.2022	31.12.2021
Non-current assets			
Intangible assets	5	65,111,668	50,003,548
Deferred tax asset	8	212,895,509	139,488,108
		<u>278,007,177</u>	<u>189,491,656</u>
Property, plant & equipment	6	1,844,210	786,569
Investments in subsidiaries	10	23,783,521	18,662,005
Other non-current receivables	11	851,863	3,143,249
Total non-current asset		<u>304,486,771</u>	<u>212,083,479</u>
Current assets			
Inventories	12	11,560,032	4,480,718
Trade receivables		39,076,103	34,347,041
Other short-term receivables	11,13	23,347,513	29,138,424
Cash and cash equivalents	14	90,325,179	47,327,686
Total current asset		<u>164,308,828</u>	<u>115,293,869</u>
Total assets		<u>468,795,599</u>	<u>327,377,348</u>
Equity and liabilities			
Share capital	15,9	86,927,148	86,927,148
Share premium	9	399,905,352	399,905,352
Unregistered paid-in capital	9	392,163,500	-
Additional paid-in capital	9	64,336,262	53,259,536
Total paid-in capital		<u>943,332,262</u>	<u>540,092,036</u>
Other equity		(749,106,155)	(483,033,883)
Total equity		<u>194,226,107</u>	<u>57,058,153</u>
Current liabilities			
Trade payables	13	125,970,293	171,002,884
VAT, social security & other taxes		54,452,580	51,065,968
Other current liabilities	13	94,146,619	48,250,343
Total current liabilities		<u>274,569,492</u>	<u>270,319,195</u>
Total liabilities		<u>274,569,492</u>	<u>270,319,195</u>
Total equity and liabilities		<u>468,795,599</u>	<u>327,377,348</u>

Oslo, 07.06.2023
The board of Gelato ASA

Nicole Marie Vanderbilt
Board member

John Keith Hepburn
Chairman of the board

Klas Erik Johansson
Board member

Henrik Müller-Hansen
CEO



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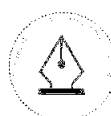
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Gelato ASA

Statement of cash flows
in NOK

	Note	2022	2021
Cash flows from operating activities			
Losses before income tax		(339,479,673)	(182,248,585)
Depreciation, amortisation	5,6	20,537,727	16,851,586
Share based payments		6,005,212	3,130,185
Change in inventories	12	(7,079,314)	(3,035,941)
Change in trade receivables		(4,729,063)	(2,582,073)
Change in trade payables		(45,032,590)	63,336,874
Change in other accruals		55,073,798	(29,828,366)
Net cash inflow (outflow) from operating activities		(314,703,903)	(134,376,320)
Cash flows from investing activities			
Payments for purchases of non-current assets	6	(1,564,150)	(686,104)
Payment for purchases of intangible assets and capitalized development cost	5	(35,139,340)	(23,451,696)
Proceed from other receivables		2,291,386	(2,825,484)
Net cash inflow (outflow) from investing activities		(34,412,104)	(26,963,284)
Cash flows from financing activities			
Investment in subsidiaries		(50,000)	(32,238)
Proceeds from capital increase	9	392,163,500	66,521,500
Net cash inflow (outflow) from financing activities		392,113,500	66,489,262
Net increase (decrease) in cash and cash equivalents		42,997,493	(94,850,342)
Cash at beginning of period		47,327,686	142,178,028
Cash and cash equivalents at end of period		90,325,179	47,327,686



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Accounting principles

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

Revenues

Revenue derives from internet-based sales of printing services (including distribution).

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, discounts and amounts collected on behalf of third parties.

The company recognizes revenue when the performance obligations in the contracts with customers are delivered. Specific criteria have been established for each of the companies revenue generating activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The specific accounting policies for the Group's main revenue generating activities are as follows:

Products

The revenue from sale of printing products is recognized when control of the goods has transferred, being when the goods are delivered to the customer (shipped from stock). A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Services

The company additionally derives revenues from the sale of its cloud based printing software solutions to Corporate customers. Such revenues follow subscription based (SaaS) agreements, where revenue is recognized in accordance with standard practices for such revenues. Specifically, revenue is recognized linearly over the lifetime of the agreements from the point at which access to the live version of the solutions has been activated and shared with the customer.

Optimal Print Plus

Sales of Optimal Print Plus are considered arrangements with multiple performance obligations, including unlimited shipping, access to exclusive discounts and extended warranty in exchange for an upfront annual fee. The revenue of each performance obligation is amortized over time, during the non-cancellable contractual period, and based on the estimated timing that the disbursements for fulfilling the performance obligations will occur. The expected cost is estimated upon historical information of past orders and expected customer behavior.

Extended warranty revenue is recognized when management considers probable that warranty claims will occur beyond the statutory warranty period.

Gelato Plus

Gelato Plus is a Software as a Service ("SaaS") revenue providing customer exclusive access to applications for development and upgrade of customer's website and additional support for connection of e-commerce stores to marketplaces. Revenue is recognized as a right to access the entity's intellectual property as it exists throughout the license period and amortized over the non-cancellable contractual period.

Classification of balance sheet items

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

Intangible assets

Acquired intangible assets are capitalized on the basis of the costs incurred to acquire and put the asset into use. Expenditure on the research phase of projects to develop new customized software is recognized as an expense as incurred. All intangible assets, including capitalized internally developed software, are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date.



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Fixed assets

Fixed assets are reflected in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight-line basis if assumed lifetime is over 3 years and the cost price exceeds NOK 15 000. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset. The split between maintenance and additions/improvements is calculated in proportion to the asset's condition at the acquisition date.

Investments in other companies

The cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved. Sums added to the balance sheet are amortized to the assumed actual value when this is lower.

Asset impairments

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

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

Inventories

Cost is calculated using the weighted average cost method. For finished goods purchase cost comprises cost of production expenses (based on normal capacity).

Receivables

Trade debtors are recognized in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. In addition, an unspecified allocation is made to cover assumed losses.

Pensions

The company has a defined contribution plan.

With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognized as payroll expenses.

Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (stock options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted.

At the end of each reporting period, the group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognized as financial income and financial expenses.



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Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated with 22% on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Deferred tax is reflected at nominal value.

Cash flow statement

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

Other

Gelato AS' parent OP Invest AS prepares consolidated financial statements where Gelato AS are included. The parent company OP Invest AS has its registered offices in Dronning Eufemias, Gate 8, 0191 Oslo, where the consolidated financial statements can be obtained



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Note 1 Sales revenue

	2022	2021
<i>Revenue from contract with customers</i>		
Revenue from services	30,819,269	23,894,207
Revenue from products	1,044,038,472	840,105,774
<i>Other revenue</i>		
Government grant (Skattefunn)	584,561	1,289,398
Total	1,075,442,301	865,289,379

	2022	2021
EMEA	672,526,479	601,909,443
Americas	326,864,948	196,530,130
Asia Pacific	74,591,729	65,262,947
Africa	880,074	297,461
Total	1,074,863,230	863,999,981

Note 2 Share-based payments

In 2022 and before, certain employees have been offered options to buy shares in Gelato AS currently owned by Basset AS. Options typically vested annually over three years after a 6 month waiting period.

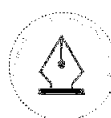
An employee equity program was launched in 2016 with the shareholders authorizing up to 2 million B-shares to be used for the program.

The equity program allows management to grant selected employees options and to give them the opportunity to purchase restricted stock. Options grants typically vest quarterly over a three year period after a 6 to 9 month waiting period. Restricted stock typically vests in a similar fashion. Prior to vesting, the company has a right to buy back restricted stock from the employee if the employee ends their employment with a Group company for any reason.

The number of and weighted average exercise price of options are as follows for Gelato AS and subsidiaries:

	Number of options		Weighted Average Exercise Price (NOK)		Weighted Average Remaining Life	
	2022	2021	2022	2021	2022	2021
Outstanding at Beginning of Year	1,581,712	1,657,195	97.3	74.00	4.24	4.00
Exercisable at the End of the Year	1,237,188	982,630	86.46	76.70	2.83	3.22
Granted During the Year	355,245	381,229	265.85	160.76	6.44	6.46
Exercised During the Year	6,394	157,410	65.2	48.56	0	0.96
Canceled during the Year	86,257	59,905	113.48	80.98	0	0.00
Canceled during the Year (Expired)	3,667	12,162	13.72	75.05	0	0.00
Outstanding at the End of the Year	1,840,639	1,581,712	127.24	97.3	3.83	4.24
Options Vested During the Year	252,093	223,624	125.85	79.8	4.58	4.16
Vested at end of Year	1,237,188	982,630	86.46	76.7	2.83	3.22
Shares Expected to Vest	603,451	529,099	210.83	130.1	5.88	5.87
Vested and Expected to Vest	1,840,639	1,511,729	127.24	95.4	3.83	4.15

Options outstanding at the end of the year have the following expiry date and exercise prices:



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Exercise prices	Options Outstanding		Weighted Average Remaining Contractual Life		Shares Exercisable	
	2022	2021	2022	2021	2022	2021
NOK 13,72	68,880	64,047	2.39	1.33	65,546	57,380
NOK 73,77	47,535	47,535	1.53	2.53	47,535	47,535
NOK 80,98	1,236,768	1,305,618	3.05	4.10	1,061,715	877,715
NOK 265,85	487,456	164,512	6.26	6.90	62392	-

The fair value of services received in return for stock options granted is measured by using the Black & Scholes option pricing model. The significant inputs into the model are weighted average share price at the grant date, exercise price shown above, volatility of 40 %, an expected option life of seven years and an annual risk-free interest rate of 1,2 %.

Share based payments compensated to key management are as follows:

Name	Role	Number of options granted
Rebecca Razulis	COO	63,744
Yvonne Rivera	VP People & Talent	31,669
Oliver Ridley	CTO	44,843
Jose I. Herrero	CFO	9,325

Note 3 Pensions

Mandatory occupational pension

The company is obliged to have an occupational pension scheme according to the act relating to mandatory occupational pensions and has established a pension scheme that meets the requirements of the Act. The company has a contributory scheme that covers all employees. Total pension expenses in 2022 were NOK 946,774.

Note 4 Payroll expenses

Specification of employee benefit expenses	2022	2021
Salaries/wages	67,363,565	52,974,043
Social security fees	11,173,084	18,455,808
Share options granted to employees	6,005,212	5,153,281
Pension expenses	946,774	1,199,112
Other remuneration	1,509,914	814,509
	86,998,549	78,596,753

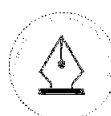
The number of FTE's in the accounting year has been 51 46

Share based payments have been issued to employees. See note 2 for further information.

No loans/securities have been granted to the CEO, Chairman of the board or other related parties.

General Manager remuneration	Chief Executive officer	Board
Salaries/board fee	3,170,211	-
Social security fees	452,687	-
Pension expenses	27,101	-
Other remuneration	13,236	-

Expensed audit fee (excl. VAT)	2022	2021
Statutory audit (incl. technical assistance with financial statements)	735,465	514,817
Tax advisory fee (incl. technical assistance with tax return)	31,260	167,516
Other assistance	100,000	-
Total audit fees	866,725	682,333



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Note 5 Intangible assets

2022	Web-domain	Software	Total
Cost 01.01	2,777,134	126,353,346	129,130,480
Accumulated amortization	1,643,151	77,483,781	79,126,932
At 01.01	1,133,983	48,869,565	50,003,548
Additions	-	35,139,339	35,139,339
This years amortization	277,716	19,753,503	20,031,219
At 31.12	856,267	64,255,401	65,111,668
Cost 31.12	2,777,134	161,492,685	164,269,819
Accumulated amortization	1,920,867	97,237,284	99,158,151
At 31.12	856,267	64,255,401	65,111,668
Amortization in the year	277,716	19,753,503	20,031,219
Amortization plan (straight line)	10 years	5 years	

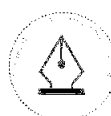
The costs of building new products and features, together with significant improvements of parts or main components of Gelato's core platform (provided that such improvements will generate probable future economic benefits), are capitalized as development costs and amortized on a straight-line basis over 5 years.

A significant portion of the work that the software engineers perform (beyond specifically building new features or products) is related to the implementation of the ongoing updates that are required to maintain the functionality of the products and core platform. Examples of such updates include "bug fixes" and updates made to comply with changes in laws and regulations. These costs are expensed as maintenance costs. The anticipated total earnings from ongoing R&D exceeds total expenses incurred.

Web-domain is related to purchase of various internet properties.

Note 6 Property, plant and equipment

2022	Furniture, fittings and equipment
Cost 01.01	3,356,187
Additions	1,564,149
Cost per 31.12	4,920,336
Accumulated depreciation 01.01	2,569,618
This year's depreciation	506,508
Accumulated depreciation 31.12	3,076,126
At 31.12	1,844,211
Depreciation plan (straight line)	3 years
Annual rental of non-financial assets	
Rent for office premises	3,691,771
Rent for office premises – residual term	17 months



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Note 7 Specification of financial income and expenses

	2022	2021
Interest income		
- Other interest income	580,734	-
- Other financial income	-	25,905
Finance income	580,734	25,905
Interest expense:		
- Other interest expense	6,191,747	-
- Other financial costs	2,885	257,685
Finance costs	6,194,632	257,685
Currency effects (gains)/losses - net	6,475,513	(434,447)
Net financial items	(12,089,411)	202,667

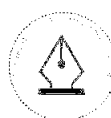
Note 8 Taxes

Calculation of deferred tax/deferred tax asset

	2022	2021
Temporary differences		
Fixed assets (tangible and intangible)	275,175	26,279
Accounts receivable	(130,000)	(130,000)
Deferred revenue from government grants (Skattefunn)	-	(584,561)
Other accruals	(15,049,467)	(12,141,312)
Net temporary differences	(14,904,292)	(12,829,593)
Tax losses carried forward	(952,696,831)	(621,791,821)
Basis for deferred tax	(967,601,123)	(634,621,415)
Deferred tax (22 %)	(212,872,247)	(139,616,711)
Deferred tax asset not shown in the balance sheet	-	128,603
Tax credit from tax paid abroad	(23,262)	-
Deferred tax in the balance sheet	(212,895,509)	(139,488,108)

Deferred tax is capitalized in the balance sheet based on estimated future profit.

	2022	2021
Basis for income tax expense, changes in deferred tax and tax payable		
Income before tax	(339,479,673)	(182,248,585)
Permanent differences	6,394,232	3,135,298
Basis for the tax expense for the year	(333,085,441)	(179,113,287)
Change in temporary differences	2,074,699	10,181,700
Basis for payable taxes in the income statement	(331,010,742)	(168,931,587)
Change in tax losses carried forward	331,010,742	168,931,587
Basis for tax payable in the profit and loss accounts	-	-
Taxable income (basis payable tax in the balance sheet)	-	-
Components of the income tax		
Payable tax on this year's result	-	-
Total payable tax	-	-
Change in deferred tax	73,407,402	39,651,649
Paid income tax abroad	-	-
Income tax	73,407,402	39,651,649



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Reconciliation of income tax

Income before tax	(339,479,673)	(182,248,585)
Calculated tax 22 %	(74,685,528)	(40,094,688)
Income tax	(73,407,401)	(39,651,649)
Difference	1,278,127	443,040

The difference consist of:

22 % of permanent differences	1,406,731	689,765
Paid income tax abroad	-	-
22 % of basis for deferred tax asset not shown in the balance sheet	(128,603)	(246,726)
Sum explained differences	1,278,128	443,040

Payable taxes in the balance sheet

Payable tax in the tax charge	-	-
Paid income tax abroad	-	-
Payable tax in the balance sheet	-	-

Note 9 Shareholders' equity

Equity changes in the year	Share capital	Share premium	Unregistered paid-in capital	Additional paid in capital	Other equity	Total equity
Equity 01.01.	86,927,148	399,905,352	-	53,259,536	(483,033,883)	57,058,153
Capital increase	-	-	-	-	-	-
Unregistered paid-in capital	-	-	392,163,500	-	-	392,163,500
Effects due to Share-based payments*	-	-	-	11,076,726	-	11,076,726
Net income for the year	-	-	-	-	(266,072,272)	(266,072,272)
Equity 31.12.	86,927,148	399,905,352	392,163,500	64,336,262	(749,106,155)	194,226,107

*The Company recognize the effects of share-based payments in compliance with NRS 15



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Note 10 Investments in subsidiaries

Subsidiaries	Location	Ownership/ voting right	Equity 31.12.2022	Net income 2022	Balance sheet value 2022
Gelato Sweden AB	Stockholm	100%	13,404,589	644,703	9,943,086
Gelato Estonia OÜ	Tallinn	100%	1,950,632	421,473	21,786
Gelato Brasil Distribuicao de Materiais Impressos LTDA	São Paulo	100%	3,493,530	1,426,211	428,985
Gelato Chile SpA	Santiago	100%	0	(399,369)	173,040
Gelato information and technology (Shanghai) Ltd.	Shanghai	100%	1,187,437	215,345	408,557
Gelato Print Services India Private Limited	Mumbai	100%	1,876,798	636,824	375,048
Limited Liability Company Gelato Rus	Moscow	99%	1,418,767	172,425	444,708
Gelato Group UK Ltd	London	100%	26,148,652	1,219,179	10,344,896
Gelato International AS	Oslo	100%	(18,932)	(15,882)	481,487
Gelato Japan LLC	Tokyo	100%	484,098	194,622	82,807
Gelato Tech Espana SLU	Madrid	100%	3,319,113	1,820,977	1,029,121
Gelato Tech Holding AS	Oslo	100%	12,182	(12,248)	50,000
					23,783,521

Note 11 Receivables and liabilities

	2022	2021
Non-current receivables for payment later than one year	851,863	3,143,249
Non-current liabilities due for payment later than 5 years	-	-

Note 12 Inventories

	2022	2021
Frames	10,900,100	4,207,856
Packaging	659,932	272,862
Obsolescence	-	-
Total	11,560,032	4,480,718

Inventories are measured by lower amount between purchase costs and net realizable value.

Note 13 Balance with group companies

	2022	2021
Other receivables	1,570,893	370,734
Total receivables	1,570,893	370,734
Trade payables	50,827,422	46,549,698
Other current liabilities	-	-
Total liabilities	50,827,422	46,549,698

Note 14 Restricted bank deposits

	2022	2021
Restricted bank deposits	3,076,111	2,373,654

Nordea has mortgage in certain monetary claims up to NOK 2,960,000.
The book value of receivables (non-current and current) is NOK 39,927,966.



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Note 15 Shareholders' equity and share information

The share capital of NOK 86,927,148 is comprised of 8,278,776 shares of NOK 10,5. The company has one shareholder.

Name	Number of shares	Ownership
OP Invest AS	8,278,776	100%

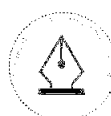
Gelato ASA' parent OP Invest AS prepares consolidated financial statements where Gelato AS are included. The parent company OP Invest AS has its registered offices in Gelato ASA, Dronning Eufemias gate 8, 0191 Oslo, where the consolidated financial statements can be obtained.

Note 16 Related-party transactions

Remuneration to executives is disclosed in note 4, and balance with group companies is disclosed in note 13.

The following internal transactions have taken place between Group entities in the accounting year.

Related parties	Type transactions	Total
Cost of services		
Gelato Sweden AB	Service fee (NOK)	32,657,952
Gelato Estonia	Service fee (NOK)	8,510,784
Gelato Brazil	Service fee (NOK)	13,698,243
Gelato Chile	Service fee (NOK)	963,862
Gelato China	Service fee (NOK)	4,212,035
Gelato India	Service fee (NOK)	9,229,380
Gelato Russia	Service fee (NOK)	15,401,292
Gelato UK	Service fee (NOK)	78,213,979
Gelato USA	Service fee (NOK)	236,360,068
Gelato Japan	Service fee (NOK)	5,880,935
Gelato Spain	Service fee (NOK)	44,176,893
Revenue		
Gelato USA	Intellectual property fee (NOK)	17,647,825



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Name	Method	Signed at
Klas Erik Johansson	BANKID	2023-06-08 13:04 GMT+02
Henrik Müller-Hansen	One-Time-Password	2023-06-07 20:48 GMT+02
John Hepburn	One-Time-Password	2023-06-07 20:43 GMT+02
Nicole Vanderbilt	One-Time-Password	2023-06-07 18:36 GMT+02



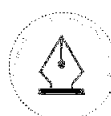
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Gelato ASA

Group Consolidated Financial Statements

Financial Statements for the Year ended 31 December 2022



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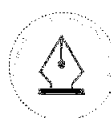


Group consolidated financial statements 2022

Gelato ASA

Consolidated statement of profit or loss 1 January - 31 December
in NOK

	Note	2022	2021
Sales revenue	4	1,087,303,856	872,877,394
Other revenue	4	605,309	1,298,619
Total revenues		1,087,909,165	874,176,013
Cost of goods	13	640,151,677	494,274,032
Payroll expenses	5	253,909,636	171,900,521
Other operating expenses	6	458,778,968	365,806,678
Other (gains)/losses - net	8	13,072,214	171,991
Losses before interest, taxes, depreciation, amortization (EBITDA)		(278,003,330)	(157,977,209)
Depreciation, amortization	11,12	20,579,502	16,875,042
Amortization of right-of-use assets	7	10,321,250	4,071,361
Net operating income		(308,904,083)	(178,923,612)
Financial items			
Other financial income		604,533	31,831
Other financial expenses		7,312,752	773,418
Currency effects (gains)/losses - net		(2,065,067)	(113,461)
Net financial items	9	(4,643,152)	(628,126)
Losses before tax		(313,547,235)	(179,551,738)
Income tax	10	62,027,378	45,026,355
Net losses		(251,519,856)	(134,525,383)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		1,566,573	(504,595)
Other comprehensive income for the year, net of tax		1,566,573	(504,595)
Total comprehensive income for the year		(249,953,283)	(135,029,978)



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Group consolidated financial statements 2022

Gelato ASA

Consolidated balance sheet
in NOK

Assets	Note	31.12.2022	31.12.2021
Non-current assets			
Intangible assets	11	65,111,668	50,003,548
Deferred tax asset	10	227,698,071	155,375,823
Property, plant & equipment	12	1,897,425	850,164
Right-of-use assets	7	9,697,446	19,543,243
Other non-current receivables	14	1,422,742	3,681,260
Total non-current asset		305,827,353	229,454,038
Current assets			
Intercompany receivables	20	6,880	128,232
Inventories	13	12,021,868	7,365,438
Other current receivables	14	26,662,463	30,394,468
Trade receivables	14	40,521,715	37,008,096
Cash and cash equivalents	15	163,688,592	80,987,898
Total current asset		242,901,519	155,884,132
Total assets		548,728,871	385,338,170
Equity and liabilities			
Share capital	16	86,927,148	86,927,148
Share premium	16	399,905,352	399,905,352
Unregistered paid-in capital	16	392,163,500	0
Additional paid-in capital	16	74,939,182	61,397,124
Other equity		(713,723,915)	(463,770,632)
Total equity		240,211,267	84,458,992
Non-current liabilities			
Long-term lease liability	7	1,360,809	9,297,997
Total non-current liabilities		9,297,997	9,297,997
Current liabilities			
Intercompany loans	19	20,000	12,713,148
Short-term lease liability	7	9,135,969	10,761,078
Income tax obligation	10	5,290,473	1,698,418
Other current liabilities	18	115,887,674	72,573,937
VAT, social security & other taxes		73,934,518	63,456,029
Trade payables		102,888,162	130,378,571
Total current liabilities		307,156,796	291,581,181
Total liabilities		308,517,605	300,879,178
Total equity and liabilities		548,728,871	353,399,209

Oslo, 07.06.2023
Bod in Gelato ASA

Nicole Marie Vanderbilt
Board member

John Keith Hepburn
Chairman of the board

Klas Erik Johansson
Board member

Henrik Müller-Hansen
CEO



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Group consolidated financial statements 2022

Gelato ASA

Consolidated statement of equity

in NOK

	Note	Shareholders equity	Share premium	Additional paid-in capital	Retained earnings*	Total equity
Equity 31.12.2020		85,271,393	361,039,607	48,106,255	(354,740,654)	139,676,601
Profit for the year					(134,525,383)	(134,525,383)
Other comprehensive income (foreign currency rate changes)					(504,595)	(504,595)
Total comprehensive income for the year		-	-	-	(135,029,978)	(135,029,978)
Employee share schemes – value of employee services	17			5,153,281		5,153,281
Deferred tax from employee share schemes	17			8,137,588		8,137,588
Capital increase	16	1,655,755	64,865,745			66,521,500
Share capital reduction	16		(26,000,000)		26,000,000	-
Transactions with owners in their capacity as owners		1,655,755	38,865,745	13,290,869	26,000,000	79,812,369
Equity 31.12.2021		86,927,148	399,905,352	61,397,124	(463,770,632)	84,458,992

*Other equity in the consolidated balance sheet comprise translation reserve and retained earnings.



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Group consolidated financial statements 2022

Gelato ASA

Consolidated statement of equity

in NOK	Note	Shareholders equity	Share premium	Unregistered paid-in capital	Additional paid-in capital	Retained earnings*	Total equity
Equity 31.12.2021		86,927,148	399,905,352	-	61,397,124	(463,770,632)	84,458,992
Profit for the year						(251,519,856)	(251,519,856)
Other comprehensive income (foreign currency rate changes)						1,566,573	1,566,573
Total comprehensive income for the year						(249,953,283)	(249,953,283)
Employee share schemes – value of employee services	17				11,076,728		11,076,728
Deferred tax from employee share schemes	17				2,465,330		2,465,330
Capital increase	16				-		-
Unregistered paid-in capital	16			392,163,500			392,163,500
Transactions with owners in their capacity as owners				392,163,500	13,542,058		405,705,558
Equity 31.12.2022		86,927,148	399,905,352	392,163,500	74,939,182	(713,723,915)	240,211,267

*Other equity in the consolidated balance sheet comprise translation reserve and retained earnings.



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Gelato ASA - Group consolidated Financial Statements 2022

Gelato ASA

Consolidated statement of cash flows

in NOK

	Note	2022	2021
Cash flows from operating activities			
Profit before income tax		(313,547,235)	(179,551,738)
Taxes paid	10	(4,385,730)	(1,600,480)
Depreciation, amortisation	11,12	20,579,502	16,875,042
Amortization of right-of-use assets	7	10,321,250	4,071,361
Share based payments		10,988,563	5,153,281
Change in intercompany payables/receivables	19	(12,571,796)	12,981,862
Change in inventories	13	(4,656,430)	(5,623,115)
Change in trade receivables	14	(3,383,619)	(15,336,491)
Change in trade payables		(27,490,409)	31,302,269
Change in other accruals		59,782,749	6,266,216
Net cash inflow (outflow) from operating activities		(264,363,155)	(125,461,793)
Cash flows from investing activities			
Receipt / (-) Payments for purchases of non-current assets		-	-
Payments for purchases of fixed assets	12	(1,564,149)	(852,108)
Payment for purchases of intangible assets and capitalized development cost	11	(35,139,339)	(23,451,696)
Net cash inflow (outflow) from investing activities		(36,703,488)	(24,303,804)
Cash flows from financing activities			
Proceeds from capital increase	16	392,163,500	66,521,500
Payment of leases		(9,937,622)	(4,061,787)
Net cash inflow (outflow) from financing activities		382,225,878	62,459,713
Net increase (decrease) in cash and cash equivalents		81,159,235	(87,305,884)
Cash at beginning of period		80,987,898	168,293,782
Effects of exchange rate changes on cash	15	1,541,459	-
Cash and cash equivalents at end of period	15	163,688,592	80,987,898



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Gelato ASA - Group consolidated Financial Statements 2022

1 General information

Gelato ASA is a privately held company domiciled in Norway that focuses on investments within software services for the global production-on-demand industry – enabling the delivery of local printing and production services for customers all over the world. Gelato ASA was transformed into a public limited company (ASA) as of 8 June 2021. Previously, Gelato ASA was named Gelato AS. The company's principal offices are located at Dronning Eufemias, Gate 8, Oslo, Norway. The consolidated financial statements of the Group for the year ended December 31, 2022, comprise the Company and its subsidiaries. The financial statements were authorized for issue by the Directors on 07.06.2023.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Gelato ASA have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS. For the submitted consolidated financial statements there are no differences between IFRS as adopted by the EU and the IASB.

The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities at fair value through profit or loss.

The consolidated financial statements have been prepared on a going-concern basis.

2.1.1 Changes in accounting policy and disclosures

New standards adopted by the Group

The Group has adopted all new and amended standards as of 31 December 2022 with no material impact on the financial statements for 2022.

Amendments to IAS 12

In May 2021, the IASB approved amendments to IAS 12 removing the exemption for recognition of deferred tax assets and liabilities arising from the initial recognition of right-of-use assets and lease liabilities. The amendments apply to annual reporting periods beginning on or after 1 January 2023. If The Group has selected to apply the changes in 2022, it would have no material impact on the financial statements for 2022.

Other standards and amendments

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Consolidation

The Group consists of the following companies as of 31.12.2022:

<i>Parent and subsidiaries</i>	<i>Place of business</i>	<i>% of ownership interest</i>
Gelato ASA ("The Parent")	Oslo, Norway	100%
Gelato International AS	Oslo, Norway	100%
Gelato Tech Holding AS	Oslo, Norway	100%
Gelato Sweden AB	Stockholm, Sweden	100%
Gelato Estonia OÜ	Talinn, Estonia	100%
Gelato Brasil Distribuicao de Materiais Impressos LTDA	São Paulo, Brazil	100%
Gelato Chile SpA	Santiago, Chile	100%
Gelato information and technology (Shanghai) Ltd.	Shanghai, China	100%
Gelato Print Services India Private Limited	Mumbai, India	100%
Limited Liability Company Gelato Rus	Moscow, Russia	100%
Gelato Group UK Limited	London, United Kingdom	100%
Gelato USA LLC	Boston, United States	100%
Gelato Japan LLC	Tokyo, Japan	100%
Gelato Tech Espana SLU	Madrid, Spain	100%
GELATO TECH SINGAPORE PRIVATE LIMITED	Singapore	100%
GELATO TECH CANADA LIMITED	Canada	100%
GELATO TECH PAKISTAN (PRIVATE) LIMITED	Pakistan	100%



Gelato ASA - Group consolidated Financial Statements 2022

a) Subsidiaries

Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquired entity and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquired entity's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquired entity is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

If remuneration (including any non-controlling interests and the fair value of previous holdings) exceeds the fair value of identifiable assets and liabilities of the acquisition these are recognized as goodwill. If remuneration (including any non-controlling interests and the fair value of previous holdings) is less than the fair value of net assets acquired as a result of a bargain purchase, the difference is recognized as a gain in the consolidated statement of profit or loss.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Gelato ASA ("The Parent") are claiming exemption from audit for Gelato Group UK Ltd based on section 479 of the Companies Act.

b) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

2.3 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian Kroner (NOK), which is the Group's presentation currency.



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b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or date of valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit or loss.

Foreign exchange gains and losses related to operations are presented in the consolidated statement of profit or loss within 'Other (gains)/losses – net'.

c) Group Companies

The results and financial position of all the Group entities (none of which has the currency of a hyper- inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each consolidated balance sheet presented are translated at the closing rate at the date of that consolidated balance sheet.
- (b) income and expenses for each consolidated statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).
- (c) all resulting exchange differences are recognized in other comprehensive income.

2.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost comprises expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of replaced parts is derecognized. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate costs or revalued amounts to their residual values over their estimated useful lives. Furniture, fittings and equipment have an estimated useful life of 3 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within *Other (gains)/losses – net* in the consolidated statement of profit or loss.

2.5 Intangible assets

Software

Costs associated with the maintenance of computer software are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use
- management intends to complete the software product and use or sell it
- there is an ability to use or sell the software product
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available
- the expenditure attributable to the software product during its development can be reliably measured

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as expenses are not recognized as intangible assets in subsequent periods.

Computer software development costs recognized as assets are amortized over their estimated useful lives, which does not exceed five years. Residual values and useful lives are reviewed at each reporting date.



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2.6 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.7 Financial assets

The Group classifies its financial assets to be measured at amortized cost. The Group measures financial assets at amortized cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and;
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

At initial recognition, the group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Assets measured at amortized cost includes 'Other receivables', 'Trade receivables' and 'Cash' in the consolidated balance sheet (see Notes 2.18 and 2.10).

Impairments

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

2.8 Financial Liabilities

Financial liabilities are classified in the following categories: at fair value through profit or loss (FVPL) or at amortised cost.

a) Financial liabilities at fair value through profit or loss

Derivatives, including embedded derivatives that are liabilities are measured at FVPL unless they are designated as a hedge accounting instrument. Derivatives designated as cash flow hedge accounting instruments are shown at fair value in the balance sheet and at fair value over OCI.

b) Amortised cost

Borrowings and other financial liabilities, such as trade payables are included in this category. The liabilities are measured at amortized cost. Trade and other payables that have a short anticipated maturity are measured at nominal amounts without discount.

2.9 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, shipping costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.10 Trade receivables and contract assets

Trade receivables and contract assets are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for expected credit loss. Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See note 20 for an assessment of the Group's credit risk.



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2.11 Cash

In the consolidated statement of cash flows, cash includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.12 Shareholders equity, share premium and additional paid in capital

Shareholders equity are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Additional paid in capital is capital from owners, but not included in share capital and share premium.

2.13 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost.

2.14 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the consolidated balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Employee benefits

The Group operates a defined contribution pension plan.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group is obliged to have an occupational pension scheme according to the act relating to mandatory occupational pensions and has established a pension scheme that meets the requirements of the Act. The Group's contributory scheme covers all eligible employees.



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2.16 Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (stock options) of The Group. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted.

At the end of each reporting period, The Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognizes the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

2.17 Provisions

Provisions for loss contracts, restructuring costs and legal claims are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.18 Revenue recognition

The Group's revenues derive from internet-based sales of printing and production services (including distribution).

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, discounts and amounts collected on behalf of third parties.

The Group recognizes revenue when the performance obligations in the contracts with customers are delivered. Specific criteria have been established for each of the Group's revenue generating activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The specific accounting policies for the Group's main revenue generating activities are as follows:

Products

The revenue from sale of printing products is recognized when control of the goods has transferred, being when the goods are delivered to the customer. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Services

The Group additionally derives revenues from the sale of its cloud-based printing and production software solutions to Corporate customers. Such revenues follow subscription based (SaaS) agreements, where revenue is recognized in accordance with standard practices for such revenues. Specifically, revenue is recognized linearly over the lifetime of the agreements from the point at which access to the live version of the solutions has been activated and shared with the customer.

Optimal Print Plus

Sales of Optimal Print Plus are considered arrangements with multiple performance obligations, including unlimited shipping, access to exclusive discounts and extended warranty in exchange for an upfront annual fee. The revenue of each performance obligation is amortized over time, during the non-cancellable contractual period, and based on the estimated timing that the disbursements for fulfilling the performance obligations will occur. The expected cost is estimated upon historical information of past orders and expected customer behavior.

Extended warranty revenue is recognized when management considers probable that warranty claims will occur beyond the statutory warranty period.

Gelato Plus

Gelato Plus is a Software as a Service ("SaaS") revenue providing customer exclusive access to applications for development and upgrade of customer's website and additional support for connection of e-commerce stores to marketplaces. Revenue is recognized as a right to access the entity's intellectual property as it exists throughout the license period and amortized over the non-cancellable contractual period.



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2.19 Interest income

Interest income is recognized using the effective interest method. Interest income on impaired loan and receivables is recognized using the original effective interest rate.

2.20 Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Separating components in the lease contract

For contracts that constitute, or contain a lease, The Group separates lease components if it benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The Group then accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

Recognition of leases and exemptions

The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset.

The Group has elected not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less, and leases of low-value assets with an annual cost of \$5,000. The payments for low value leases or short-term leases as an operating expense on a straight-line basis over the contractual term of the lease arrangement.

Over the course of a lease contract, there will be taxable timing differences that could give rise to deferred tax, subject to local tax laws and regulations.

2.21 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the group will comply with all attached conditions.

Government grants relating to property, plant and equipment are included in other current liabilities as deferred government grants and are credited to the consolidated statement of profit or loss on a straight-line basis over the expected lives of the related assets.

3 Estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period when the changes occurred, if they only apply to that period. If the changes also apply to future periods, the effect will be distributed between the current period and future periods.

Detailed information about each of these estimates and judgements is included in note 4, note 10 and note 11.

Deferred tax asset

The group recognizes a deferred tax asset related to tax loss carried forward which occur when the group has higher tax costs than tax revenues. Capitalization assumes that future earnings enables the utilization of the deficit. Management's assessment of future utilization of tax losses carried forward are based on forecasts that estimate future revenues and costs. The forecasts are based on current strategic plans for the next 8 years. The core assumptions underlying these forecasts are based on management assessment of growth, gross margin and cost trajectories of existing businesses (Optimalprint, API and Gelato Globe) using historical data and trend analysis. There is uncertainty relating to the estimates in the forecasts and the timing of future utilization of tax losses, however we assess the likelihood of utilization of the deferred tax asset to be more likely than not.



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Software

The group recognizes an intangible asset related to investments in software product development to enhance the capabilities and services offered to end customers. The largest components of this software asset relate to investments made to manage the Optimalprint consumer businesses and the global on-demand production cloud which supplies business customers with print and distribution. Management expects these investments to return significantly higher value than the cost basis of the investment. However, there is uncertainty related to these assessments.

Agent and principal relation

The Group recognizes gross revenue for transactions when acting as the principal and net revenue for transactions when acting as the agent. The Group has no fixed assets, and the entire production is outsourced with its global network of production and shipping suppliers. The Group recognizes gross revenue from services and sales of production-on-demand products. The Group assumes the primary risks of the transactions, including the obligation to fulfill customer orders, discretion to establish price policies and the risk of managing its intellectual property.

4 Revenue and other income

The Group has recognized the following amounts relating to revenue in the statement of profit or loss:

	2022	2021
<i>Revenue from contract with customers</i>		
Revenue from services	14,473,841	8,296,494
Revenue from products	1,072,830,015	864,580,900
<i>Other revenue</i>		
Government grant (Skattefunn)	605,309	1,298,619
Total	1,087,909,165	874,176,013

Other revenue

Relates to accrual of government grant via Skattefunn.

See note 14 and note 18 for revenue-related contract assets and liabilities recognized in the consolidated balance sheet at period end.

Accounting policies and significant judgements

Please see note 2.18 for information about the accounting policies for the Group's main types of revenue.

Table below shows the geographical distribution of revenue from contracts with customers:

	2022	2021
EMEA	672,490,429	601,944,829
Asia Pacific	75,255,455	65,767,280
Americas	338,677,898	204,867,923
Africa	880,074	297,362
Total	1,087,303,856	872,877,394

Financing components

The group does not have contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Therefore, the group does not adjust the transaction prices for the time value of money.



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5 Employee benefit expense

Specification of employee benefit expenses	2022	2021
Salaries/wages	202,361,884	114,164,477
Social security fees	34,291,794	45,327,391
Share options granted to employees	10,988,563	5,159,851
Pension and employee insurance expenses	4,594,674	2,729,489
Other remuneration	1,672,720	4,519,313
	253,909,635	171,900,521
Average number of employees	187	135
Chief Executive officer (CEO) remuneration	2022	2021
Salaries/board fee	3,170,211	2,622,926
Social security fees	452,687	374,781
Pension expenses	27,101	23,434
Other remuneration	13,236	11,664
Board of directors remuneration	2022	2021
Salaries/board fee	-	-
Social security fees	-	-
Pension expenses	-	-
Other remuneration	-	-

No loans/securities have been granted to the CEO, Board Chairman or other related parties. No such benefits have been given to the Group management.

Share based payments have been issued to employees. See note 17 for further information.

6 Other operating expense

	2022	2021
External services	94,350,219	60,896,448
Marketing and sales expenses	275,091,829	260,005,139
Other expenses	89,336,920	44,905,091
Other operating expenses	458,778,968	365,806,678
Expensed audit fee (excl. VAT)	2022	2021
Statutory audit (incl. technical assistance with financial statements)	924,123	626,179
Tax advisory fee (incl. technical assistance with tax return)	32,000	167,516
Other assistance	106,260	-
Total audit fees	1,062,383	793,695



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7 Leases

The Group has entered into office leases for the offices located in Oslo, London, Stockholm, Lund, São Paulo, Shanghai, Tallin, Mumbai, Madrid and Boston. In July 2021, Gelato ASA has entered into a new lease agreement for the new office spaces in Oslo with a lease term of 36 months. In September 2021, Gelato Group UK Ltd has entered into a new lease agreement for new office spaces in London with a lease term of 24 months. The Group adopted based on past experience the practice of not recognizing leases for a period longer than the contractual arrangement. The new office agreements for Oslo and London have been recognized in the balance sheet since the commencement date.

As of December 31, 2022, The Group weighted-average discount rate for leases is 5.5% per year and weighted-average remaining term of 12 months.

Maturities of lease liabilities (excluding short-term leases) were as follows as of 31 December 2021:

<u>Year ending 31 December 2021</u>	<u>in NOK</u>
2022	10,772,283
2023	9,029,219
2024	1,744,261
Total	21,545,763
Less: imputed interest	1,486,688
Present value of leases liabilities	20,059,075
Current lease portion	10,761,078
Total long term lease liability	9,297,997

Right-of-use assets movement:

	<u>Office leases</u>
As of 1 January 2021	-
Additions	22,627,393
Amortisation	(4,071,361)
Foreign exchange differences	987,211
As of 31 December 2021	19,543,243
Interest expense 2021	61,588

Maturities of lease liabilities (excluding short-term leases) were as follows as of 31 December 2022:

<u>Year ending 31 December 2022</u>	<u>in NOK</u>
2023	9,013,670
2024	1,744,260
Total	10,757,930
Less: imputed interest	261,153
Present value of leases liabilities	10,496,778
Current lease portion	9,135,969
Total long term lease liability	1,360,809

Right-of-use assets movement:

	<u>Office leases</u>
As of 1 January 2022	19,543,243
Additions	0
Amortisation	(10,321,250)
Foreign exchange differences	475,453
As of 31 December 2022	9,697,446
Interest expense 2022	907,854

During 2022, The Group expenses with low value and short-term leases amounted to NOK 8,675,656 thousands (NOK 2,604,656 in 2021).



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8 Other (gains)/losses – net

	2022	2021
Net foreign exchange from operating activities:		
- Foreign exchange gains	57,153,739	24,915,683
- Foreign exchange losses	70,225,954	25,087,674
	13,072,214	171,991

9 Finance income and costs

	2022	2021
Interest income:		
- Interest income on short-term bank deposits	599,972	31,439
- Other financial income	4,561	392
Finance income	604,533	31,831
Interest expense:		
- Other interest expense	7,112,256	770,520
- Other financial costs	200,496	2,898
Finance costs	7,312,752	773,418
Currency effects (gains)/losses - net	(2,065,066)	(113,461)
Net financial items	(4,643,152)	(628,126)



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10 Taxes

Temporary differences	2022	2021
Fixed and intangible assets	210,312	(1,346,164)
Accounts receivable	(130,000)	(130,000)
Deferred revenue from government grants (Skattefunn)	-	(584,561)
Deferred taxes from employee share scheme	(91,280,055)	(94,189,337)
Net temporary differences	(91,199,743)	(96,250,061)
Tax losses carried forward	(952,696,831)	(621,791,821)
Basis for deferred tax	(1,043,896,574)	(718,041,883)
Deferred tax		
Deferred tax asset	(227,698,071)	(155,504,426)
Deferred tax asset not recognized in the balance sheet	-	128,603
Deferred tax in the balance sheet	(227,698,071)	(155,375,823)

Deferred tax is capitalized in the consolidated balance sheet based on estimated future profits.

Components of the income tax expense	2022	2021
Tax payable on this year's result	6,584,438	1,953,026
Adjustment in respect of priors	1,393,347	-
Total tax payable	7,977,785	1,953,026
Change in deferred tax	(70,005,074)	(46,979,381)
Change in deferred tax due to change in tax rate	-	-
Prior year	-	-
Tax expense	(62,027,289)	(45,026,355)
Reconciliation of the tax expense	2022	2021
Losses before tax	(313,547,235)	(179,551,738)
Calculated tax	(68,980,392)	(39,501,382)
Tax expense	(62,027,289)	(45,026,355)
Difference	6,953,102	(5,524,973)
<i>The difference consist of:</i>		
Permanent differences	5,485,900	(3,867,670)
Change in deferred tax in equity transaction	2,467,099	-
Adjustment in respect of priors	(1,393,347)	-
Differences due to different tax rates	393,450	(1,657,303)
Sum explained differences	6,953,102	(5,524,973)
Tax payable in the balance sheet	2022	2021
Tax payable in the tax charge	6,584,438	1,698,418
Tax paid in advance	1,293,965	-
Tax payable in the balance sheet	5,290,473	1,698,418
Weighted average tax rate	18.8%	25.1%



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Deferred tax asset movement	2022	2021
Opening balance	155,375,823	9,653,460
Deferred tax recognised in the income statement	70,005,074	46,979,381
<i>Deferred tax recognised in the equity:</i>		
From transaction costs in equity transaction	-	-
From stock option expenses	2,467,099	8,137,588
Effects of foreign exchange	(149,925)	282,227
Closing balance	227,698,071	155,375,823

11 Intangible assets

2021	Web-domain	Software	Total
Cost 01.01	2,777,134	102,901,650	105,678,784
Additions	-	23,451,696	23,451,696
Cost pr. 31.12.	2,777,134	126,353,346	129,130,480
Accumulated amortization 01.01	1,365,435	61,234,509	62,599,944
Accumulated amortization 31.12	1,643,151	77,483,781	79,126,932
At 31.12	1,133,983	48,869,565	50,003,548

2022	Web-domain	Software	Total
Cost 01.01	2,777,134	126,353,346	129,130,480
Accumulated amortization	1,643,151	77,483,781	79,126,932
At 01.01	1,133,983	48,869,565	50,003,548
Additions	-	35,139,339	35,139,339
This years amortization	277,716	19,753,503	20,031,219
At 31.12	856,267	64,255,401	65,111,668
Cost 31.12	2,777,134	161,492,685	164,269,819
Accumulated amortization	1,920,867	97,237,284	99,158,151
At 31.12	856,267	64,255,401	65,111,668

Amortization plan (straight line) 10 years 5 years

Intangible assets consist of the costs for consultants and employees to develop the software solutions which are the basis of the Groups' business. The anticipated total earnings from ongoing R&D exceeds total expenses incurred. Web-domain is related to purchase of various internet properties.



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12 Property, plant and equipment

2021	Furniture, fittings and equipment
Cost 01.01	3,178,847
Additions	852,108
Cost pr. 31.12.	4,030,955
Accumulated amortization 01.01	2,711,087
Accumulated amortization 31.12	3,180,791
At 31.12	850,164
This year depreciation	348,054

2022	Furniture, fittings and equipment
Cost 01.01	4,030,955
Additions	1,564,149
Cost per 31.12	5,595,104
Accumulated depreciation 01.01	3,180,791
This years depreciation	548,283
Foreign exchange	(31,395)
Accumulated depreciation 31.12	3,697,679
At 31.12	1,897,425

13 Inventories

	2022	2021
Frames	9,890,729	4,207,856
Packaging	871,344	1,240,248
Prepayments	1,259,796	1,917,334
Total	12,021,868	7,365,438

	2022	2021
Inventory valued at purchase cost	12,021,868	7,365,438
Total	12,021,868	7,365,438

Inventories consist of frames and packaging used for production of canvas. Inventories are held at production houses facilities of suppliers or at outsourced warehouses. Inventories valued at purchase cost. It is expected that all inventories will be sold within 1 year.

	2022	2021
Cost of goods sold	640,151,677	494,274,032



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14 Trade receivables and other receivables

	2022	2021
Trade receivables (gross)	40,651,715	37,138,096
Provision for impairment of trade receivables	130,000	130,000
Trade receivables	40,521,715	37,008,096

	2022	2021
Prepayments	9,818,325	7,335,739
Accrued Revenue	14,383,170	17,853,075
Deposit office premises	2,379,160	0
Other current receivables	81,808	5,205,654
Other current receivables	26,662,463	30,394,468

	2022	2021
Deposit office premises	244,124	2,351,906
Other non-current receivables	1,178,618	1,329,354
Other non-current receivables	1,422,742	3,681,260

15 Cash

	2022	2021
Cash at bank and in hand	160,612,481	75,196,244
Short-term bank deposits (restricted bank deposits)	3,076,111	5,791,654
Total	163,688,592	80,987,898

Nordea has mortgage in certain monetary claims up to NOK 2,960,000.



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16 Shareholders equity and shareholders information

The Group is 100% owned by OP Invest AS. The share capital has the following composition:

	Number of shares	Nominal value	Number of shares	Nominal value
	31.12.2022	31.12.2022	31.12.2021	31.12.2021
Shares	8,278,776	86,927,148	8,278,776	86,927,148

Gelato ASA' parent OP Invest AS prepares consolidated financial statements where Gelato AS are included. The parent company OP Invest AS has its registered offices in Gelato ASA, Dronning Eufemias gate 8, 0191 Oslo, where the consolidated financial statements can be obtained.

2022

During 2022, The Group issued and sold 5,198 Ordinary B-shares to employees in its stock option program at an average value of EUR 7.55 per share. Shares was issued by the parent legal entity OP Invest AS.

2021

On 8 July 2021, The Group carried out a capital increase raising NOK26 million used to offset the retained losses reserve. The entire capital raised was reduced to cover uncovered loss. Capital increase and decrease were registered at same moment meaning that the nominal share price remaining the same amount as before the capital increase.

On 8 July 2021, OP Invest AS ("The Parent undertaking") and the board of directors have also approved the loan owed by Gelato ASA to OP Invest AS to be converted into share capital. The loan had a nominal amount of EUR4,000,000. The subscription amount equals a converted amount of NOK40,544,000, which is based on an agreed exchange rate between the parties of NOK 10.136 (EUR 1 = NOK 10.136), which equals to the exchange rate published by Norges bank per 25 June 2021. Nominal share value was increased from NOK10.30 to NOK10.50.

17 Share-based payments

In 2016 and before, certain employees have been offered options to buy shares in OP Invest AS currently owned by Basset AS. Options typically vested annually over three years after a 6-month waiting period. After 2016, certain employees have been offered options under this program as an additional incentive. In this case, options typically have a three-year vesting period as above, but no waiting period prior to the start of vesting.

A new employee equity program was launched in 2016 with the shareholders authorizing up to 2 million B- shares to be used for the program.

The equity program allows management to grant selected employees options and to give them the opportunity to purchase restricted stock. Options grants typically vest quarterly over a three-year period after a 6 to 9 month waiting period. Restricted stock typically vests in a similar fashion. Prior to vesting, the Group has a right to buy back restricted stock from the employee if the employee ends their employment with a Group company for any reason.



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The number of and weighted average exercise price of options are as follows:

	Number of options		Weighted Average Exercise Price (NOK)		Weighted Average Remaining Life	
	2022	2021	2022	2021	2022	2021
Outstanding at Beginning of Year	1,581,712	1,657,195	97.3	74.11	4.24	4.31
Exercisable at the End of the Year	1,237,188	982,630	86.46	76.70	2.83	3.22
Granted During the Year	355,245	381,229	265.85	160.76	6.44	6.46
Exercised During the Year	6,394	157,410	65.2	48.56	0	0.96
Canceled during the Year	86,257	59,905	113.48	80.98	0	0.00
Canceled during the Year (Expired)	3,667	12,162	13.72	75.05	0	0.00
Outstanding at the End of the Year	1,840,639	1,581,712	127.24	97.3	3.83	4.24
Options Vested During the Year	252,093	223,624	125.85	79.8	4.58	4.16
Vested at end of Year	1,237,188	982,630	86.46	76.7	2.83	3.22
Shares Expected to Vest	603,451	529,099	210.83	130.1	5.88	5.87
Vested and Expected to Vest	1,840,639	1,511,729	127.24	95.4	3.83	4.15

Options outstanding at the end of the year have the following expiry date and exercise prices:

Exercise prices	Options Outstanding		Weighted Average Remaining Contractual Life		Shares Exercisable	
	2022	2021	2022	2021	2022	2021
NOK 13,72	68,880	64,047	2.39	1.33	65,546	57,380
NOK 73,77	47,535	47,535	1.53	2.53	47,535	47,535
NOK 80,98	1,236,768	1,305,618	3.05	4.10	1,061,715	877,715
NOK 265,85	487,456	164,512	6.26	6.90	62,392	-

The fair value of services received in return for stock options granted is measured by using the Black & Scholes option pricing model. The significant inputs into the model are weighted average share price at the grant date, exercise price shown above, volatility of 40 %, an expected option life of seven years and an annual risk-free interest rate of 1,2 %.

See note 5 for the total expense recognized in the consolidated statement of profit or loss for share options granted to employees.

Share based payments compensated to key management are as follows:

Name	Role	Number of options granted
Rebecca Razulis	COO	63,744
Yvonne Rivera	VP People & Talent	31,669
Oliver Ridley	CTO	44,843
Jose I. Herrero	CFO	9,325

18 Other current liabilities

	2022	2021
Other current payables	15,375,142	17,454,162
Accrued expenses	85,832,211	46,380,088
Deferred revenue from government grants (Skattefunn)	-	584,561
Contract liabilities	14,680,321	8,155,126
Current payables related parties	-	-
Other current liabilities	115,887,674	72,573,937



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19 Related parties

Gelato Norway is a parent company and has direct control of nineteen different companies in Norway, Sweden, Estonia, Brazil, Chile, China, India, Russia, UK, Japan, Pakistan, Canada, Singapore and US. Directly-owned subsidiaries are presented in note 2.

The Group's related parties include its key management, members of the board and the solely shareholder.

None of the Board members have been granted loans or guarantees in the current year. Further information regarding remuneration to the executive management and Board members is disclosed in note 5 to the consolidated financial statements.

The Group's employee benefit expensed to related parties were disclosed on note 5. In addition, The Group and its related parties incurred on loan transactions and the closing balance as follows:

Intercompany receivable	31.12.2022	31.12.2021
Flow Transactions	6,880	128,232
Total	6,880	128,232

Intercompany payables	31.12.2022	31.12.2021
OP Invest AS	20,000	12,713,148
Flow transactions	-	-
Total	20,000	12,713,148

20 Financial instruments

Financial risks

Financial risk management is carried out by the Group's management and Board of Directors and management regularly evaluates these. The Group does not use derivatives and does not use financial instruments for revenue purposes.

Currency risk

Both revenues and operating expenses are exposed to foreign exchange rate fluctuations. 92% of the revenues in 2022 (91 % in 2021) were received in foreign currencies.

The underlying currency risk for the Group is limited since nearly all revenues are matched with costs in like-for-like currencies across geographical markets. The currency risk is therefore mainly related to the translation into the Group presentation currency.

The below table shows the positive effect on the Group's sales revenue of a 10% appreciation of relevant currencies relative to the NOK.

Numbers in NOK (million)	2022	2021
EUR	34.5	27.4
GBP	13.2	12.9
USD	23.7	13.9

Similarly, a 10% depreciation of all foreign currencies in the table above would have had a similar negative effect on the Group's revenues.

Credit risk

Credit risk arises from, among other cash and deposits with banks and financial institutions. In addition, risk occurs through exposure to customers, including outstanding receivables and contracted transactions.

Credit risk related to accounts receivable is assessed to be limited due to the prepaid nature of the Group's business, and due to the high number of customers in the Group's customer base. The Group does not have significant credit risk associated with a single counterparty in its customer portfolio.

For banks and financial institutions, only well-established independent parties are accepted.



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In order to reduce the credit risk, The Group has guidelines to ensure that sales are made only to customers with high credit rating. Customers having low credit rating must prepay for goods and services provided by The Group.

Credit quality of financial assets

All new customers are being assessed for credit risk before payments and delivery terms are being offered. As at December 31 the ageing of the Group's accounts receivables is as follows:

	2022	2021
Not overdue	22,541,517	31,020,080
Overdue less than 1 month	15,962,339	2,523,670
Overdue 1-2 months	1,575,476	2,830,287
Overdue more than 2 months	572,383	764,059
Total trade receivables (gross)	40,651,715	37,138,096

Impairment of financial assets

Trade receivables and contract assets are subject to the expected credit loss model.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts.

The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Accounts receivable and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group. Provisions for losses are considered to cover the actual losses that are expected in relation to accounts receivables and contract assets.

There are no material impairment losses on trade receivables and contract assets as of 31.12.2021. Other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's manages liquidity risk by maintaining sufficient liquid funds at all times to meet its financial obligations, both under normal and extraordinary circumstances. The Group has no external or interest-bearing debt and a limited number short term liabilities related primarily to accounts payables.

Financial instruments by category

The Group has the following classification of financial assets and liabilities. See note 2 for further description.

Financial assets at amortized cost	At 31.12.2022	At 31.12.2021
Trade receivables	40,521,715	37,008,096
Other receivables excluding pre-payments	2,460,968	5,205,654
Cash	163,688,592	80,987,898
Total	206,671,275	123,201,648
Financial liabilities at amortized cost	At 31.12.2022	At 31.12.2021
Trade payables	102,888,162	130,378,571
Other payables excluding non-financial liabilities	115,887,674	72,573,937
Lease liabilities (short and long term)	10,496,778	20,059,075
Total	229,272,614	223,011,583



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Credit quality of financial assets

Trade and other receivables do not contain impaired assets. There are no receivables past due. See note 15 for information on collateral.

Determination of fair value

The carrying amount of cash is fair value. Similarly, the carrying amount of accounts receivable and accounts payable approximates fair value as the impact of discounting is not significant. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed below.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. E.g. the case for unlisted equity securities

See note 17 for information of fair value, including changes in fair value for share options and note 21 for fair value of convertible note, both are measured at level 3.