Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	982 316 448
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	PLACEWISE GROUP AS
Forretningsadresse:	Kobbes gate 2 7042 TRONDHEIM

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap 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:	Peter Tonstad
Dato for fastsettelse av årsregnskapet:	30.06.2023

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, 19.07.2024

Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenue	1	23 168 469	35 528 077
Sum inntekter		**23 168 469**	**35 528 077**
Kostnader			
Cost of goods	2	243 166	12 413 043
Personell expenses	3	9 537 273	9 223 797
Depreciation fixed assest	4	63 564	66 153
Other operating expenses	2	9 451 544	11 503 693
Sum kostnader		**19 295 547**	**33 206 686**
Driftsresultat		**3 872 922**	**2 321 391**
Finansinntekter og finanskostnader			
Interest income from group companies		2 104 998	914 477
Other interest income		7 246	14
Other financial income	5	1 015 253	667 978
Sum finansinntekter		**3 127 497**	**1 582 469**
Interest expense to group companies		1 457 400	1 986 092
Other interest expenses		3 695 575	1 307 719
Other financial expenses	5	600 887	1 317 048
Sum finanskostnader		**5 753 862**	**4 610 859**
Netto finans		**-2 626 365**	**-3 028 390**
Ordinært resultat før skattekostnad		**1 246 557**	**-706 999**
Ordinært resultat etter skattekostnad		**1 246 557**	**-706 999**
Årsresultat		**1 246 557**	**-706 999**
Overføringer og disponeringer			
Other equity		1 246 558	
Loss brought forward			706 999
Sum overføringer og disponeringer		**1 246 558**	**706 999**

Resultatregnskap

Beløp i: NOK	Note	2022	2021

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Equipment and other movables	4	51 190	114 755
Sum varige driftsmidler		**51 190**	**114 755**
Finansielle anleggsmidler			
Investering i datterselskap	7	274 023 927	274 023 927
Other long-term receivables		204 898	204 898
Sum finansielle anleggsmidler		**274 228 825**	**274 228 825**
Sum anleggsmidler		**274 280 015**	**274 343 580**
Omløpsmidler			
Varer			
Fordringer			
Other short-term receivables		462 381	225 576
Receivables from group companies	8	72 165 424	44 964 510
Sum fordringer		**72 627 805**	**45 190 086**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		5 083 700	342 867
Sum bankinnskudd, kontanter og lignende		**5 083 700**	**342 867**
Sum omløpsmidler		**77 711 505**	**45 532 953**
SUM EIENDELER		**351 991 520**	**319 876 533**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			

Balanse

Beløp i: NOK	Note	2022	2021
Share capital	10	3 383 340	3 301 757
Share premium reserve		303 729 031	292 059 838
Sum innskutt egenkapital		**307 112 371**	**295 361 595**
Opptjent egenkapital			
Uncovered loss		-42 912 868	-44 159 426
Sum opptjent egenkapital		**-42 912 868**	**-44 159 426**
Sum egenkapital		**264 199 503**	**251 202 169**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Other non-current liabilities	4	0	949 990
Sum annen langsiktig gjeld		**0**	**949 990**
Sum langsiktig gjeld		**0**	**949 990**
Kortsiktig gjeld			
Liabilities to financial institutions	4	59 150 616	34 363 303
Other provisions	12	1 959 072	11 009 153
Trade payables		4 682 806	713 570
Public duties payable		605 015	-29 337
Liabilities to group companies	8	20 022 715	14 301 541
Other current liabilities	13	1 371 792	7 366 145
Sum kortsiktig gjeld		**87 792 016**	**67 724 375**
Sum gjeld		**87 792 016**	**68 674 365**
SUM EGENKAPITAL OG GJELD		**351 991 519**	**319 876 534**

Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenue from contracts with clients	3	140 597 000	141 332 000
Other operating income	3	361 000	0
Sum inntekter		**140 958 000**	**141 332 000**
Kostnader			
Cost of goods	11	39 919 000	39 471 000
Personnel expenses	8	78 355 000	53 487 000
Depreciation and amortization	1, 2	26 371 000	19 788 000
Other operating expenses	11	28 988 000	28 481 000
Sum kostnader		**173 633 000**	**141 227 000**
Driftsresultat		**-32 675 000**	**105 000**
Finansinntekter og finanskostnader			
Other financial income		1 716 000	11 196 000
Sum finansinntekter		**1 716 000**	**11 196 000**
Other financial expenses		7 585 000	4 636 000
Sum finanskostnader		**7 585 000**	**4 636 000**
Netto finans	13	**-5 869 000**	**6 560 000**
Ordinært resultat før skattekostnad		**-38 544 000**	**6 665 000**
Tax expense	12	-1 030 000	-1 349 000
Ordinært resultat etter skattekostnad		**-37 514 000**	**8 014 000**
Årsresultat		**-37 514 000**	**8 014 000**
Translation differences that will be reclassified to profit & loss		-1 017 000	293 000
Translation differences that will not be reclassified to profit & loss		1 570 000	-401 000
Sum resultatkomponenter for IFRS-foretak		553 000	-108 000
Totalresultat		**-36 961 000**	**7 906 000**

Konsernets balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	1, 16	83 851 000	77 115 000
Goodwill	16, 20	141 934 000	140 547 000
Right of use assets	2, 7	4 978 000	6 233 000
Equipment and other movables	2	527 000	745 000
Other long-term receivables		787 000	365 000
Sum immaterielle eiendeler		**232 077 000**	**225 005 000**
Sum anleggsmidler		**232 077 000**	**225 005 000**
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables	4	16 524 000	20 794 000
Contract assets	4	472 000	1 137 000
Other short-term receivables	4	1 354 000	6 078 000
Sum fordringer		**18 350 000**	**28 009 000**
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	5	11 845 000	2 290 000
Sum bankinnskudd, kontanter og lignende		**11 845 000**	**2 290 000**
Sum omløpsmidler		**30 195 000**	**30 299 000**
SUM EIENDELER		**262 272 000**	**255 304 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	9	3 383 000	3 302 000
Share premium reserve	9	303 338 000	291 669 000

Konsernets balanse

Beløp i: NOK	Note	2022	2021
Sum innskutt egenkapital		**306 721 000**	**294 971 000**
Opptjent egenkapital			
Uncovered loss		-152 766 000	-115 805 000
Sum opptjent egenkapital		**-152 766 000**	**-115 805 000**
Sum egenkapital		**153 955 000**	**179 166 000**
Gjeld			
Langsiktig gjeld			
Deferred tax	12	2 073 000	3 395 000
Sum avsetninger for forpliktelser		**2 073 000**	**3 395 000**
Annen langsiktig gjeld			
Liabilities to financial institutions	21	10 545 000	5 414 000
Other long-term liabilities		0	116 000
Leasing liability	7	3 339 000	4 694 000
Sum annen langsiktig gjeld		**13 884 000**	**10 224 000**
Sum langsiktig gjeld		**15 957 000**	**13 619 000**
Kortsiktig gjeld			
Accrual for cash based payment	15	1 959 000	11 009 000
Liabilities to financial institutions	21	32 000 000	0
Trade creditors		19 999 000	7 967 000
Payable tax		948 000	1 094 000
Public duties payable		5 546 000	3 918 000
Current leasing liability	7	1 908 000	1 707 000
Contract liabilities		13 166 000	17 085 000
Other current debt		16 833 000	19 738 000
Sum kortsiktig gjeld		**92 359 000**	**62 518 000**
Sum gjeld		**108 316 000**	**76 137 000**
SUM EGENKAPITAL OG GJELD		**262 271 000**	**255 303 000**

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Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Placewise Group AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Placewise Group AS (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the balance sheet as at 31 December 2022 and the income statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the balance sheet as at 31 December 2022, the statement of comprehensive income, statement of cash flows and statement of changes in equity 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 legal 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 cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- 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 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 in accordance with the requirements of the 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.

Material uncertainty related to going concern

We draw attention to note 21 in the consolidated financial statement and note 15 in the standalone financial statement, which elaborate on the liquidity situation for the group. These events or conditions, along with other matters as set forth in note 21 in the consolidated financial statement and note 15 in the standalone financial statement, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the CEO) is

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responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and 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 and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

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draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Trondheim, 6 October 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Christian Ronæss
State Authorised Public Accountant (Norway)

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"By my signature I confirm all dates and content in this document."

Christian Ronæss
Statsautorisert revisor
On behalf of: Ernst & Young AS
Serial number: 9578-5994-4-555967
IP: 146.247.xxx.xxx
2023-10-06 11:18:02 UTC

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Annual Report
Placewise Group AS Consolidated
Directors' Report

The company

Placewise Group has a globally leading position in the digitization of shopping centers, and mainly uses own developed proprietary technology. The products serve the relationship between consumers and shopping centers, and shopping centers and tenants.

Placewise Group AS had 8 subsidiaries at the end of 2022, with a total of 127 employees in 9 countries and customers in 19 countries. The head office is in Trondheim, Norway. At the end of the year, the company had 1,119 shopping center customers globally.

The Business in 2022

During 2022, Placewise Group has further realized the global strategy for data-driven digital solutions for shopping centers by further developing operational support tools and machine learning within the core platform.

Tenant Connect that was launched end of 2021 represents a major opportunity for Placewise to service our clients in areas outside of the traditional consumer facing products provided, allowing the consolidation and digitalisation of many operational interactions our clients perform today within an efficient and easy to use interface connected to their tenants. We have seen positive uptake of this product in 2022. In 2022 the company has furthered developed this product to make it even more attractive to scale number of clients in 2023.

The Placewise platform ecosystem has been further enhanced by ongoing work to fully integrate or web site offering into the core platform, giving clients the opportunity to serve consumers and tenants seamlessly between all available digital channels.

Alternative Performance Measures

In order to enhance the understanding of the Placewise Group's performance, the Group presents certain measures considered as alternative performance measures (APMs) as defined by the European Securities and Markets Authority, and these should not be viewed as substitutes for any IFRS financial measures. The APM`s used are Annual Recurring Revenue (ARR) and Monthly Recurring Revenue. These APM`s are presented as the Group considers them to be important supplemental measures.

- Monthly Recurring Revenue (MRR) is defined as the revenue the Group expects to receive on a monthly basis from customers. MRR is derived from customer contracts who pay monthly software access fees for the Placewise platform, marketing service

license fees, or up-front software installation license fees expected to be paid on a recurring basis. MRR is based on contractually committed revenues, billing cycles for monthly software licenses and marketing services vary depending on client contractual terms but are recognized on an accrual basis within the month the client accesses the service and per their contractual terms.

- Annual Recurring Revenue or (ARR) is defined as MRR for the applicable month multiplied by twelve.

Placewise Group Consolidated Development, results and position

Placewise Group had a total turnover of NOK 141.0 million in 2022, compared with NOK 141.3 million in 2021. Billing ARR end of Dec 2022 increased to 105.0 MNOK from 103.7 MNOK as at Dec 2021 - a growth of 1,2%.

Earnings before interest, tax, depreciations and amortization (EBITDA) for 2022 was negative NOK 6.3 million, against positive NOK 19.9 million in 2021. The annual result ended with a loss of NOK 37,5 million in 2022, against a profit of NOK 8.0 million in 2021. Adjusted EBITDA is EBITDA without the cost reduction from the government innovation grant Placewise has been given in 2020, 2021 and 2022. Adjusted EBITDA after grants was -7.1 million in 2022, compared to NOK 13.6 million in 2021.

Parent Company Development, results and position

The company legal entity Placewise Group AS had a total turnover in 2022 of NOK 23.2 million, compared with NOK 35.5 million in 2021. EBITDA for 2022 was positive NOK 3.9 million compared with NOK 2.4 million in 2021. The annual result for 2022 was a profit of 1.2 million NOK compared to a loss of 0.7 million NOK in 2021.

In the Board's opinion, the annual accounts and accompanying notes give a true and fair view of the result for 2022 and the financial position as of 31 December 2022.

Work environment and gender equality

The board considers the working environment in the company to be good, and there have been no injuries or accidents in connection with the company in 2022. Total sickness absence has been 1.3% in 2022. The group had a total of 137 man-years in 2022, of which 45% were women. 43% of managers are women. The board consists of one woman and three men.

The company's management is continuously working to promote gender equality in the business. Going forward, we will have particular focus on shaping a resilient, engaged and inclusive work culture to attract, keep, and develop the diverse team members we need to thrive.

Environmental

The company does not have activities that have a detrimental effect on the external environment.

Environmental, Social and Government

The Placewise offering contributes to the following United Nations Sustainable Development Goals:

GOAL 8: Decent Work and Economic Growth
Shopping centres are important employers and contributors to the economy in local and regional areas. The economical contribution from shopping centres gives income to individuals across all layers of society and gives decent work to millions of people. For smaller towns and regions, the shopping centre is often the main source of economic growth. Placewise help shopping centres evolve in the digital world and hence maintain and increase their attractiveness towards shoppers so the contributions to local economy and jobs can be upheld and grow over time.

GOAL 9: Industry, Innovation and Infrastructure
Placewise is at the forefront of innovating for the global shopping centre industry. Our technology enables shopping centres to expand their business model and create new customer experiences. We do innovation in-house, with external partners and clients, and in co-operation with government innovation programs. "Innovative" is one of our three core company values.

GOAL 11: Sustainable Cities and Communities
Technology from Placewise supports sustainable cities and communities. Digital tools for marketing reduce the consumption of printed material and transport. E-commerce solutions for shopping centres reduce the need for last mile deliveries. Placewise is running an innovation track called "Tread lightly" which includes technology support for CO2 offsetting shopping centre visits and purchases, exchange of second-hand products and product rentals.

GOAL 12: Responsible Consumption and Production
Technology from Placewise supports responsible consumption and production. Digital tools for marketing reduce the consumption of printed material and transport. E-commerce solutions for shopping centres reduce the need for last mile deliveries. Up to 50% of all clothing items purchased online end up being a return. Due to free returns it has become custom for consumers to order multiple sizes and colours of the same item, try them on at home and return the products not wanted. This is contributing to excess production, increased waste and increased transport emissions internationally and locally - all in all this is unsustainable consumption. By ordering items for pick up at your local mall, or doing returns at your local mall, the volume of returns, deliveries and waste will be reduced substantially. Placewise offers technology to enable this offering from shopping centres.

Placewise is also running an innovation track called "Tread lightly" which includes technology support for exchange of second-hand products and product rentals.

All employees and board members sign our ethical guidelines on an annual basis.
Further all employees sign our Personal Data Protection Policy. The company runs a zero tolerance for any breach of ethical guidelines and data protection procedures.

The company has a good distribution globally across genders and ethnical background. However, there is a clear ambition to further improve, especially in increasing the female ratio in management (currently at 43 %).

Directors and Officers Liability Insurance

The company has insurance that covers their directors' and officers' liability. The insurance covers liabilities management might be subjected to as part of carrying out their duties as Director or Officer of the company.

The company's liquidity

Cash flow from operations and investment activities during 2022 were a combined negative 31.8 MNOK and represented the company's continued investment in both product development and business growth. Cash flow from financing activities were positive with 40.8 MNOK. Liquidity was reduced by 8,9 MNOK related to payment of a Debt Note attached to the acquisition of Mall Finder LLC during 2019. In addition, payments have been made against other long-term debts of 11,5 MNOK. Liquidity was strengthened by new long term debt finance of total NOK 48.6 MNOK and in addition 11.8 MNOK in new capital from existing investors. We also received Innovation Loan and Grants of 1.7 MNOK during the year.

During 2022 the company conducted a cost saving plan to reduce the negative cash flow and position the company to be self-funded throughout 2023. The plan was approved in May 2022, with most of the cash effect taking place from end of 2022 and mid-year 2023.

Transparency Act

This report will appear on our website on 30 June 2023. The report will represent our due diligence assessment in accordance with section 4 of the Transparency Act.

Still operating

The financial statement has been prepared assuming the Group will continue as a going concern. Placewise Group has a solid revenue base through recurring license revenues, and we have a solid position to scale and grow further during 2024. In recent years, we have

invested in the development of our IT platform to enhance our product's competitiveness in the market. We have introduced improved functionality and a range of new products that are being launched continuously. Additionally, we are actively working on consolidating our IT platform across regions to accelerate growth and profitability.

These ongoing developments mean that we will require additional capital until we become self-sustaining. Internal plans and forecasts indicate that we will achieve self-sustainability by spring 2024. Management is exploring various options to secure new capital and are working closely with the Board on this matter. At the date of signing of the financial statements we have not fully covered our capital needs. The lack of full capital coverage presents a risk to our ability to continue as a going concern. With the information used in our forecast models, the estimated capital need is approx. NOK 25 million. The estimate for the described liquidity needs and the timing of when we achieve cash neutrality is subject to uncertainty.

The company's ability to continue operations depends on several factors, including our ability to generate sufficient cash flow, secure necessary funding, and maintain a viable business model. The management has implemented several measures to enhance liquidity, including cost-cutting initiatives and seeking new sources of financing. Going forward the management will continue to closely monitor the liquidity situation, assess alternative action plans, and collaborate closely with the Board.

In the event that we are not able to secure the full amount needed, an impairment test of fair value of intangible assets will be performed, which may lead to a reduction in book values.

Oslo, 30.06.2023
For the Board of Directors

Bente Sollid Storehaug
Chairman of the Board

Patrick Sandahl
Director

Rune Sørum
Director

Joseph Jay Boehm III
Director

Peter Tonstad
CEO

Annual Report
Placewise Group AS Consolidated
Accounting Principles

Note Summary of significant accounting policies

Placewise Group AS is a private limited company, incorporated in Norway, headquartered in Trondheim, Norway.

The consolidated financial statements of Placewise Group AS for the fiscal year 2022 were approved in the board meeting at 06.06.2023.

The Group's activities are described in note Director's report.

Basis for preparation of the annual accounts

The Placewise Group AS's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) which have been adopted by the EU and are mandatory for financial years beginning on or after 1 January 2020, and Norwegian disclose requirements listed in the Norwegian Accounting Act as of 31.12.2020.

The consolidated financial statements are based on historical cost.

The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year.

Functional currency and presentation currency

Functional currency

The functional currency is determined in each entity in the Group based on the currency within the entity's primary economic environment. Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate, non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Changes in the exchange rate are recognized continuously in the accounting period.

Presentation currency

The Group's presentation currency is NOK. This is also the parent company's functional currency.

The statement of financial position figures of entities with a different functional currency are translated at the exchange rate prevailing at the end of the reporting period for balance sheet items, including goodwill, and the exchange rate at the date of the transaction for profit and loss items. The monthly average exchange rates are used as an approximation of the transaction exchange rate. Exchange differences are recognized in other comprehensive income ("OCI").

When investments in foreign subsidiaries are sold, the accumulated translation differences relating to the subsidiary attributable to the equity holders of the parent are recognized in the statement of comprehensive income. When a loss of control, significant influence or joint control is present the accumulated exchange differences related to investments allocated to controlled interests is recognized in profit and loss.
When a partial disposal of a subsidiary (not loss of control) is present the proportionate share of the accumulated exchange differences is allocated to non-controlling interests.

Consolidation principles

The Group's consolidated financial statements comprise the parent company and its subsidiaries as of December 31, 2022. An entity has been assessed as being controlled by the Group when the Group is exposed for or have the rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the Group's returns.

Thus, the Group controls an entity if and only if the Group has all the following:

- Power over the entity.
- Exposure, or rights, to variable returns from its involvement with the entity.
- The ability to use its power over the entity to affect the amount of the Group's returns.

There is a presumption that if the Group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the entity. Including ownership interests, voting rights, ownership structure and relative power, as well as options controlled by the Group and shareholder's agreement or other contractual agreements. See note List of subsidiaries for a more detailed description of the Group's assessments regarding control. The assessments are done for each individual investment.

The Group re-assesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.
Business combinations are accounted for by using the acquisition method, see note 16.
Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests is presented separately under equity in the Group's balance sheet.

The use of estimates and assessment of accounting policies when preparing the annual accounts

Estimates and assumptions

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities. Estimates are used whenever, due to the inherent uncertainty in business activities, the items in the financial statements cannot be measured with precision. Estimates are based of the assessment of the present status of and expected future benefits and obligations associated with assets and liabilities.

The use of estimates is particularly relevant for calculating impairment and amortization of intangible assets, like goodwill and internally developed intangible assets. Estimates are also used when calculating accruals for bad debt, operating cost and revenues. If the underlining assumptions of which an estimate was based, or new information and more experience becomes available, the estimate will be revised. Revision of estimates on relates to future periods and is not a correction of an error.

Estimates and their underlining assumptions are reviewed on a regular basis. If an estimate must be changed, the effect is recognized in the profit and loss in the period of change if the change affects that period only, or in the period of change and future periods if the change affects both. If the change in an accounting estimate give rise to changes in assets, liabilities or equity, the carrying amount of the related asset, liability or equity shall be changed in the period of change.

Judgments

When there is no specific IFRS that applies to a transaction, other events or conditions. Management develop and apply an accounting policy using its best judgment. Accounting policies are specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements. The information given based of the

accounting policy must be relevant to the economic decision-making needs of users and reliable. By being reliable the information given in the financial statements will represent faithfully the financial position, financial performance and cash flow of the entity. It will reflect on the economic substance of transactions, other events and conditions. The information will be neutral, prudent and complete in all material respects.

The use of accounting policies, accounting estimates and change in accounting estimates are done in accordance with IAS 8.

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position as current or non-current.

An asset is classified as current when it is expected to be realized in its normal operating cycle. Or when it is expected to be realized within twelve months after the reporting period. Cash and cash equivalents are classified as current, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The Group classifies a liability as current when it expects to settle the liability in its normal operating cycle, when it holds liability primarily for the purpose of trading. Or when it is due to be settled within twelve months after the reporting period.

Liabilities in which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period are always classified as current.

All other liabilities are classified as non-current, including deferred tax liabilities.

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

Installation fees that are intrinsically linked to delivery obligations and that only derive future benefits to the clients once accessing the platform are classified as software license fees. This relates to installation fees that are a single performance obligation connected to access to Placewise IP via AWS cloud solutions (offsite) and is not distinct from the performance obligation from software licenses clients pay for to access IP. This is a commitment over-time as benefit is only gained by the client when using the platform over the contractual period clients are committed.

IFRS 15 Revenue from Contract with Customers applies to all entities and all contracts with customers to provide goods or services in the ordinary course of business. The revenue streams of Placewise are covered by the scope of IFRS 15. The core principle in IFRS 15 is that revenue shall be recognized at an amount that reflects the consideration to which Placewise expects to be entitled in exchange for transferring services to the customer. Revenue is recognized when the control of those services is transferred to the customer.

At time of delivery Placewise will provide certain services in order to allow the customer to access the license. These services are separated into pure set-up fees and implementation services. Implementation services, which may include installation of software, training of customer personnel and data conversion, need to be assessed based on relevant facts and circumstances to determine whether they are separate performance obligations (i.e., they are capable of being distinct and are distinct within the context of a contract). Implementation services related to SaaS solutions should be considered as distinct performance obligations (i.e., accounted for separately) when the implementation service adds value to the customer independently of the SaaS arrangements.

When assessing whether the implementation services are distinct within the context of the contract, Placewise considers; whether the implementation services modify or customizes the software or SaaS. Whether Placewise is providing a significant service of integrating the licensed software into the existing software system by performing a customized installation service. Whether Placewise would be able to fulfil the promise to transfer the software or SaaS in the contract independently from the promise to provide the implementation services (i.e., whether the implementation services are highly interdependent or interrelated with the software or SaaS). Generally, a software license and an implementation service that is used to significantly modify or customize the software for the customer's own use, would comprise one single performance obligation. Examples are if Placewise develops new and customized software for a customer or customizes or modifies an existing software product. On the other hand, "non-complex" implementation task like training of customer personnel, building simple interfaces, data conversion or migration, running test data, user acceptance testing and assisting in the development and documentation of procedures etc. are generally considered as separately distinct from the software license. Implementation services that are not distinct are recognized over the delivery period, together with the license, while implementation services that are distinct are recognized over the period that these services are delivered.

Each relevant nonrefundable software license fee is identified within the month of client contractual commitment. The upfront fee is then recognized over the period that the customer is to benefit from the service before further activation fees are required to benefit from advances in IP. The prepayment period has been assessed on a regional basis and the average benefit period before paying additional license fees on renewal is as follows:

- APAC Region – 20 months recognition period
- North America Region – 22 months recognition period
- Europe Region – 23 months recognition period

Performance management and services related to day-to-day operations are delivered to the customer on an hourly basis and is currently recognized when the service is rendered. These revises are deemed to be distinct from the license and i.e., separate performance obligations. These performance obligations must be recognized separately from the license. Current accounting is in line with IFRS 15 as revenue will be recognized upon satisfaction of the performance obligation (delivering the hours) as this represents when the customer controls the deliverable.

Management has assessed that the company's contracts does not contain any warranties beyond promising that the deliverable meets the agreed specification, as such this warrants no additional accounting considerations. Implementation services that are distinct are recognized over the period that these services are delivered. Product upgrades/enhancements will most likely be defined as separate performance obligation. A time-based measure of progress during the period when the customer has right to these upgrades would be appropriate (given that it is clear that the customer consumes and benefits from this promise throughout the contract period). As such the performance obligation will be recognized over the license period.

Significant financing component

The Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or service to the customer and when the customer pays for that goods or service will be one year or less.

Research and development

Expenses relating to research activities are recognized in the statement of comprehensive income as they incur.

Expenses relating to development activities are capitalized when Placewise can demonstrate that the developed asset can be used in the business operation or be sold to a 3rd party should the asset not be relevant for Placewise future. Furthermore, development cost can be capitalized if Placewise can show that completing the intangible asset is technically feasible and that Placewise intends to do so.

To capitalize assets in development and assets completed Placewise needs to reliably measure the expenditure attributable to the asset during its development. They are also required to demonstrate that they have available the adequate technical, financial and other resources to complete the development and to use the completed assets.

The developed assets are subject to an annual impairment test in accordance with IAS 36. The principles of IAS 36 are used to measure how the intangible assets will generate future economic benefits. Assets can only be capitalized when Placewise can demonstrate that the asset will generate future economic benefits. Such benefits can be revenues from the sale of services, cost savings or other benefits resulting from the use of the asset by Placewise.

Should the recognized assets be found to be impaired, the residual value for the asset will be reviewed. The result of the impairment test and review may lead to an adjustment of the remaining useful life, the depreciation method or a write down of the value.

Capitalized development costs are recognized at their cost minus accumulated amortization and impairment losses. Amortization are done on a straight-line basis over the estimated useful life of the asset 5-years.

Tangible assets

Tangible assets are valued at their cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the carrying amount is derecognized and any gain or loss is recognized in the statement of comprehensive income.
Depreciation is calculated using the straight-line method over the following useful life:

- PC-equipment 3 years
- Office equipment 3 - 5 years

The depreciation period and method are assessed each year. A residual value is estimated at each year-end, and changes to the estimated residual value are recognized as a change in an estimate.

Assets under construction are classified as non-current assets and recognized at cost until the production or development process is completed. Assets under construction are not depreciated until the asset is taken into use.

Leases

Significant accounting policies

Identifying a lease

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.

The Group as a lessee

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

At the lease commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur.

Lease liabilities

The lease liability is recognized at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amount expected to be payable by the Group under residual value guarantees.
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group does not include variable lease payments in the lease liability. Instead, the Group recognizes these variable lease expenses in profit or loss.

The Group presents its lease liabilities as separate line items in the statement of financial position.

Right-of-use assets

The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognized.
- Any lease payments made at or before the commencement date, less any incentives received.

Any initial direct costs incurred by the Group. An estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.
The Group applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Intangible assets

Intangible assets that have been acquired separately are carried at cost. The costs of intangible assets acquired through an acquisition are recognized at their fair value in the Group's opening balance sheet. Capitalized intangible assets are recognized at cost less any amortization and impairment losses.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized but are expensed as occurred.

The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortized over their economic life and tested for impairment if there are any indications. The amortization method and period are assessed at least once a year. Changes to the amortization method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. Intangible assets with an indefinite economic life are not amortized. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a definite economic life is made prospectively.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. For description of the measurement of non-controlling interest, see below. Acquisition-related costs are expensed in the periods in which the costs are incurred, and the services are received. The consideration paid in a business combination is measured at fair value at the acquisition date and consist of cash, stocks issued in Placewise Group AS and contingent consideration.

The contingent consideration is classified as a liability in accordance with IFRS 9. Subsequent changes in the fair value are recognized in profit or loss.

The assumption for exercising the contingent contribution is described in note 15 – Accrual for provisions.

When acquiring a business all financial assets and liabilities are assessed for an appropriate classification and designation in accordance with contractual terms, economic circumstances and pertinent conditions at the acquisition date. The acquired assets and liabilities are accounted for by using fair value in the opening group balance (unless other measurement principles should be applied in accordance with IFRS 3).

The initial accounting for a business combination can be changed if new information about the fair value at the acquisition date is present. The allocation can be amended within 12 months of the acquisition date [provided that the initial accounting at the acquisition date was determined provisionally]. The non-controlling interest is set to the non-controlling interest's share of identifiable assets and liabilities [alternative fair value]. The measurement principle is done for each business combination separately.

When the business combination is achieved in stages the previously held equity interest are re-measured at its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss.

Goodwill is recognized as the aggregate of the consideration transferred and the amount of any non-controlling interest and deducted by the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is not depreciated but is tested at least annually for impairment. In connection with this, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the business combination.

If the fair value of the equity exceeds the acquisition cost in a business combination, the difference is recognized as income immediately on the acquisition date.

Government grants

Government grants are recognized when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Operating grants are recognized systematically during the grant period. Grants are deducted from the cost which the grant is meant to cover. Investment grants are capitalized and recognized systematically over the asset's useful life. Investment grants are recognized either as deferred income or as a deduction of the asset's carrying amount.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities are recognized when Placewise becomes party to the contractual provision of the instrument.

Financial assets

The Group´s financial assets are trade receivables, cash and cash equivalents. At initial recognition financial assets are classified and subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss in accordance with IFRS 9, chapter 4.

The financial assets are classified based on Placewise business model and the contractual cash flow characteristics of the financial assets.

If the financial asset is held to collect contractual cash flows, and the terms of the financial assets on specific dates generates cash flows that are solely payments of principal and interest on the principial. Then the financial assets shall be measured at amortized cost.

Financial assets that are held with the objective of both collecting contractual cash flows and selling financial assets, and the terms of the financial assets generates on specific dates cash flows in the form of payment of principal and interest on principal. Then the financial assets shall be measured at fair value through other comprehensive income.

Financial assets that are not measured at amortized cost nor at fair value through other comprehensive income shall be measured at fair value through profit and loss. Financial assets can at initial recognition designate any financial asset as measured at fair value through profit and loss if doing so significantly reduces a measurement or recognition inconsistency.

Trade receivables do not contain a significant financing component.

Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate. Loans, borrowings and payables are recognized at fair value net of directly attributable transaction costs.

Loans, borrowings and payables
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments, its purpose is to meet short-term cash commitments. Cash equivalents are readily convertible to a known amount of cash with an insignificant risk of change in value. To qualify as cash equivalents the investment needs a maturity of three months or less from the date of acquisition.

In the statement of cash flows, the overdraft facility is stated minus the balance of cash and cash equivalents.

Equity

Equity and liabilities

Financial instruments are classified as liabilities or equity in accordance with the underlying economic realities.

Interest, dividend, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or income. Amounts distributed to holders of financial instruments that are classified as equity will be recorded directly in equity.

Costs of equity transactions

Transaction costs directly related to an equity transaction are recognized directly in equity after deducting tax expenses.

Other equity

Reserve

This reserve contains the total net increase in the fair value of non-current assets that have been revalued at an amount which exceeds their cost. The reserve also contains total net changes in the fair value of financial instruments classified as available for sale until the investment has been sold or it has been determined that the investment is of no value.

Translation differences

Translation differences arise in connection with exchange-rate differences of consolidated foreign entities. Exchange-rate differences in monetary amounts (liabilities or receivables) which are part of a company's net investment in a foreign entity are also included as translation differences.

If a foreign entity is sold, the accumulated translation difference linked to the entity is reversed and recognized in the statement of comprehensive income in the same period as the gain or loss on the sale is recognized.

Employee benefits

Defined contribution plans

The Group's companies have made contributions to local pension plans. These contributions have been made to the pension plan for full-time employees. The pension premiums are charged as expenses when they are incurred, and the company has no wider pension liabilities outside of payment of such premiums.

Provisions

A provision is recognized when the Group has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

Warranty provisions: The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognized when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Onerous contracts: If the Group has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognizes any impairment loss that has occurred on assets dedicated to that contract.

Restructuring provisions: Restructuring provisions are recognized when the Group has approved a detailed, formal restructuring plan and the restructuring has either started or been publicly announced.

Contingent liabilities and assets

Contingent liabilities are not recognized in the annual accounts. Significant contingent liabilities are disclosed, except for contingent liabilities that are unlikely to be incurred.

Contingent assets are not recognized in the annual accounts but are disclosed if there is a certain probability that a benefit will be added to the Group.

Events after the reporting period

New information on the company's financial position on the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position on the end of the reporting period, but which will affect the company's financial position in the future are disclosed if significant.

Placewise Group AS Consolidated
Statement of comprehensive income

NOK in thousands	Note	2022	2021
Revenue from contracts with clients	3	140 597	141 332
Other operating income	3	361	-
Total revenue and operating income		**140 958**	**141 332**
Cost of goods	11	39 919	39 471
Personnel expenses	8	78 355	53 487
Other operating expenses	11	28 988	28 481
Operating profit/(loss) before deprec. And amortis. (EBITDA)		**(6 303)**	**19 893**
Depreciation and amortization	1 & 2	26 371	19 788
Operating profit/(loss) (EBIT)		**(32 675)**	**105**
Other financial income		1 716	11 196
Other financial expenses		7 585	4 636
Net financial income (expenses)	13	**(5 869)**	**6 560**
Profit/ (loss) before income tax		**(38 544)**	**6 664**
Tax expense	12	(1 030)	(1 349)
Ordinary result after tax		**(37 514)**	**8 013**
Earnings Per Share in NOK			
Earnings per share		-1,16	0,25

NOK in thousands	Note	2022	2021
Profit/ (loss) for the period		**(37 514)**	**8 013**
Translation differences that will be reclassified to profit & loss		(1 017)	293
Translation differences that will not be reclassified to profit & loss		1 570	(401)
Other comprehensive income		**553**	**(108)**
Total comprehensive income/(loss) for the period		**(36 961)**	**7 905**

Comprehensive income is the effect of translating the Placewise entities whos functional currency is different from the Group into NOK. Exchange rate difference is the accumulated net change of each month, it may be reclassified to profit or loss in later periods.

Earnings per share from continuing operations	-1,16	0,25

Annual Report
Placewise Group AS Consolidated
Balance Sheet

NOK in thousands	Note	2022	2021
Non Current Assets			
Intangible assets	1 & 16	83 851	77 115
Goodwill	16 & 20	141 934	140 547
Right of use assets	2 & 7	4 978	6 233
Equipment and other movables	2	527	745
Other long-term receivables		787	365
Total Non Current Assets		**232 077**	**225 005**
Current assets			
Accounts receivables	4	16 524	20 794
Contract assets	4	472	1 137
Other short-term receivables	4	1 354	6 078
Cash and bank deposits	5	11 845	2 290
Total current assets		**30 195**	**30 299**
Total assets		**262 272**	**255 305**
Paid-up equity			
Share capital	9	3 383	3 302
Share premium reserve	9	303 338	291 669
Uncovered loss		152 766	115 805
Total equity		**153 955**	**179 166**
Other long-term liabilities			
Deferred tax	12	2 073	3 395
Liabilities to financial institutions	21	10 545	5 414
Other long-term liabilities		-	116
Leasing liability	7	3 339	4 694
Total of other long term liabilities	**10**	**15 957**	**13 619**
Current debt			
Accrual for cash based payment	15	1 959	11 009
Liabilities to financial institutions	21	32 000	-
Trade creditors		19 999	7 967
Payable tax		948	1 094
Public duties payable		5 546	3 918
Current leasing liability	7	1 908	1 707
Contract liabilities		13 166	17 085
Other current debt		16 833	19 738
Total current debt	**6**	**92 360**	**62 519**
Total liabilities		**108 317**	**76 139**
Total equity and liabilities		**262 272**	**255 305**

Oslo, 30.06.2023
For the Board of Directors

Bente Solid Storehaug
Chairman of the Board

Patrick Sandahl
Director

Rune Bertelsen
Director

Joseph Jay Boehm II
Director

Peter Tonstad
CEO

Annual Report
Placewise Group AS Consolidated
Cash Flow statement

NOK in thousands	Note	2022	2021
Cash flows from operating activities			
Profit for the period		(38 544)	6 664
Financial gain from write down of Earn-out/Debt note	13		(9 537)
Tax paid in the period		928	420
Depreciation, amortizations and write-downs	1 & 2	26 371	19 788
Change in accounts receivable		4 270	(2 459)
Change in accounts payable		12 032	3 876
Change in current debt		(4 995)	(1 305)
Net change in bank overdraft	5	(3 254)	3 254
Change in other accrual items		3 445	(154)
Net cash flows from operating activities		**254**	**20 547**
Cash flows from investment activities			
Payments for internal R&D	1 & 8	(32 515)	(34 794)
Payments to buy tangible assets		-	(370)
Payments to buy other investments		-	-
Net change in other long-term receivables		422	(47)
Net cash flows from investment activities		**(32 093)**	**(35 211)**
Cash flows from financing activities			
Payment of Debt-note		(8 871)	(17 445)
Proceeds from convertible loan/Warrants		11 751	8 976
Repayment of long term financial liabilities		(11 469)	(3 122)
New long term financial liabilities		48 600	-
Innovation Grant & Loan		1 720	5 800
Payment of leasing liability	7	(1 154)	(2 707)
Rent on leasing liability		264	264
Net cash flows from financing activities	**10**	**40 841**	**(8 234)**
Net cash flows			
Net change in cash and cash equivalents		9 002	(22 898)
Cash and cash equivalents at the start of the period		2 290	25 296
Difference in currency calculations		553	(108)
Cash and cash equivalents at the end of the period		**11 845**	**2 290**

Annual Report
Placewise Group AS Consolidated
Statement of Changes to Equity

NOK in thousands	Share capital	Share premium	Uncovered loss	Sum
Equity 01.01.21	2 879	283 056	(123 710)	162 225
Capital increase Warrants	150	8 887	-	9 036
Conversion of convertible loan	272	(272)	-	-
Total comprehensive income	-	-	7 905	7 905
Equity 31.12.21	**3 301**	**291 670**	**(115 805)**	**179 166**

NOK in thousands	Share capital	Share premium	Uncovered loss	Sum
Equity 01.01.22	3 301	291 670	(115 805)	179 166
Capital increase Warrants	82	11 669	-	11 751
Conversion of convertible loan			-	-
Total comprehensive income	-	-	(36 961)	(36 961)
Equity 31.12.22	**3 383**	**303 338**	**(152 766)**	**153 955**

Note 1 - Intangible assets

NOK in thousands

Breakdown	2022	2021
Internally developed intangible assets: Development	75 534	61 962
Customer Contracts	8 318	15 153
Intangible assets	**83 851**	**77 115**
Goodwill	141 934	140 546
Carrying amount	**225 784**	**217 662**

Internally developed intangible assets: Development	2022	2021
Carrying amount, 1 January	61 962	37 217
Additions - internally developed	32 515	34 794
Amortisation	18 943	10 049
Exchange differences	0	0
Carrying amount, 31 December	**75 534**	**61 962**
As at 1 January		
Cost	115 710	80 916
Accumulated amortisation and write downs	53 748	43 699
Exchange differences	0	0
Carrying amount	**61 962**	**37 217**
As at 31 December		
Cost	148 224	115 709
Accumulated amortisation and write downs	72 691	53 748
Exchange differences	0	0
Carrying amount	**75 533**	**61 961**
Economic life	5 years	
Depreciation method	linear	

(1) The carrying amount of development costs includes expenses incurred in connection with developing of IP is MNOK 76 as at 31 De
During 2022 a total of MNOK 32,5 of additional costs were incurred on IP Development and a total of 19 MNOK of Research and Development costs have been Amortised in the period. IP Development cost capitalized in 2022 are amortised from January 2023.

NOK in thousands

Acquired intangible assets	Customer Contracts	Goodwill	2022	Customer Contracts	Goodwill	2021
Opening balance 1 January	15 153	140 546	155 700	20 647	141 973	162 620
Write down	0	-1 550	-1 550	0	40	40
Amortisation	6 835	0	6 835	6 835	0	6 835
Exchange differences	0	-164	-164	1 341	-1 387	-45
Net carrying amount	**8 318**	**141 934**	**150 251**	**15 153**	**140 546**	**155 700**
As at 1 January						
Cost	41 650	141 973	183 623	41 650	141 980	183 630
Accumulated amortisation and write downs	26 496	40	26 536	19 661	0	19 661
Exchange differences	0	-1 387	-1 387	-1 341	-7	-1 348
Net carrying amount	**15 154**	**140 546**	**155 700**	**20 648**	**141 973**	**162 620**
As at 31 December						
Cost	41 650	140 546	182 196	41 650	141 973	183 623
Accumulated amortisation/write down and impairment	33 331	-1 550	31 781	26 496	40	26 536
Exchange differences	0	-164	-164	0	-1 387	-1 387
Net carrying amount	**8 319**	**141 933**	**150 251**	**15 154**	**140 546**	**155 700**
Economic life	3 & 5 years	Impairment testing		3 & 5 years	Impairment testing	
Depreciation method	linear			linear		

Note 1 - Intangible assets

Acquired Intangible Assets
Intangible Assets relating to acquisitions have been categorised into Customer Contracts and Goodwill. This has been done based on an assessment of the assets acquired at the time of purchase. Intangible assets resulting from the acquisitions of iColumn and Mall Finder Network LLC that were incorporated during 2019 have been classified as intangible assets relating to Customer Contracts and the residual intangible asset value after Net Assets is shown as Added Value, representing the strategic value of the Goodwill as a result of the acquisitions.

Customer Contracts
Depreciation related to Customer Contracts is amortized over a linear 5-year period as per the estimated customer lifetime length on review of historical client lifetime value of iColumn and Mall Finder.

Goodwill - Added Value
An impairment test has been carried on the Goodwill-Added Value using a DCF analysis and the resulting Enterprise value indicates that no impairment is acquired for the Goodwill relating to iColumn or Mall Finder Network LLC during 2022. The impairment test is based on business plan growth expectations within the APAC and North America regions, and future free cash-flows discounted at the IRR discount rate benchmarks for Placewise of 15%.

Deferred tax
Deferred tax has been calculated on aqusition items and added to Goodwill. See note 12 - Tax for more details.

Note 16 - Business Combinations details the values of acquired Intangible Assets

Note 2 - Property, plant and equipment

NOK in thousands	Machinery	Office equipments	Right of Use Assets	Total
Carrying value 1 January 2022	481	264	6 233	6 978
Additions	103	133	-	236
Depreciation	256	197	1 689	2 143
Currency exchange differences	-	-	433	433
Carrying value 31 December 2022	**327**	**200**	**4 978**	**5 505**
As at January 1 2022				
Acquisition cost	1 213	6 473	12 526	20 213
Accumulated depreciation and write downs	732	6 209	6 519	13 461
Currency exchange differences	-	-	225	225
Carrying value	**481**	**264**	**6 233**	**6 977**
As at December 31 2022				
Acquisition cost	1 316	6 606	12 526	20 448
Accumulated depreciation and write downs	988	6 406	8 208	15 603
Currency exchange differences	-	-	658	658
Carrying value	**327**	**200**	**4 977**	**5 505**
Economic life	3 - 5 years	3 - 5 years	Over contract period	
Depreciation method	linear	linear	linear	

(1) Machinery
Machinery is other purchased IT-equipment depreciated according to local tax regulation. Most have service life between 3 - 5 years and are replaced depending on wear and tear.

(2) Office equipment
Office equipment consists of computers, printers and other hardware purchased for use in the local offices with a service life longer than 3 years and a purchase price above 15.000 NOK at the time of acquisition.

(3) Office equipment
The acquisition cost for office equipment includes cost for permanent fixtures and structural adaptions of the offices. They have mostly been fully depreciated but are still in use.

(4) Retired and idle equipment, capitalized interest
There are no retired or idle equipment in the balance sheet. The Group has not capitalized any interest in connections with the acquisitions of any assets.

(5) Right of use assets
Long term leasing aggrements for offices has been capitalized under IFRS 16. This is detailed in note 7.

Note 3 - Revenue from contracts with customers

Placewise Group delivers digital solutions within retail, "Marketplace Performance Cloud" consisting of customer data platform, shopper engagement, e-commerce, tenant engagement, insight & analytics in addition to service & support. The digital solutions are mainly based on in-house developed technology. The main revenue source is license fees. Further, Placewise Group also delivers services on hourly basis, typically related to performance management and services related to day-to-day operations.

All of the Groups arrangements are cloud based, and hence off-premise with no local installation, generally referred to as software-as-a-service (SaaS) arrangements. Placewise has several contracts with customers that consist of services on hourly basis, typically related to performance management and services related to day-to-day operations in addition to license fee. As such Placewise categorizes their revenue streams into two main categories; license revenue and service revenue. The group has contracts in the following areas; Europe, Europe - retail, US, Canada and APAC.

IFRS 15 Revenue from Contract with Customers applies to all entities and all contracts with customers to provide goods or services in the ordinary course of business. The revenue streams of Placewise are covered by the scope of IFRS 15. The core principle in IFRS 15 is that revenue shall be recognized at an amount that reflects the consideration to which Placewise expects to be entitled in exchange for transferring services to the customer. Revenue is recognized when the control of those services are transferred to the customer.

Performance management and services related to day-to-day operations are delivered to the customer on a hourly basis and is currently recognized when the service is rendered. These services are deemed to be distinct from the license and i.e. separate performance obligations. These performance obligations must be recognized separately from the license. Current accounting is inline with IFRS 15 as revenue will be recognized upon satisfaction of the performance obligation (delivering the hours) as this represents when the customer controls the deliverable.

The license fee agreements are more complex. At time of delivery Placewise will provide certain services to the customer in order to allow the customer to access the license. These services are separated into pure set-up fees and implementation services. Implementation services, which may include installation of software, training of customer personnel and data conversion, need to be assessed based on relevant facts and circumstances to determine whether they are separate performance obligations (i.e., they are capable of being distinct and are distinct within the context of a contract). Implementation services related to SaaS solutions should be considered as distinct performance obligations (i.e., accounted for separately) when the implementation service adds value to the customer independently of the SaaS arrangements.

When assessing whether the implementation services are distinct within the context of the contract, Placewise considers; whether the implementation services modifies or customizes the software or SaaS. Whether Placewise is providing a significant service of integrating the licensed software into the existing software system by performing a customized installation service. Whether Placewise would be able to fulfil the promise to transfer the software or SaaS in the contract independently from the promise to provide the implementation services (i.e., whether the implementation services are highly interdependent or interrelated with the software or SaaS). Generally, a software license and an implementation service that is used to significantly modify or customize the software for the customer's own use, would comprise one single performance obligation. Examples are if Placewise develops new and customized software for a customer or customizes or modifies an existing software product. On the other hand "non-complex" implementation task like training of customer personnel, building simple interfaces, data conversion or migration, running test data, user acceptance testing and assisting in the development and documentation of procedures etc. are generally considered as separately distinct from the software license. Implementation services that are not distinct are recognized over the delivery period, together with the license, while implementation services that are distinct are recognized over the period that these services are delivered.

As a final step in adjusting revenues under IFRS Placewise has assessed when the performance obligation is satisfied. IFRS 15 states that an entity provides either a right to access or a right to use depending on whether the customer is given access to Placewise's intellectual property throughout the license period or is given the right to use the intellectual property as it exits at the point in time the license is granted. Revenues from a right to access is recognized over the license period, while revenues from a right to use is recognized at the point of which the customer can first use the licensed intellectual property. Placewise's customers do not take possession over the software licenses and hosting services may not be separated from the licenses. Consequently these revenues are recognized over the license period. Support services that are deemed to not be a separate performance obligation are recognized over the license period. Upgrades that are defied as separate performance obligations are recognized during the period when the customer has rights to the upgrade. Set up fees and implementation services that are deemed to not be distinct will be recognized over the license period. If implementation services are deemed to be separate performance obligations they will be recognized upon the satisfaction of the performance obligation (delivering the hours) as this represents when the customer controls the deliverable. Training of the customer's employees and workshops will be identified as separate performance obligations and are recognized upon the satisfaction of the performance obligation (delivering the hours) as this represents when the customer controls the deliverable.

Disaggregated revenue information

The Group's revenue from contracts with customers has been disaggregated and presented in the tables below:

NOK in thousands	For the period ended 31 December 2022			
Reporting by Region/ Product	**Europe**	**North America**	**APAC**	**Total**
Revenue				
Software - License fees	18 630	44 896	11 132	74 658
Installation Software - Licence Fees	6 660	5 600	3 615	15 875
Marketing Services - Licence Fees	8 471	1 686	1 347	11 503
Set-up and Implementation Fees	197	-25	4 083	4 255
Other Marketing Services	2 014	0	0	2 014
Marketing Activities	25 008	1 539	5 744	32 291
Total	**60 981**	**53 696**	**25 921**	**140 597**

Other Operating Income 2022	Europe	North America	APAC	Total
Revenue				
Other income	17		344	361
Total	**17**	-	**344**	**361**

NOK in thousands	For the period ended 31 December 2021			
Reporting by Region/ Product	**Europe**	**North America**	**APAC**	**Total**
Revenue				
Software - License fees	19 671	39 951	9 816	69 437
Installation Software - Licence Fees	5 448	6 904	5 119	17 471
Marketing Services - Licence Fees	9 357	1 307	0	10 664
Set-up and Implementation Fees	1 378	119	2 337	3 834
Other Marketing Services	1 900	0	0	1 900
Marketing Activities	30 642	1 886	5 497	38 025
Total	**68 395**	**50 168**	**22 768**	**141 331**

Other Operating Income 2021	Europe	North America	APAC	Total
Revenue				
Other income				-
Total	-	-	-	-

Prepaid Revenues Breakdown	31.12.2022	31.12.2021
Prepaid Software Licence Fees (Set-up Implementation licences)	11 327	12 915
Prepaid software Licence Fees (Advanced period licence fee payments)	1 129	3 571
Prepaid Marketing Activities	709	599
Total	**13 166**	**17 085**

Revenue Product Explanations

Software licence fees
Are recurring licenses relating to client access to Placewise owned IP and platform access. These revenues are recognised in the month clients gain benefit from access to the Placewise Platform. In addition once-off installation software fees relating to access to the Placewise Platform are recognised over a between 20 and 23 month period within Software Licence Fee revenue matching the period of benefit clients gain access

Marketing Services
Are recurring licences relating to professional services provided to clients from Placewise marketing consultants. Revenue is recognised in the contractual month the services relate to

Set-up & Implementation Fees
Relates to client revenues for installation fees or services delivered to clients with a performance obligation in on implementation and are recognised within the month the service is delivered to the client

Other marketing services
Are once of professional services provided to clients and recognised in the month the services are delivered to clients

Marketing Activities
Relates to revenue from clients from CRM or marketing advertising and content creation costs. This is primarily revenue from digital advertising, SMS, email and push notifications relating to communication connected to the Digital Consumer databases Placewise host for clients and execute from Placewise IP. This revenue is recognised in the month activities are performed.

Note 4 - Accounts receivables

NOK in thousands	31.des.22	31.des.21
Accounts recievables		
Receivables related to revenue Europe	12 203	14 042
Receivables related to revenue APAC	3 798	3 437
Receivables related to revenue North America	1 872	4 280
Total accounts recievables (Gross)	**17 873**	**21 758**
Expected credit loss	**1 348**	**963**
Total accounts recievables (Net)	**16 524**	**20 794**

Accounts receivables are non-interest bearing. All invoices are due within 30 days. Placewise does not have contract where payments are conditioned on fullfilment of other performance obligations in the contract. Software licenses are prepaid at the start of the contract-period, 3, 6, or 12 months etc.

Expected credit loss is calculated by assessing the outstanding amounts per client/client-group. When collection has not been successful or it is assumed that it will not be successful an accrual for the expected credit loss is made.

NOK in thousands	31.des.22	31.des.21
Advanced supplier payments to be reconciled	167	79
R&D tax incentive	-	4 769
Other current assets	-	321
Pre-paid costs	1 187	908
Other short-term receivables	**1 354**	**6 078**
Contract assets	472	1 137
Total short-term receivables	**1 826**	**7 215**
Total accounts receivables (Net)	**16 524**	**20 794**
Total receivables	**18 350**	**28 009**

Note 5 - Cash and cash equivalents

NOK in thousands

Europe	31.des.22	31.des.21
Operating account Placewise Group AS	- 27 152	- 34 372
Operating account Placewise AS	31 874	31 118
Placewise International AS	39	335
Placewise Norway Isolated Funds	1 455	1 318
Placewise SP Z o.o	92	396
Boostcom Ltd	-	85
Cash and cash equivalents in the balance sheet	**6 308**	- **1 119**

Operating accounts of Placewise Group AS and Placewise AS is part of a group account. Net amount at the end of 2022 is 4 722 TNOK

APAC	31.des.22	31.des.21
Placewise Asia Pacific PTE Ltd	3 042	1 924
Placewise SND BHD	344	425
Cash and cash equivalents in the balance sheet	**3 386**	**2 349**

North America	31.des.22	31.des.21
Mall Finder LLC Checking account and undeposited funds	2 151	1 060
Cash and cash equivalents in the balance sheet	**2 151**	**1 060**

Group Consolidated	31.des.22	31.des.21
Group account Placewise Group AS	4 722	- 3 254
Europe	1 586	2 134
APAC	3 386	2 349
North America	2 151	1 060
Total cash and cash equivalents in the balance sheet	**11 845**	**2 290**

Bank Deposits

Restricted cash	31.des.22	31.des.21
Placewise Group AS Tax deduction	359	320
Placewise AS Tax deduction	474	539
Placewise AS Deposit	120	120
Placewise International AS Tax deduction	503	340
Total	**1 455**	**1 318**

Tax deductions are provisions for tax Placewise are obliged to pay to the Norwegian government on behalf of their employees. These provisions are held back at each salary payment, and paid six times a year.

Note 6 - Account payables and other current liabilities

	31.des.22	31.des.21
Accrual for cash based payment	1 959	11 009
Accrual for contingent payment	-	-
Accounts payable Europe	15 074	5 080
Accounts payable APAC	1 531	1 726
Accounts payable North America	3 395	1 161
Trade creditors	**19 999**	**7 967**
Payable tax and other public duties	6 495	5 013
Prepaid Software Licence Fees (Set-up Implemenation licences)	7 675	12 915
Prepaid software Licence Fees (Advanced period licence fee payments)	4 781	3 571
Prepaid Marketing Activities	709	599
Contract liabilities	**13 166**	**17 085**
Other current liabilities Europe	9 060	16 428
Other current liabilities APAC	1 320	671
Other current liabilities North America	6 452	2 639
Other current debt	**16 833**	**19 738**
Total	**58 452**	**60 812**
Liabilities to financial institutions	32 000	
Current leasing liability*	1 908	1 707
Total current debt	**92 360**	**62 519**

Trade payables are non-interest bearing and are normally settled on 30-day terms. Interest payable is normally settled quarterly.

As of the end of 2022, our long-term interest-bearing debt with a financial institution has been reclassified as short-term interest-bearing debt. This reclassification was made due to a short-term breach of covenants as per the loan agreement. In 2023, we received a waiver from the financial institution for the covenant as of 31 December 2022 and 31 March 2023.

Note 7 - Leases

The Group as a lessee/ Right-of-use assets
The Group leases several office facilities. The Group's right-of-use assets are categorised and presented in the table below:

A) Right-of-use assets

NOK in thousands	Office Norway	Office US	Total
Acquisition cost 1 January 2022	**2 919**	**9 335**	**12 254**
Addition of right-of-use assets	-	-	-
Disposals	-	-	-
Currency exchange differences	-	1 098	1 098
Acquisition cost 31 December 2022	2 919	10 433	13 353
Accumulated depreciation and impairment 1 January 2022	**2 919**	**3 603**	**6 522**
Depreciation of the year	-	1 689	1 689
Accumulated depreciation and impairment 31 December 2022	2 919	5 292	8 211
Currency exchange differences		(163)	(163)
Carrying amount of right-of-use assets 31 December 2022	**0**	**4 978**	**4 978**

NOK1000

NOK in thousands	Office Norway	Office US	Total
Acquisition cost 1 January 2021	**2 919**	**9 607**	**12 526**
Addition of right-of-use assets	-	-	-
Disposals	-	-	-
Currency exchange differences	-	(273)	(273)
Acquisition cost 31 December 2021	2 919	9 335	12 254
Accumulated depreciation and impairment 1 January 2021	**1 946**	**2 094**	**4 040**
Depreciation of the year	973	1 509	2 482
Accumulated depreciation and impairment 31 December 2021	2 919	3 603	6 522
Currency exchange differences		501	501
Carrying amount of right-of-use assets 31 December 2021	**0**	**6 233**	**6 233**
Lower of remaining lease term or economic life		5	
Depreciation method		Linear	

B) Lease liabilities

NOK in thousands

Undiscounted lease liabilities and maturity of cash outflows	Norway	US	Total
Less than 1 year	-	1 908	1 908
1-2 years	-	1 908	1 908
2-3 years	-	1 431	1 431
3-4 years	-		-
4-5 years	-	-	-
More than 5 years	-	-	-
Total undiscounted lease liabilities at 31 December 2022	**-**	**5 247**	**5 247**

NOK in thousands

Summary of the lease liabilities	Norway	US	Total
Carrying value 01.01.2022	0	6 401	6 400
New lease liabilities recognised in the year	-	-	-
Principal portion of the lease liability	-	(1 646)	(1 646)
Interest portion of the lease liability	-	(215)	(215)
Currency exchange differences	-	706	706
Total lease liabilities at 31 December 2022	**-**	**5 247**	**5 247**
Current lease liabilities	-	1 908	1 908
Non-current lease liabilities		3 339	3 339
Total cash outflows for leases	**-**	**5 246**	**5 246**

NOK in thousands

Summary of the lease liabilities	Norway	US	Total
Carrying value 01.01.2021	1 044	7 557	8 602
New lease liabilities recognised in the year	-	-	-
Principal portion of the lease liability	(1 026)	(1 416)	(2 442)
Interest portion of the lease liability	(18)	(247)	(265)
Currency exchange differences	-	506	506
Total lease liabilities at 31 December 2021	**0**	**6 401**	**6 400**
Current lease liabilities	-	1 707	1 707
Non-current lease liabilities	-	4 694	4 694
Total cash outflows for leases	**-**	**6 401**	**6 401**

The leases do not contain any restrictions on the Group's dividend policy or financing. The Group does not have significant residual value guarantees related to its leases to disclose.

Practical expedients applied

The Group also leases office equipments with contract terms of 1 to 3 years. The Group has elected to apply the practical expedient of low value assets for some of these leases and does not recognise lease liabilities or right-of-use assets. The leases are instead expensed when they incur. The Group has also applied the practical expedient to not recognise lease liabilities and right-of-use assets for short-term leases, presented in the table above.

Variable lease payments

The Group are not commited to pay varable lease payments

Note 8 - Salary and personnel expense and management remuneration

NOK in thousands	2022	2021
Salary costs	98 578	87 538
Social security costs	10 186	9 303
Pension costs	766	680
Other benefits	1 747	809
Board remuneration	638	943
Public grants and Tax subsidies	(1 044)	(10 991)
Capitalised labour costs	(32 515)	(34 794)
Development grant	-	-
Total salaries and personnel expense	**78 355**	**53 487**

Placewise has received a development grant from Innovasjon Norge to cover personell costs relating to development of new products

The number of man-years that has been employed during the financial year:	137	140
Total sickness absence	1,3%	1,3%
Gender Equality		
Women	45 %	44 %
Men	55 %	56 %

Full time employes	31.12.2022	31.12.2021
Europe	74	79
North America	31	32
South East Asia	32	29
Total	**137**	**140**

The Group has pension schemes that meet requirements in their respective countries.

CEO and Board of Directors Remuneration	2022	2021
CEO	2 816	2 770
Board fees	550	475
Sum	**3 366**	**3 245**

No loans or collateral has been distributed to members of the board and the general manager.

Placewise Group has three share option plans with their leading figures in the board of directors, from 2016, 2017 and 2019. In 2019 all the option plans was extended to the 31. December 2023. The strike is NOK 10 per share. The vesting period is based on when the individual started in Placewise, with directors entering the agreements when they started in their Directors role if that date is after the start of the option plan program.

Director	Amount
Bente Sollid Storehaug - Chairman of the board	50 000
Peter Tonstad - CEO	650 000
Other directors	50 000
Sum	**750 000**

Note 9 - Share capital, shareholder information and dividend

	31.12.2022	01.01.2022	31.12.2021	01.01.2021
Ordinary shares	33 833 400	33 017 567	33 017 567	28 794 236
Shares outstanding	2 981 333	0	0	2 721 290
Total number of shares	**36 814 733**	**33 017 567**	**33 017 567**	**31 515 526**

	2021	2020
Weighted Average shares Outstanding	**32 259 384**	**29 926 420**

			NOK in thousands			
Changes to share capital and premium:	**No. of shares**		**Share capital**		**Premium**	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Ordinary shares						
Issued and fully paid 1 January	33 017 567	28 794 236	3 302	2 879	291 669	283 056
Loans converted to shares	-	2 721 290	-	272	-	(272)
Warrants	-	1 502 041	-	150	-	8 887
Capital increase	815 833	-	82	-	9 708	-
Capital increase, not registerred as of 31.12.22	816 992	-	-	-	-	-
Loan not converted recognized as share premium	-	-	-	-	1 961	-
Total as closing as at 31.12	**34 650 392**	**33 017 567**	**3 383**	**3 302**	**303 338**	**291 669**

All issued shares have equal voting rights and the right to receive dividend.

Main shareholders at 31.12.22 are:

	Number of shares:	Ownership interest:
INVESTINOR AS	11 165 477	33,00 %
NORSK INNOVASJONSKAPITAL VI SCSp	9 111 731	26,93 %
PW Holdings LLC	6 243 538	18,45 %
BYGGTEKNIKK DRIFT AS	3 162 712	9,35 %
CHEONG MUN LEONG	896 676	2,65 %
YONG HIONG PENG	896 676	2,65 %
Other shareholders	2 356 590	6,97 %
Book value as at 31.12.22	**33 833 400**	**100 %**

Note 10 - Long-term debt

NOK in thousands	Effective interest rate	Maturity date	Carrying amount 31.des.22	31.des.21
Secured				
Sparebanken Midt-Norge, Placewise Group AS	6,88 %	apr.23	-	533
Sparebanken Midt-Norge, Placewise AS	4,60 %	apr.23	-	2 065
Innovasjon Norge, Placewise Group AS	4,76 %	apr.22	-	417
Innovasjon Norge, Placewise International AS	3,95 %	aug.27	2 545	2 400
Collector Bank, Placewise Group AS	10,00 %*	jan.25	32 000	-
Collector Bank, Placewise AS	10,00 %*	jan.24	8 000	-
Total secured long-term debt (1)			**42 545**	**5 414**

The debts to Sparebanken Midt-Norge and Innovasjon Norge are secured by the the Groups Operating assets and Accounts Receivable. In January 2022 the debts to Sparebanken Midt-Norge was paid in full, deleting the security SMN held.

In January 2022 Placewise Group secured a debt financing facility of a toal value of 48 MNOK. This debt facility is secured by the Groups accounts receivables and other short term receivables should Placewise fail to meets its obligations in the agreement. The debt is also secured by the shares in Placewise AS and Placewise International AS.

The obligations include handing over the Groups unaudited quarterly financial reports, and the Groups audited Financial Statment, as soon as they are available. The Group cannot be restructured without creditors written consent, nor can they significallly alter the Groups operations in a manner which can reasonable be assumed to have a negative effect on the Groups ability to meets its financial obligations to the creditor.

The effective interest rate of the debt facility to Collector Bank is NIBOR + 6,75 %. At the end of 2022 the remaining debt facility, after quarterly downpayments is 40 MNOK.

NOK in thousands

Creditor	Priority	Secured	Amount
Collector Bank AB	1st	Accounts receivables	48 000
Collector Bank AB	1st	Other short term receivables	48 000
Innovasjon Norge	2nd	Accounts receivables	8 000
Innovasjon Norge	2nd	Other short term receivables	13 000

Book value as at 01.01.22	31.des.22	31.des.21
Office Leases		
Office Leases: Trondheim and Denver offices (2)	**3 339**	**4 694**

NOK in thousands	31.des.22	31.des.21
Other long-term liabilities		
Boostcom Ltd (UK) (3)	-	116
Deferred tax	2 073	3 395
Total other long-term liabilities	**2 073**	**3 511**
Total long-term debt	**47 957**	**13 619**

Note 11 - Other Operating Expenses

Other operating expenses

NOK in thousands	31.12.2022	31.12.2021
Rent expenses	2 562	1 805
Software licenses	6 471	4 529
Accounting and auditing	4 472	5 471
Legal counsel	341	1 982
Other consulting	6 760	8 555
Travel	2 296	1 585
Bad debts	1 815	217
Other office costs	773	1 304
Other personell expenses	1 195	939
Other operating costs	2 303	2 094
Total other operating expenses	**28 988**	**28 481**

Rent expenses are office rent that does not fall under IFRS 16, due to their insignificance cost or length. This includes rented office spaces for employees who does not have a Placewise office within commuting distance.

Specification auditor's fee	31.12.2022	31.12.2021
Statutory audit	391	346
Other assurance services	564	498
Total	**955**	**844**

VAT is not included in the fees specified above.

Cost of Goods by region	31.12.2022	31.12.2021
Europe	23 650	28 424
APAC	6 257	3 495
North America	10 088	7 553
Total	**39 996**	**39 471**

12. Tax expense

(Amounts in NOK 1000)

	2022	2021
Current tax expence	(1 030)	(1 349)
Tax expence	**(1 030)**	**(1 349)**

Tax liability	2022	2021
Tax payable	948	1 094
Current tax liabilities	**948**	**1 094**

Effective Tax Rate	2022	2021
Profit/(loss) before income tax	(38 544)	6 664
Statutory income tax rate*	22 %	22 %
Expected income tax	**- 8 480**	**1 466**
Tax effect on non-taxable income/expenses	-	-
Adjustment for different tax rate group companies	6 127	(636)
Change in deferred tax asset	1 322	2 590
R&D tax incentive	-	(4 769)
Income tax expense	**(1 030)**	**(1 349)**
Effective tax rate	3 %	-20 %

Specification of temporary differences and deficits for their taxation and tax effect:		2022	2021
Tangibles		(30 188)	(41 790)
Receivables		(380)	168
Profit and loss account		27 699	34 624
Unearned income			
Accounting provision		(1 324)	(1 461)
Deficit for carry-over (Carried forward losses) *		(166 846)	(118 880)
Differences that are not included in deferred tax			
Customer contracts Singapore 1)	Tax rate 17 %	(3 556)	(6 401)
Customer Contracts US (1)	Tax rate 21 %	(6 984)	(10 974)
Deferred revenue Singapore (1)	Tax rate 17 %		
Deferred revenue US (1)	Tax rate 21 %		
		(181 578)	**(144 716)**
22% deferred tax (deferred tax benefit) before the deferred tax benefi 4		(39 700)	(31 408)
Non-recognized deferred tax asset*		37 627	28 013
22% deferred tax (deferred tax benefit)		**(2 073)**	**(3 395)**

* The Group has a total of MNOK 167 in carried forward losses as at 31.12.2022 (2021: MNOK 119) which can be offset against future tax profits in Norway.

(1) The Group has through the acquisition of Placewise LLC and iColumn assets and liabilities under IFRS relating to customer contracts and deferred revenues. According to IAS 12, Deferred tax is recorded on the difference between the fair value and tax value of assets acquired and liabilities assumed at the acquisition date. The temporary differences will reverse when customer contracts are depreciated and deferred revenues are recognized. Tax expense is then reduced by the change in deferred tax liability. The offsetting entry to the deferred tax is goodwill at the initial recognition in the business combination. Customer Contracts are amortizised over 5 years starting from the date of acquisition. Deferred revenue are released over 22 and 20 months, for Placewise LLC and iColumn respectively, from the date of acqusition.

Note 13 - Finance cost, finance income and other income

NOK in thousands **Finance income**	**2022**	**2021**
Foreign exchange gain from accounts receivable	239	1 579
Interest income	1 109	79
Write down of accrual for cash based payment - Earn out	368	9 537
Total financial income	**1 716**	**11 196**
Finance expenses		
Interest on debts and borrowings	4 765	1 767
Foreign exchange losses from accounts receivable	2 557	2 732
Other financial expenses	263	136
Total financial expenses	**7 585**	**4 636**
Net Financial Items	**-5 869**	**6 560**

In June and December 2021 Placewise recorded a significant financial gain of 9.5 MNOK from revision of Earn out provision and Debt note. For further detail on the Earn out and Debt note see note 15 - Accruals for Provisions

Note 14 - List of subsidiaries

The following subsidiaries are included in the consolidated financial statements:

Company	Country of incorporation	Ownership interest 2022
Placewise AS	Norway	100 %
Placewise International AS	Norway	100 %
Placewise Sp. Z o.o	Poland	100 %
Placewise LLC	USA	100 %
Placewise SDN BHD	Malaysia	100 %
Placewise Asia Pacific PTE Ltd	Singapore	100 %
Boostcom BV	Netherlands	100 %
Boostcom Ltd	UK	100 %

Placewise Group holds 100 % of the shares in all subsidiaries, the shares in subsidiaries are eliminated in the consolidated financial statements according to the acqusition method. This means that the acquired company's assets and liabilities are valued at fair value at the time of purchase, and any excess price beyond that is classified as goodwill.

Note 15 - Accruals for Provisions

NOK in thousands	Effective interest rate	Maturity date	Carrying amount 31.12.2022	31.12.2021
Earn out provision	N/A	jan.22	1 959	11 009
Total Accruals for Provisions			**1 959**	**11 009**

(i) Earn out provision relates to the purchase of Mall Finder LLC in Oct 2019. This is an estimation of the expected earn-out based on estimated applicable revenues in the earn-out period that runs between Oct 2020 and Nov 2021. The potential earn-out is capped at 2,5 MUSD and has no floor value and payable in cash by January 2022 and is anticipated to be funded from Placewise operations cash flow surplus or external financing.

The Earn out provision was calculated in Dec 2021 based on the most recent qualified metrics for the basis of the payment, resulting in a reduced provision of 1,0 MUSD to 1,2 MUSD as at 31.12.2021, compared to a provision of 2,2 MUSD as at 31.12.2020. The reduction has in Placewise Group AS reduced the added value posted from the purchase of Mall Finder LLC. In January 2022 1,0 MUSD of the Earn out was paid, leaving 0,2 MUSD, which remains disputed as of 31.12.2022.

The Earn Out provision has been classified as short term debt in the balance sheet

Note 16 - Business Combinations

In 2019, Placewise Group AS acquired two new companies, iColumn in April 2019 and Mall Finder Network LLC (Placewise) in October 2019. iColumn is based in Singapore and Malaysia, and Placewise is located in the United States. On incorporation, the two companies had a combined intangible surplus of 175,8 MNOK. These added values are defined as goodwill and intangible value of Customer Contracts.

The Intangible value of these acquisitions are categorised into; Intangible value of Customer Contracts that is depreciated over a linear 5-year period and Goodwill that is subject to an annual impairment test.

- The acquired units give Placewise regional hubs for further growth within each region and will form the basis for sales growth outside of the traditional core geography of Europe.
- The acquisitions gave Placewise product portfolio available to a much larger customer base, which in turn will increase revenue. In North America, Placewise had circa 800 customers, all of whom have great potential for revenue growth as a result of the sale of SaaS products.

The book value of Intangible assets as at 31.12.22 was 150,3 MNOK. This includes a reduction of the cost price of Placewise Americas of 2,2 MNOK. This is due to a revised cost price in the acquisition as at 31.12.20 after an assessment of the total earn-out payable to the sellers of Placewise Americas was reduced.

The sellers of these companies were compensated in the form of cash and new shares in Placewise Group AS

NOK in thousands

Value Added Group	iColumn	Mall Finder	Sum
Acquisition cost 01.05.19	58 651	0	58 651
Acquisition cost 01.10.19	0	119 638	119 638
Balance sheet values on aquisition date	8 678	-556	8 122
Deferred tax on acquired items	2 058	3 523	5 582
Total Intagaible Value	**52 031**	**123 718**	**175 749**
Intangible Allocation			
Customer Contracts	14 224	19 953	34 177
Goodwill	37 807	103 765	141 573
Total at date of aquisition	**52 031**	**123 718**	**175 750**
Accumulated amortisation charges previous years	7 824	11 201	19 025
Write down	597	0	597
Exchange Differences	4	-432	-428
Book value as at 01.01.22	**44 808**	**112 085**	**155 700**
Amortization charges 2021	2 845	3 991	6 835
Write down	597	-1 387	-790
Exchange Differences	7	420	427
Book value as at 31.12.22	**40 758**	**109 494**	**150 251**

The acquisition of iColumn was paid in full by 31.12.19

The acquisition of Mall Finder LLC was partially paid by 31.12.21 with remaining amounts relating to a earn-out paid in 2022, see note 15.

This note only shows the Value of Customer Contracts and Goodwill acquired as part of iColumn and Mall Finder LLC (Placewise LLC). It does not include goodwill from other minor acquisitions, like Mall Connect BV (Boostcom BV). For a more comprehensive overview of intangible assets see Note 1.

Note 17 - Fair value

Determination of fair value

The following of the Group's financial instruments are not measured at fair value: cash and cash equivalents, accounts receivables, other current receivables and payables and bank loans.

The carrying amount of cash and cash equivalents is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of account receivables and other current receivables and payables is approximately equal to fair value since they are short term and entered into on "normal" terms and conditions. The carrying amount of bank loans are assessed to be approximately equal to fair value because the floating interest rate are adjusted to reflect current conditions.

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments:

	31.des.22		31.des.21	
	Book value	**Fair value**	**Book value**	**Fair value**
Accounts receivable	16 724	16 724	20 794	20 794
Cash and cash equivalents	11 845	11 845	2 290	2 290
Total financial assets	**28 569**	**28 569**	**23 084**	**23 084**

Note 18 - Liquidity note

NOK 1000

31.12.2022	On demand	Less than 3 months	3 to 12 months	1 to 3 years	Over 3 years	Total
SMN - Covid-19 loans		-	-	-		-
Innovasjon Norge		255	255	1 527	509	2 545
Business loan, Short term		-				-
Office Leases: Trondheim and Denver offices		457	1 290	3 007	-	4 754
Earn out provision		-				-
Debt note						-
Collector Bank	2 000	2 000	4 000	24 000		32 000
Other liabilities		5 545			-	5 545
Taxes payable						-
Trade and other payables		19 999				19 999
Total liabilities	**2 000**	**28 256**	**5 545**	**28 534**	**509**	**64 843**

31.12.2021	On demand	Less than 3 months	3 to 12 months	1 to 3 years	Over 3 years	Total
SMN - Covid-19 loans		325	1 624	649		2 598
Innovasjon Norge		200	617	800	1 200	2 817
Business loan, Short term		4 000				4 000
Office Leases: Trondheim and Denver offices		427	1 280	3 414	1 280	6 401
Earn out provision		10 452				10 452
Debt note						-
Collector Bank						-
Other liabilities		3 919			116	4 035
Taxes payable						-
Trade and other payables		7 959				7 959
Total liabilities	-	**27 282**	**3 521**	**4 863**	**2 596**	**38 262**

Note 19 Company Liquidity

Company liquidity

The company's liquidity

During 2022 the company's liquidity was improved by the issuing of preferred shares in september providing additional liquidity of 10 MNOK in total. An additional issue of preferred shares in Februrary 2023 provided a further 8,5 MNOK. At the end of 2021 the company secured a debt financing facility of a total value of 48 MNOK, this was drawn down in January 2022 and June 2022. Repayments of the debt facility started in March 2022, with 2 MNOK paid per quarter. In April 2023 Placewise secured a capital investment of 25 MNOK from new and existing investors.

Cash flow from operations and investment activities during 2022 were a combined negative 31,6 MNOK and represented the company's continued investment in both product development and business growth. During 2022 liquidity was reduced by 8,9 MNOK related to payment of a Debt Note attached to the acquisition of Mall Finder LLC during 2019. In addition, payments have been made against long-term office leases 1,6 MNOK and other long-term debts of 11,5 MNOK. This was partially offset by receiving a tax rebate of 4,7 MNOK.

During 2023 it is planned that the company will continue to invest in growth and product development with a net negative result expected from operational and investing activities. In addition, repayments of other long-term liabilities relating to the new debt financing draw-down in January 2022 and long-term lease liabilities will also reduce the company's future liquidity.

Overall, the company has planned to operate with the available liquidity available during 2023 and will also look at options for new share issues in connection with both M&A and or to support future growth plans.

Exchange Rate Risk

The company has material revenues and costs within North America USD, the APAC region SGD and in addition material costs in polish zloty related to R&D operations within Poland. The exchange rate risk in terms of regional cash flows is minimual since both the North America and APAC regions run at cash flow possitive at a local level.

Ongoing operations

Placewise Group has a solid revenue base through recurring license revenues. During 2022, the company has grown despite negative impacts from rising infaltion and the war in Ukraine on business operations, with a limited loss of customers. The company has a solid position to scale and grow further during 2023.

Placewise Group's product strategy and product portfolio are well-positioned to assist the shopping centre industry to evolve their business model and offerings.

Note 20 - Impairment testing of goodwill

Recognised goodwill in the Group amounts to MNOK 141 as of 31.12.2022. Goodwill is derived from the acquisition of iColumn and Mall Finder which were completed in 2019.

Goodwill is tested for impairment at least annually, or when there are indications of impairment.
The impairment test was performed by the Placewise finance department and tested against regional growth expectations within the APAC and North America regions.
The impairment test was performed as of year end 2022.

The recoverable amount is set to the estimated value in use. The value in use is the net present value of the estimated cash flow before tax, using a discount rate reflecting the timing of the cash flows and the expected risk.

The following assumptions were utilised when calculating value in use as of 2022

	iColumn	Mall Finder
Discount interest	15,0 %	15,0 %
Year 1 to 5 CAGR *	17,90 %	19,0 %
Terminal Growth rate	2,2 %	2,2 %
Gross margin	85,7 %	95,6 %

** Growth rate during business plan simulation period*

iColumn - CGU
The value in use for the CGU of iColumn has been calculated by using projected cash flows based on the budgets approved by the board of directors, and a further five-year period of growth expectation. Growth in sales is expected to be driven by both expansion into new markets within the APAC region and from introducing new products during 2022 and beyond. All revenue and costs for the APAC region have been calculated from a bottom up basis to simulate the expected cash flows within the 5-year time period tested.

Mall Finder - CGU
The value in use for the CGU of Mall Finder has been calculated by using projected cash flows based on the budgets approved by the board of directors, and a further five-year period of growth expectation. Growth in sales is expected to be driven by both expansion into new markets within the North America region and from introducing new products during 2022 and beyond. All revenue and costs for the North America region have been calculated from a bottom up basis to simulate the expected cash flows within the 5-year time period tested.

Key assumptions for value in use calculations
The calculation of value in use for the cash generating units is most of all sensitive when it comes to the following assumptions:

Discount rate
The discount interest is based on weighted average cost of capital (WACC).
The discount rate is reflecting the most recent independent discounts rates used by investors to value Placewise.
An interest rate of 15 % has been used when discounting the cash flows for both CGUs.

Gross margin
The gross margin is based on historical cost of sales and modelled budget assumptions for 2022

Gross margins have a degree of sensitivity although the majority of revenues are licence fees without direct cost of sales

Growth rate
The growth rate in the period is based on management's expectation to the development in the market.
Based on available information and knowledge about the market, management is expecting strong growth the next years. Management's expectation is based on deployment of new products and continued organic growth.
Periodic impairment testing will be required or when indications dictate impairment could be required.

Sensitivity analysis for key assumptions

The table below shows how the recoverable amount of goodwill will be affected by changes in the various assumptions, given that the remainder of the assumptions are constant.

iColumn Sensitivity Test

Assumptions		Changes in recoverable amounts
Discount interest	+/- 1%	-/+ 15 MNOK
Growth rate after the 5-year period	+/- 0,5 %	+/- 4 MNOK

Mall Finder Sensitivity Test

Assumptions		Changes in recoverable amounts
Discount interest	+/- 1%	-/+ 20 MNOK
Growth rate after the 5-year period	+/- 0,5 %	+/- 5 MNOK

iColumn and Mall Finder will not be impaired unless a significant change takes place in the assumptions used.
Management believes that no changes within a range of reasonably possible changes will lead to that the book value exceeds the recoverable amount.

Note 21 - Going concern

The financial statement has been prepared assuming the Group will continue as a going concern. Placewise Group has a solid revenue base through recurring license revenues, and we have a solid position to scale and grow further during 2024. In recent years, we have invested in the development of our IT platform to enhance our product's competitiveness in the market. We have introduced improved functionality and a range of new products that are being launched continuously. Additionally, we are actively working on consolidating our IT platform across regions to accelerate growth and profitability.

These ongoing developments mean that we will require additional capital until we become self-sustaining. Internal plans and forecasts indicate that we will achieve self-sustainability by spring 2024. Management is exploring various options to secure new capital and are working closely with the Board on this matter. At the date of signing of the financial statements we have not fully covered our capital needs. The lack of full capital coverage presents a risk to our ability to continue as a going concern. With the information used in our forecast models, the estimated capital need is approx. NOK 25 million. The estimate for the described liquidity needs and the timing of when we achieve cash neutrality is subject to uncertainty.

The company's ability to continue operations depends on several factors, including our ability to generate sufficient cash flow, secure necessary funding, and maintain a viable business model. The management has implemented several measures to enhance liquidity, including cost-cutting initiatives and seeking new sources of financing. Going forward the management will continue to closely monitor the liquidity situation, assess alternative action plans, and collaborate closely with the Board.

In the event that we are not able to secure the full amount needed, an impairment test of fair value of intangible assets will be performed, which may lead to a reduction in book values.

Note 22 Events after year end

Financing

As of the end of 2022, our long-term interest-bearing debt with a financial institution has been reclassified as short-term interest-bearing debt. This reclassification was made due to a short-term breach of covenants as per the loan agreement. In 2023, we received a waiver from the financial institution for the covenant as of 31 December 2022 and 31 March 2023.

In April 2023 Placewise secured a capital investment of 25 MNOK by the issuing of new shares.

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Placewise Group AS

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Org.no.: 982 316 448

Placewise Group AS
Directors' Report

The company

Placewise Group has a globally leading position in the digitization of shopping centers, and mainly uses own developed proprietary technology. The products serve the relationship between consumers and shopping centers, and shopping centers and tenants.

Placewise Group AS had 8 subsidiaries at the end of 2022, with a total of 127 employees in 9 countries and customers in 19 countries. The head office is in Trondheim, Norway. At the end of the year, the company had 1,119 shopping center customers globally.

The Business in 2022

During 2022, Placewise Group has further realized the global strategy for data-driven digital solutions for shopping centers by further developing operational support tools and machine learning within the core platform.

Tenant Connect that was launched end of 2021 represents a major opportunity for Placewise to service our clients in areas outside of the traditional consumer facing products provided, allowing the consolidation and digitalisation of many operational interactions our clients perform today within an efficient and easy to use interface connected to their tenants. We have seen positive uptake of this product in 2022. In 2022 the company has furthered developed this product to make it even more attractive to scale number of clients in 2023.

The Placewise platform ecosystem has been further enhanced by ongoing work to fully integrate or web site offering into the core platform, giving clients the opportunity to serve consumers and tenants seamlessly between all available digital channels.

Alternative Performance Measures

In order to enhance the understanding of the Placewise Group's performance, the Group presents certain measures considered as alternative performance measures (APMs) as defined by the European Securities and Markets Authority, and these should not be viewed as substitutes for any IFRS financial measures. The APM`s used are Annual Recurring Revenue (ARR) and Monthly Recurring Revenue. These APM`s are presented as the Group considers them to be important supplemental measures.

- Monthly Recurring Revenue (MRR) is defined as the revenue the Group expects to receive on a monthly basis from customers. MRR is derived from customer contracts who pay monthly software access fees for the Placewise platform, marketing service license fees, or up-front software installation license fees expected to be paid on a

recurring basis. MRR is based on contractually committed revenues, billing cycles for monthly software licenses and marketing services vary depending on client contractual terms but are recognized on an accrual basis within the month the client accesses the service and per their contractual terms.

- Annual Recurring Revenue or (ARR) is defined as MRR for the applicable month multiplied by twelve.

Placewise Group Consolidated Development, results and position

Placewise Group had a total turnover of NOK 141.0 million in 2022, compared with NOK 141.3 million in 2021. Billing ARR end of Dec 2022 increased to 105.0 MNOK from 103.7 MNOK as at Dec 2021 - a growth of 1,2%.

Earnings before interest, tax, depreciations and amortization (EBITDA) for 2022 was negative NOK 6.3 million, against positive NOK 19.9 million in 2021. The annual result ended with a loss of NOK 37,5 million in 2022, against a profit of NOK 8.0 million in 2021. Adjusted EBITDA is EBITDA without the cost reduction from the government innovation grant Placewise has been given in 2020, 2021 and 2022. Adjusted EBITDA after grants was -7.1 million in 2022, compared to NOK 13.6 million in 2021.

Parent Company Development, results and position

The company legal entity Placewise Group AS had a total turnover in 2022 of NOK 23.2 million, compared with NOK 35.5 million in 2021. EBITDA for 2022 was positive NOK 3.9 million compared with NOK 2.4 million in 2021. The annual result for 2022 was a profit of 1.2 million NOK compared to a loss of 0.7 million NOK in 2021.

In the Board's opinion, the annual accounts and accompanying notes give a true and fair view of the result for 2022 and the financial position as of 31 December 2022.

Work environment and gender equality

The board considers the working environment in the company to be good, and there have been no injuries or accidents in connection with the company in 2022. Total sickness absence has been 1.3% in 2022. The group had a total of 137 man-years in 2022, of which 45% were women. 43% of managers are women. The board consists of one woman and three men.

The company's management is continuously working to promote gender equality in the business. Going forward, we will have particular focus on shaping a resilient, engaged and inclusive work culture to attract, keep, and develop the diverse team members we need to thrive.

Environmental

The company does not have activities that have a detrimental effect on the external environment.

Environmental, Social and Government

The Placewise offering contributes to the following United Nations Sustainable Development Goals:

GOAL 8: Decent Work and Economic Growth
Shopping centres are important employers and contributors to the economy in local and regional areas. The economical contribution from shopping centres gives income to individuals across all layers of society and gives decent work to millions of people. For smaller towns and regions, the shopping centre is often the main source of economic growth. Placewise help shopping centres evolve in the digital world and hence maintain and increase their attractiveness towards shoppers so the contributions to local economy and jobs can be upheld and grow over time.

GOAL 9: Industry, Innovation and Infrastructure
Placewise is at the forefront of innovating for the global shopping centre industry. Our technology enables shopping centres to expand their business model and create new customer experiences. We do innovation in-house, with external partners and clients, and in co-operation with government innovation programs. "Innovative" is one of our three core company values.

GOAL 11: Sustainable Cities and Communities
Technology from Placewise supports sustainable cities and communities. Digital tools for marketing reduce the consumption of printed material and transport. E-commerce solutions for shopping centres reduce the need for last mile deliveries. Placewise is running an innovation track called "Tread lightly" which includes technology support for CO2 offsetting shopping centre visits and purchases, exchange of second-hand products and product rentals.

GOAL 12: Responsible Consumption and Production
Technology from Placewise supports responsible consumption and production. Digital tools for marketing reduce the consumption of printed material and transport. E-commerce solutions for shopping centres reduce the need for last mile deliveries. Up to 50% of all clothing items purchased online end up being a return. Due to free returns it has become custom for consumers to order multiple sizes and colours of the same item, try them on at home and return the products not wanted. This is contributing to excess production, increased waste and increased transport emissions internationally and locally - all in all this is unsustainable consumption. By ordering items for pick up at your local mall, or doing returns at your local mall, the volume of returns, deliveries and waste will be reduced substantially. Placewise offers technology to enable this offering from shopping centres.

Placewise is also running an innovation track called "Tread lightly" which includes technology support for exchange of second-hand products and product rentals.

All employees and board members sign our ethical guidelines on an annual basis.
Further all employees sign our Personal Data Protection Policy. The company runs a zero tolerance for any breach of ethical guidelines and data protection procedures.

The company has a good distribution globally across genders and ethnical background. However, there is a clear ambition to further improve, especially in increasing the female ratio in management (currently at 43 %).

Directors and Officers Liability Insurance

The company has insurance that covers their directors' and officers' liability. The insurance covers liabilities management might be subjected to as part of carrying out their duties as Director or Officer of the company.

The company's liquidity

Cash flow from operations and investment activities during 2022 were a combined negative 31.8 MNOK and represented the company's continued investment in both product development and business growth. Cash flow from financing activities were positive with 40.8 MNOK. Liquidity was reduced by 8,9 MNOK related to payment of a Debt Note attached to the acquisition of Mall Finder LLC during 2019. In addition, payments have been made against other long-term debts of 11,5 MNOK. Liquidity was strengthened by new long term debt finance of total NOK 48.6 MNOK and in addition 11.8 MNOK in new capital from existing investors. We also received Innovation Loan and Grants of 1.7 MNOK during the year.

During 2022 the company conducted a cost saving plan to reduce the negative cash flow and position the company to be self-funded throughout 2023. The plan was approved in May 2022, with most of the cash effect taking place from end of 2022 and mid-year 2023.

Transparency Act

This report will appear on our website on 30 June 2023. The report will represent our due diligence assessment in accordance with section 4 of the Transparency Act.

Still operating

The financial statement has been prepared assuming the Group will continue as a going concern. Placewise Group has a solid revenue base through recurring license revenues, and we have a solid position to scale and grow further during 2024. In recent years, we have

invested in the development of our IT platform to enhance our product's competitiveness in the market. We have introduced improved functionality and a range of new products that are being launched continuously. Additionally, we are actively working on consolidating our IT platform across regions to accelerate growth and profitability.

These ongoing developments mean that we will require additional capital until we become self-sustaining. Internal plans and forecasts indicate that we will achieve self-sustainability by spring 2024. Management is exploring various options to secure new capital and are working closely with the Board on this matter. At the date of signing of the financial statements we have not fully covered our capital needs. The lack of full capital coverage presents a risk to our ability to continue as a going concern. With the information used in our forecast models, the estimated capital need is approx. NOK 25 million. The estimate for the described liquidity needs and the timing of when we achieve cash neutrality is subject to uncertainty.

The company's ability to continue operations depends on several factors, including our ability to generate sufficient cash flow, secure necessary funding, and maintain a viable business model. The management has implemented several measures to enhance liquidity, including cost-cutting initiatives and seeking new sources of financing. Going forward the management will continue to closely monitor the liquidity situation, assess alternative action plans, and collaborate closely with the Board.

In the event that we are not able to secure the full amount needed, an impairment test of fair value of intangible assets will be performed, which may lead to a reduction in book values.

Oslo, 30.06.2023
For the Board of Directors

Bente Sollid Storehaug
Chairman of the Board

Patrick Sandahl
Director

Rune Sørum
Director

Joseph Jay Boehm III
Director

Peter Tonstad
CEO

Income Statement

Placewise Group AS

Operating income and operating expenses	Note	2022	2021
Revenue	1	23 168 469	35 528 077
Total revenue and operating income		**23 168 469**	**35 528 077**
Cost of goods	2	243 166	12 413 043
Personell expenses	3	9 537 273	9 223 797
Other operating expenses	2	9 451 544	11 503 693
Total operating cost		**19 231 983**	**33 140 533**
Operating profit/(loss) bef. deprec. and amortis. (EBITDA)		**3 936 486**	**2 387 543**
Depreciation fixed assest	4	63 564	66 153
Operating profit/(loss) (EBIT)		**3 872 922**	**2 321 390**
Financial income and expenses			
Interest income from group companies		2 104 998	914 477
Other interest income		7 246	14
Other financial income	5	1 015 253	667 978
Interest expense to group companies		1 457 400	1 986 092
Other interest expenses		3 695 575	1 307 719
Other financial expenses	5	600 887	1 317 048
Net financial income (expenses)		**-2 626 365**	**-3 028 390**
Profit/(loss) before income tax		**1 246 558**	**-706 999**
Profit/(loss) for the period		**1 246 558**	**-706 999**
Net profit or loss		**1 246 558**	**-706 999**
Attributable to			
Other equity		1 246 558	0
Loss brought forward		0	706 999
Total		**1 246 558**	**-706 999**

Balance sheet

Placewise Group AS

Assets	Note	2022	2021
Non-current assets			
Property, plant and equipment			
Equipment and other movables	4	51 190	114 755
Total property, plant and equipment		**51 190**	**114 755**
Non-current financial assets			
Investments in subsidiaries	7	274 023 927	274 023 927
Other long-term receivables		204 898	204 898
Total non-current financial assets		**274 228 825**	**274 228 825**
Total non-current assets		**274 280 015**	**274 343 579**
Current assets			
Debtors			
Other short-term receivables		462 381	225 576
Receivables from group companies	8	72 165 424	44 964 510
Total receivables		**72 627 805**	**45 190 086**
Cash and cash equivalents	9	5 083 700	342 867
Total current assets		**77 711 505**	**45 532 953**
Total assets		**351 991 520**	**319 876 532**

Balance sheet

Placewise Group AS

Equity and liabilities	Note	2022	2021
Equity			
Paid-in capital			
Share capital	10	3 383 340	3 301 757
Share premium reserve		303 729 031	292 059 838
Total paid-up equity		**307 112 371**	**295 361 594**
Retained earnings			
Uncovered loss		-42 912 868	-44 159 426
Total retained earnings		**-42 912 868**	**-44 159 426**
Total equity	**11**	**264 199 503**	**251 202 169**
Liabilities			
Other non-current liabilities			
Other non-current liabilities	4	0	949 990
Total non-current liabilities		**0**	**949 990**
Current liabilities			
Liabilities to financial institutions	4	59 150 616	34 363 303
Other provisions	12	1 959 072	11 009 153
Trade payables		4 682 806	713 570
Public duties payable		605 015	-29 337
Liabilities to group companies	8	20 022 715	14 301 541
Other current liabilities	13	1 371 792	7 366 145
Total current liabilities		**87 792 016**	**67 724 374**
Total liabilities		**87 792 016**	**68 674 364**
Total equity and liabilities		**351 991 520**	**319 876 532**

Balance sheet

Placewise Group AS

Oslo, 30.06.2023

The board of Placewise Group AS

Bente Sollid Storehaug
chairman of the board

Patrick Sandahl
member of the board

Rune Sørum
member of the board

Joseph Jay Boehm III
member of the board

Peter Tonstad
general Manager

Indirect cash flow

Placewise Group AS

	2022	2021	
Cash flows from operating activities			
Profit/loss before tax	1 246 558	-706 999	
Ordinary depreciation	63 564	66 153	4
Change in other short-term receivables	-236 805	127 000	
Change in offset expenses	-1 257 826	-2 359 012	13
Change in other short-term payables	-736 526	-142 492	13
Changes in intercompany recieveables	-33 415 430	-15 117 381	
Change in accounts payable	4 603 588	-895 533	
Change in other accrual items	-178 733	818 284	
Net cash flows from operating activities	**-29 911 611**	**-18 209 980**	
Cash flows from financing activities			
Payment from Debt note	-8 871 344	-17 444 641	12
Proceeds from the issuance of new long-term liabilitie	40 000 000	0	
Proceeds from the issuance of new current liabilities	0	-4 000 000	
Repayment of long-term liabilities	-8 949 990	-1 233 342	
Repayment of current liabilites	4 000 000	0	13
Net change in bank overdraft	4 723 002	23 889 971	
Proceeds from equity	11 750 776	8 936 410	11
Net cash flows from financing activities	**34 652 444**	**18 148 398**	
Net change in cash and cash equivalents	4 740 833	-61 582	
Cash and cash equivalents at the start of the period	342 867	404 447	
Cash and cash equivalents at the end of the period	5 083 700	342 865	

Notes to the financial statement 2022

Note 1 Accounting principles

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

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

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

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

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

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

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

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

Notes to the financial statement 2022

nominal amount at the time of the transaction.

Research and development
Expenses on research and development are capitalised to the extent one can identify a future economic benefit related to the development of an identifiable intangible asset and where the acquisition cost can be measured reliably. In the opposite case such costs are expensed as incurred. Capitalised research and development is depreciated on a straight line basis over its economic lifetime.

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

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

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

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

Notes to the financial statement 2022

Note 2 Specification of operating costs by type

	2022	2021
Cost of goods	243 166	12 413 043
Consulting	1 534 670	4 402 789
Corporate	0	545 065
Office expense	1 182 218	2 249 341
Other operating costs	1 167 789	1 115 589
Licenses	5 566 867	3 190 908
Total other operating expenses	**9 451 544**	**11 503 693**

Cost of goods are costs of digital services which are included in customer products.

Note 3 Personnel expenses, number of employees, remuneration, loan to employees

Payroll expenses	2022	2021
Salaries/wages	6 815 377	6 778 680
Social security fees	1 171 355	1 095 967
Pension expenses	175 321	158 142
Other remuneration	1 375 220	1 191 008
Total	**9 537 273**	**9 223 797**

Average number of employees during the financial year	5

Management remuneration

General Manager	Salary	2 347 220
General Manager	Bonus	361 356
General Manager	Other	107 282
Board of directors	Fees	550 000

No loans/securities have been granted to the General Manager, Chairman of the Board or other related parties.

OTP (Statuatory occupational pension)
The company is required to have a pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirement of this law.

Expensed audit fee
Expenses paid to the auditor for 2022 amounts to NOK 321 668,- excl.mva.

Statutory audit fee (incl. technical assistance with financial statements)	321 668
Other assurance services	62 654
Total audit fees	**384 322**

Notes to the financial statement 2022

Note 4 Debtors, liabilities and fixed assets

	Fixtures and fittings	Equipment & other movables	Total
Acquisition cost 01.01	1 557 501	851 606	**2 409 107**
Additions	0	0	**0**
Disposals	229 424	189 074	**418 498**
Acquisition cost 31.12	**1 328 077**	**662 532**	**1 990 609**
Acc. depreciation/ impairment 31.12	-1 299 970	-639 449	-1 939 419
Reversal of impairment	0	0	0
Book value 31.12	**28 107**	**23 083**	**51 191**
Depreciation in the year	35 768	27 796	**63 564**
Economic life:	10 years	3 years	

Assets had been fully depreciated at the time of disposal.

Liabilities secured by pledge	**2022**	**2021**
Liabilities to credit institution Sparebanken Midt-Norge	-27 150 616	-34 363 303
Other long term liabilities		
Sparebanken Midt-Norge, interest rate 6.88%	0	-533 324
Loan Innovasjon Norge 1402.0233	0	-416 666
Liabilities to Collector Bank	-32 000 000	0

The creditors have secured the debt by pledge in stock of goods, assets and accounts receivables. In addition Collector Bank has secured their debt with the shares in Placewise AS and Placewise International AS

Notes to the financial statement 2022

Note 5 Specification of financial income and financial expenses

Interest income	2022	2021
Interest income from group entities	2 104 998	914 477
Other interest income	0	0
Total interest income	**2 104 998**	**914 477**

Financial income	2022	2021
Foreign exchange gains	42 570	667 978
Other financial income	979 928	14
Total financial income	**1 022 499**	**667 992**

Interest expense	2022	2021
Interest expense from group entities	1 457 400	1 986 092
Other interest income	0	0
Total interest expense	**1 457 400**	**1 986 092**

Financial expenses	2022	2021
Foreign exchange loss	482 186	743 509
Accrued foreign exchange loss from group entities	-118 757	-97 752
Other interest expenses	3 695 575	1 979 009
Total financial expenses	**4 059 004**	**2 624 767**

Note 6 Tax

This year's tax expense	2022	2021
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	0	0
Tax expense on ordinary profit/loss	**0**	**0**
Taxable income:		
Result before tax	1 246 558	-706 999
Permanent differences	-22 957	17 355
Changes in temporary differences	6 814 408	8 492 325
Allocation of loss to be brought forward	-8 038 010	-7 802 681
Taxable income	**0**	**0**
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	**0**	**0**

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	2022	2021	Difference

Notes to the financial statement 2022

Tangible assets	-363 334	-473 649	-110 316
Profit and loss account	27 698 895	34 623 619	6 924 724
Total	**27 335 562**	**34 149 970**	**6 814 408**
Accumulated loss to be brought forward	-80 363 481	-88 401 491	-8 038 010
Not included in the deferred tax calculation	53 027 920	54 251 521	1 223 601
Deferred tax assets (22 %)	**0**	**0**	**0**

Deferred tax not included in the balance sheet.

Note 7 Investment in subsidiaries

Subsidiaries and associated companies are valued using the cost method in the company accounts.

Name of subsidiary	Equity 01.01.22	Annual net profit/loss	Equity 31.12.22	Ownership
Placewise AS	10 632 685	-3 231 521	7 401 164	100%
Placewise International AS	49 914 610	-24 762 841	25 151 769	100%
Placewise Poland Sp. Z o.o	2 788 956	-2 503 464	285 492	100%
Placewise Ltd (UK)	-366 676	0	-366 676	100%
Placewise Americas	4 422 918	-2 553 423	2 490 328	100%
Boostcom BV	160 440	-1 693 301	-2 576 652	100%
Placewise PTE Ltd	7 809 047	-617 230	7 976 525	100%
Placewise SDN BHD	4 032 085	526 555	4 528 371	100%

Note 8 Intercompany balances

Receivables intercompany	2022	2021
Placewise AS	0	8 316 485
Placewise International AS	30 478 979	9 138 888
Placewise Poland Sp. Z o.o	27 774 880	16 164 561
Boostcom BV	13 911 565	11 344 579
Total	**72 165 424**	**44 964 513**

Liabilities intercompany	2022	2021
Placewise AS	31 493 231	0
Placewise PTE Ltd	9 459 415	8 021 455
Placewise SDN BHD	3 757 289	3 242 544
Placewise Americas	2 463 407	3 037 565
Total	**47 173 343**	**14 301 564**

Notes to the financial statement 2022

Intercompany Revenue	2022	2021
Placewise AS	5 609 965	20 646 724
Placewise International AS	4 094 938	2 020 250
Placewise Poland Sp. Z o.o	8 975 944	1 644 169
Boostcom BV	1 121 861	2 877 235
Placewise PTE Ltd	1 121 850	4 141 263
Placewise Americas	2 243 911	4 197 493
Total	**23 168 469**	**35 527 136**

Note 9 Restricted bank deposits

	2022	2021
Restricted funds deposited in the tax deduction account (withheld employee tax)	358 642	319 801

Note 10 Shareholders

The share capital in Placewise Group AS as of 31.12. consists of:

	Total	Face value	Entered
Ordinary shares	33 833 400	0,1	3 383 340

Ownership structure
The largest shareholders at year end:

	Number of shares:	Ownership interest
INVESTINOR AS	11 165 477	33,00%
NORSK INNOVASJONSKAPITAL VI SCSp	9 111 731	26,93%
PW Holdings LLC	6 243 538	18,45%
BYGGTEKNIKK DRIFT AS	3 162 712	9,35%
CHEONG MUN LEONG	896 676	2,65%
YONG HIONG PENG	896 676	2,65%
PETER TONSTAD	20 000	0,06%
OTHER SHAREHOLDERS	2 336 590	6,91%
Total	**33 833 400**	**100%**

Notes to the financial statement 2022

Note 11 Equity

	Share capital	Share premium reserve	Retained earnings	Total equity
Equity 01.01	3 301 757	292 059 737	-44 159 426	251 202 068
Received shareholders contribution	81 583	11 669 193		11 750 776
Annual net profit/loss			1 246 558	1 246 558
Equity 31.12	**3 383 340**	**303 728 930**	**-42 912 868**	**264 199 402**

Note 12 Other provisions

	Effective interest rate	Due	2022	2021
Earn out provisions (i)	N/A	January 2022	-1 959 072	-11 009 153
Total other provisons			-1 959 072	-11 009 153

(i) Earn out provision relates to the purchase of Mall Finder LLC in Oct 2019. This is an estimation of the expected earn-out based on estimated applicable revenues in the earn-out period that runs between Oct 2020 and Nov 2021. The potential earn-out is capped at 2,5 MUSD and has no floor value and payable in cash by January 2022 and is anticipated to funded from Placewise operations cash flow surplus or external financing.

The Earn out provision was calculated in Dec 2021 based on the most recent qualified metrics for the basis of the payment, resulting in a reduced provision of 1,0 MUSD to 1,2 MUSD as at 31.12.2021, compared to a provision of 2,2 MUSD as at 31.12.2020. The reduction has in Placewise Group AS reduced the added value posted from the purchase of Mall Finder LLC. In January 2022 1,0 MUSD of the Earn out was paid, leaving 0,2 MUSD, which remains disputed as of 31.12.2022.

The Earn Out provision has been classified as short term debt in the balance sheet

Note 13 Other current liabilities

As per 31.12.:	2022	2021
Short term loan from shareholder Byggteknikk Drift AS	0	604 954
Unpaid wages and salaries	0	7 193
Unpaid holiday pay	611 594	735 973
Other accrued expenses	760 198	6 018 025
Total	**1 371 792**	**7 366 145**

Notes to the financial statement 2022

Note 14 Events after year end

Financing

As of the end of 2022, our long-term interest-bearing debt with a financial institution has been reclassified as short-term interest-bearing debt. This reclassification was made due to a short-term breach of covenants as per the loan agreement. In 2023, we received a waiver from the financial institution for the covenant as of 31 December 2022 and 31 March 2023.

In April 2023 Placewise secured a capital investment of 25 MNOK by issuing new shares.

Note 15 Going concern

The financial statement has been prepared assuming the Group will continue as a going concern. Placewise Group has a solid revenue base through recurring license revenues, and we have a solid position to scale and grow further during 2024. In recent years, we have invested in the development of our IT platform to enhance our product's competitiveness in the market. We have introduced improved functionality and a range of new products that are being launched continuously. Additionally, we are actively working on consolidating our IT platform across regions to accelerate growth and profitability.

These ongoing developments mean that we will require additional capital until we become self-sustaining. Internal plans and forecasts indicate that we will achieve self-sustainability by spring 2024. Management is exploring various options to secure new capital and are working closely with the Board on this matter. At the date of signing of the financial statements we have not fully covered our capital needs. The lack of full capital coverage presents a risk to our ability to continue as a going concern. With the information used in our forecast models, the estimated capital need is approx. NOK 25 million. The estimate for the described liquidity needs and the timing of when we achieve cash neutrality is subject to uncertainty.

The company's ability to continue operations depends on several factors, including our ability to generate sufficient cash flow, secure necessary funding, and maintain a viable business model. The management has implemented several measures to enhance liquidity, including cost-cutting initiatives and seeking new sources of financing. Going forward the management will continue to closely monitor the liquidity situation, assess alternative action plans, and collaborate closely with the Board.

In the event that we are not able to secure the full amount needed, an impairment test of fair value of intangible assets will be performed, which may lead to a reduction in book values.

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
05.12.2019	04.11.2019	Lars Waaltorp
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no		32212244
Org.nr	Vår referanse	Postadresse
974761076	2019/6662564	Postboks 9200 Grønland
		0134 OSLO

BOOSTCOM GROUP AS
Postbok 9144 Ilsvika
7428 TRONDHEIM

Att. Chris Hart

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk Boostcom Group AS, org.nr. 982 316 448

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

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

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

Bakgrunn

Boostcom Group AS er hovedsakelig eid av profesjonelle og utenlandske eiere. Selskapet driver virksomhet innen internettbasert tjenesteyting, drift av databaser og verktøy for distribusjon av SMS. Kundene er internasjonale aktører innenfor datadrevne lojalitetsløsninger i handelsnæringen. Selskapets datterselskaper har i 2019 gjennomført oppkjøp av selskaper i utlandet. Eierne av disse selskapene mottok aksjer i morselskapet som vederlag. Selskapets arbeidsspråk er i det vesentlige engelsk.

Skattekontorets vurdering

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

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

> "Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives,

f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet hovedsakelig er eid av profesjonelle og utenlandske eiere. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waaltorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.