



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	913 895 991
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	VIZRT GROUP HOLDING AS
Forretningsadresse:	Lars Hilles gate 30 5008 BERGEN

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Catharina Norstrand
Dato for fastsettelse av årsregnskapet:	31.07.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 13.08.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Employee benefits expense	3		
Other expenses	4	296 844	220 492
Sum kostnader		296 844	220 492
Driftsresultat		-296 844	-220 492
Finansinntekter og finanskostnader			
Income from subsidiaries	6		148 072 198
Renteinntekt fra foretak i samme konsern	7	194 787 281	131 277 494
Other financial income		56 118 313	154 621 385
Sum finansinntekter		250 905 593	433 971 077
Netto finans		250 905 593	433 971 077
Ordinært resultat før skattekostnad		250 608 750	433 750 586
Income tax expense	5	55 133 925	62 849 245
Ordinært resultat etter skattekostnad		195 474 825	370 901 341
Årsresultat		390 949 649	853 769 681
Årsresultat etter minoritetsinteresser		195 474 825	370 901 341
Totalresultat		195 474 825	370 901 341



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	6	1 272 448 525	1 204 440 195
Lån til foretak i samme konsern	7	1 910 196 626	1 658 669 248
Sum finansielle anleggsmidler		3 182 645 152	2 863 109 443
Sum anleggsmidler		3 182 645 152	2 863 109 443
Omløpsmidler			
Varer			
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		10 177	2 053
Sum bankinnskudd, kontanter og lignende		10 177	2 053
Sum omløpsmidler		10 177	2 053
SUM EIENDELER		3 182 655 329	2 863 111 496
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	8	82 052 574	82 052 574
Beholdning av egne aksjer	9	-1 709 868	-1 709 868
Overkurs	9	1 531 054 913	1 531 054 913
Annen innskutt egenkapital	9	1 004 053 300	1 004 053 300
Sum innskutt egenkapital	9	2 615 450 919	2 615 450 919
Opptjent egenkapital			
Other equity	9	147 655 202	35 389 595
Sum opptjent egenkapital		147 655 202	35 389 595



Balanse

Beløp i: NOK	Note	2023	2022
Sum egenkapital		2 763 106 121	2 650 840 514
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5	57 675 985	45 193 164
Sum avsetninger for forpliktelser		57 675 985	45 193 164
Annen langsiktig gjeld			
Sum langsiktig gjeld		57 675 985	45 193 164
Kortsiktig gjeld			
Leverandørgjeld		125 000	265 438
Tax payable			-4 908 000
Other current liabilities		361 748 223	171 720 380
Sum kortsiktig gjeld		361 873 223	167 077 817
Sum gjeld		419 549 208	212 270 981
SUM EGENKAPITAL OG GJELD		3 182 655 329	2 863 111 496



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 737100

Enheten

Organisasjonsnummer: 913 895 991
Organisasjonsform: Aksjeselskap
Foretaksnavn: VIZRT GROUP HOLDING AS
Forretningsadresse: Lars Hilles gate 30
5008 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av
årsregnskapet til selskapet: Forenklet IFRS
Benyttet ved utarbeidelsen av
årsregnskapet til konsernet: -

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Catharina Norstrand
Dato for fastsettelse av årsregnskapet: 31.07.2024

Grunnlag for avgivelse

År 2023: Årsregnskap er elektronisk innlevert.
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023.

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, 03.09.2024



Organisasjonsnr: 913 895 991
VIZRT GROUP HOLDING AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Employee benefits expense	3		
Other expenses	4	296 844	220 492
Sum kostnader		296 844	220 492
Driftsresultat		-296 844	-220 492
Finansinntekter og finanskostnader			
Income from subsidiaries	6		148 072 198
Renteinntekt fra foretak i samme konsern	7	194 787 281	131 277 494
Other financial income		56 118 313	154 621 385
Sum finansinntekter		250 905 593	433 971 077
Netto finans		250 905 593	433 971 077
Ordinært resultat før skattekostnad			
Income tax expense	5	250 608 750	433 750 586
		55 133 925	62 849 245
Ordinært resultat etter skattekostnad		195 474 825	370 901 341
Årsresultat		390 949 649	853 769 681
Årsresultat etter minoritetsinteresser		195 474 825	370 901 341
Totalresultat		195 474 825	370 901 341



Organisasjonsnr: 913 895 991
VIZRT GROUP HOLDING AS

BALANSE

Beløp i: NOK **Note** **2023** **2022**

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Finansielle anleggsmidler

Investering i datterselskap	6	1 272 448 525	1 204 440 195
Lån til foretak i samme konsern	7	1 910 196 626	1 658 669 248
Sum finansielle anleggsmidler		3 182 645 152	2 863 109 443
Sum anleggsmidler		3 182 645 152	2 863 109 443

Omløpsmidler

Varer

Bankinnskudd, kontanter og lignende

Cash and cash equivalents		10 177	2 053
Sum bankinnskudd, kontanter og lignende		10 177	2 053
Sum omløpsmidler		10 177	2 053

SUM EIENDELER **3 182 655 329** **2 863 111 496**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	8	82 052 574	82 052 574
Beholdning av egne aksjer	9	-1 709 868	-1 709 868
Overkurs	9	1 531 054 913	1 531 054 913
Annen innskutt egenkapital	9	1 004 053 300	1 004 053 300
Sum innskutt egenkapital	9	2 615 450 919	2 615 450 919

Opptjent egenkapital

Other equity	9	147 655 202	35 389 595
Sum opptjent egenkapital		147 655 202	35 389 595

Sum egenkapital **2 763 106 121** **2 650 840 514**

Gjeld

Langsiktig gjeld

Utsatt skatt	5	57 675 985	45 193 164
Sum avsetninger for forpliktelseser		57 675 985	45 193 164



Annen langsiktig gjeld		
Sum langsiktig gjeld	57 675 985	45 193 164
Kortsiktig gjeld		
Leverandørgjeld	125 000	265 438
Tax payable		-4 908 000
Other current liabilities	361 748 223	171 720 380
Sum kortsiktig gjeld	361 873 223	167 077 817
Sum gjeld	419 549 208	212 270 981
SUM EGENKAPITAL OG GJELD	3 182 655 329	2 863 111 496



Organisasjonsnr: 913 895 991
VIZRT GROUP HOLDING AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
0.00

<u>Sum</u>	<u>Beløp</u>
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<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
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Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Annual Report 2023 Vizrt Group Holding AS

Org.no.: 913 895 991



Board of directors' report

Operations and locations

Vizrt Group Holding AS (the "Company") is a holding company in a group of companies (referred to as "Vizrt") which develop and sell software products for the media and entertainment industry. Our solutions deliver faster live productions, from video and graphics production to multiplatform distribution, while utilizing fewer resources in the process.

Vizrt's main R&D centers are in Norway, Sweden, Austria and Switzerland. The Company focuses on expanding its presence and strengthening its regional expertise, in order to market, sell, deliver and support Vizrt's products.

The activity of the Group takes the outset in 1997 as a spin-off from TV 2 in Norway. The technology was around a real-time high-performance graphics engine and a template-based control application enabling journalists and producers to create graphics for their live productions without the need for graphic designers. Since the spin-off other technologies have been acquired in form of companies or activities, and the product portfolio has expanded and diversified into other market adjacencies, such as media asset management, sports analysis and studio automation.

Going concern

In accordance with the requirements of the Norwegian Accounting Act §3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. The assumption is based on forecasts for 2023 and long-term strategic plans and the Company's sound economic and financial position.

The working environment, equal opportunities and discrimination

The company has no employees. The board of directors consist of 2 men.

Environmental report

The company's operations do not pollute the external environment to a greater extent than is usual for similar businesses

Outlook for 2024

The company has limited operations, which is not expected to change during 2024.

The Group have during the last period had a positive trend in all regions and expect that the trend to continue depending on the overall economic environment changes during 2023.

Comments to the financial statements

The company's net profit was NOK 195 475.

Total cash flow from operating activities was NOK -156 thousand in 2023.

Total assets at year end amounted to NOK 3 182 655 thousand, compared to NOK 2 863 111 thousand last year.

Risks

Currency exchange rate fluctuations

Most of the cost base is in NOK, but the financial assets and liabilities are denominated in USD. The Company does not hedge the currency exposure.

Interest exposure

The Company is highly leveraged and has significant debt service obligations, however the related party loan and borrowings have fixed interest rates so the risk is considered low. The Company does not hedge the interest exposure.



MH

17 July 2024, 14:12:02 UTC

Michael Hallén

Chairman of the Board

P. L. Milet

17 July 2024, 14:37:24 UTC

Pierre Albert Charles Milet

Board member



Revenue statement

Vizrt Group Holding AS

Operating income and operating expenses	Note	2023	2022
Other expenses	4	296 844	220 492
Total expenses		296 844	220 492
Operating profit		-296 844	-220 492
Financial income and expenses			
Income from subsidiaries	6	0	148 072 198
Interest income from group companies	7	194 787 281	131 277 494
Other financial income		56 118 313	154 621 385
Net financial items		250 905 593	433 971 077
Net profit before tax		250 608 750	433 750 586
Income tax expense	5	55 133 925	62 849 245
Net profit or loss		195 474 825	370 901 341
Other comprehensive income		0	111 967 000
Total comprehensive income		195 474 825	482 868 341



Balance sheet Vizrt Group Holding AS

Assets	Note	2023	2022
Non-current assets			
Intangible assets			
Property, plant and equipment			
Non-current financial assets			
Investments in subsidiaries	6	1 272 448 525	1 204 440 195
Loan to group companies	7	1 910 196 626	1 658 669 248
Total non-current financial assets		3 182 645 152	2 863 109 443
Total non-current assets		3 182 645 152	2 863 109 443
Current assets			
Debtors			
Investments			
Cash and cash equivalents		10 177	2 053
Total current assets		10 177	2 053
Total assets		3 182 655 329	2 863 111 496



Balance sheet Vizrt Group Holding AS

Equity and liabilities	Note	2023	2022
Equity			
Paid-in capital			
Share capital	8	82 052 574	82 052 574
Treasury stock	9	-1 709 868	-1 709 868
Share premium reserve	9	1 531 054 913	1 531 054 913
Other paid-up equity	9	1 004 053 300	1 004 053 300
Total paid-up equity	9	2 615 450 919	2 615 450 919
Retained earnings			
Other equity	9	147 655 202	35 389 595
Total retained earnings		147 655 202	35 389 595
Total equity		2 763 106 121	2 650 840 514
Liabilities			
Provisions			
Deferred tax	5	57 675 985	45 193 164
Other non-current liabilities			
Current liabilities			
Trade payables		125 000	265 438
Tax payable		0	-4 908 000
Other current liabilities		361 748 223	171 720 380
Total current liabilities		361 873 223	167 077 817
Total liabilities		419 549 208	212 270 981
Total equity and liabilities		3 182 655 329	2 863 111 496

20.07.2024

The board of Vizrt Group Holding AS

17 July 2024, 14:12:02 UTC

Lars Gustav Michael Hallén
chairman of the board

17 July 2024, 14:37:24 UTC

Pierre Albert Charles Milet
member of the board



Cash flow statement

tnok

	2023	2022
Cash flow from operations		
Profit before income taxes	250 609	132 277
Change in trade creditors	140	1 574
Items classified as investments or financing without cash effect	-250 905	-153 595
Change in other provisions		
Net cash flow from operations	-156	-19 744
Cash flow from investments		
Equity value adjustment on shares in subsidiaries	0	307 190
Net cash flow from investments	0	307 190
Cash flow from financing		
Net proceeds from long term loans	-251 528	-287 458
Proceeds from short term loans	251 692	0
Net cash flow from financing	164	-287 458
Exchange gains / (losses) on cash and cash equivalents		
Net change in cash and cash equivalents	8	-12
Cash and cash equivalents at the beginning of the period	2	14
Cash and cash equivalents at the end of the period	10	2



Note 1 General

Vizrt Group Holding AS is a limited company, wholly owned by Vizrt AB, incorporated in Norway and headquartered in Bergen. Address headquarters: Lars Hilles Gate 30, 5008 Bergen, Norway.

Basis for preparation of the annual accounts

The financial statements have been prepared in accordance with the Norwegian Accounting Act § 3-9 and Regulations on simplified IFRS issued by the Ministry of Finance on 21. January 2008. This means that recognition and measurement comply with International Financial Reporting Standards (IFRS) and the presentation and disclosures are in accordance with the Norwegian Accounting Act and generally accepted accounting principles. The financial statements are based on historical cost, except for financial instruments which are available for sale and recognized at fair value.

The financial statements have been prepared based on uniform accounting principles for similar transactions and events under otherwise similar circumstances. The financial statements are presented in NOK and all values are rounded to the nearest thousand (NOK000), except when otherwise indicated.

Functional currency and presentation currency

The company's presentation and functional currency is NOK.

Use of judgements and estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities.

Note 2 Significant accounting policies

Revenue recognition

Revenue is recognized when it is probable that transactions will generate future economic benefits that will flow to the company and the amount can be reliably estimated. Revenues are presented net of value added tax and discounts.

Subsidiaries and investment in associates

The Group's investment in its subsidiaries is accounted for under the cost method of accounting.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax liabilities/tax assets are calculated on all differences between the book value and tax value of assets and liabilities, except for temporary differences related to investments in subsidiaries, associates or joint ventures when the Group controls when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

Deferred tax assets are recognized when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilize the tax asset. The companies recognize previously unrecognized deferred tax assets to the extent it has become probable that the company can utilize the deferred tax assets. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilize the deferred tax asset.

Deferred tax and deferred tax assets are measured based on the expected future tax rates applicable to the company. Deferred tax and deferred tax assets are recognized at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.

Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.



Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months. In the statement of cash flows, the overdraft facility is stated minus the balance of cash.

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 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.

Convertible bonds and similar instruments which contain both a liability and equity element are divided into two components when issued, and these are recognized separately as a liability or equity.

Costs of equity transactions

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

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.

Contingent liabilities and assets

Contingent liabilities are not recognized in the annual accounts. Significant contingent liabilities are disclosed, unless the possibility of an outflow of resources is remote. Contingent assets are not recognized in the annual accounts but are disclosed if it is probable that a benefit will be added to the Group.

Pension

The company's pension plan is a defined contribution scheme. The annual premium is expensed as the year's pension expense.



Note 3 Payroll expenses, number of employees, remunerations, loans to employees, etc.

The company did not have any employees throughout the financial year and therefore did not incur any payroll and personnel expenses. Nor did it have any related obligations.

No loans/sureties have been granted to the general manager, Chairperson or other related parties.

Note 4 Auditors fee

<i>in NOK thousands</i>	2023	2022
Statutory audit	181	220
Other assurance services	0	0
Tax advisory fee (incl. technical assistance with tax return)	42	0
Other non-audit services (incl. technical assistance with financial statements)	15	0
Total audit fees	238	220

Note 5 Taxes

Calculation of deferred tax/deferred tax benefit

<i>in NOK thousands</i>	2023	2022
Temporary differences		
Debt and receivables in foreign currency	262 163	205 423
Reduced interest carridd forward	- 24 277	- 24 277
Net temporary differences	237 886	181 146
Tax losses carried forward	-	-
Basis for deferred tax	237 886	181 146
Deferred tax	52 335	39 852
Deferred tax benefit not shown in the balance sheet	5 341	5 341
Deferred tax in the balance sheet	57 676	45 193

Basis for income tax expense, changes in deferred tax and tax payable

Result before taxes	250 609	433 751
Permanent differences-	-	148 072
Basis for the tax expense for the year	250 609	285 679
Change in temporary differences	- 56 740	- 181 146
Basis for payable taxes in the income statement	193 869	104 533
+/- Group contributions received/given	- 193 869	- 104 533
Taxable income (basis for payable taxes in the balance sheet)	-	-



Components of the income tax expense

Payable tax on this year's result	42 651	22 997
Adjustment in respect of priors	-	5 341
Total payable tax	42 651	17 656
Change in deferred tax based on original tax rate	12 483	45 193
Change in deferred tax due to change in tax rate	-	-
Tax expense	55 134	62 849

Reconciliation of the tax expense

Result before taxes	250 609	433 751
Calculated tax	55 134	95 425
Tax expense	55 134	62 849
Difference	-	32 576

The difference consist of:

Tax of permanent differences	-	32 576
Change in deferred tax due to change in tax rate	-	-
Other differences	-	-
Sum explained differences	-	32 576

Payable taxes in the balance sheet

Payable tax in the tax charge	42 651	17 656
Tax effect of group contribution	-	17 656
Payable tax in the balance sheet	-	-

Note 6 Investment in subsidiaries

Investments in subsidiaries are booked according to the cost method.

in NOK thousands

Name	Acquired	Country of incorporation	Ownership interest	Book value	Equity	Net profit
Vizrt Group AS	July 1, 2014	Norway	100 %	1 272 449	1 027 515	-104 296

Note 7 Balance with group companies, etc.

<i>in NOK thousands</i>	Long term receivables		Short term receivables	
	2023	2022	2023	2022
Group companies	1 910 197	1 658 669	0	0
Total	1 910 197	1 658 669	0	0

<i>in NOK thousands</i>	Other long term liabilities		Short term liabilities	
	2023	2022	2023	2022
Group companies	0	0	361 748	171 720
Total	0	0	361 748	171 720



Note 8 Share capital and shareholder's information

812401,7228

The share capital of NOK 82 052 574 consists of 812 402 shares at NOK 101 each, divided into common, preference A and preference B shares.

All shares is owned by Vizrt AB

Note 9 Shareholders' equity

in NOK thousands

	Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Total
Equity changes in the year					
Equity 31.12.2022	82 053	2 535 108	-1 709	35 388	2 650 840
Adjustment opening balance *				-83 209	-83 209
Profit for the year	0	0		195 475	195 475
Other comprehensive income				0	0
Adjustment prior year error	0	0			0
Equity 31.12.2023	82 053	2 535 108	-1 709	147 654	2 763 106

*The company has changed policy for accounting of investment in subsidiaries from equity method to cost. Effect on opening balance is MNOK -83



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To the General Meeting of Vizrt Group Holding AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Vizrt Group Holding AS (the Company), which comprise the balance sheet as at 31 December 2023, statement of comprehensive income and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

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

Other Information

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

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

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

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

Offices in:

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

Bergen

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Knut Olav Karlsen
State Authorised Public Accountant
(This document is signed electronically)

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Karlsen, Knut Olav

Partner

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Norwegian Directorate of Taxes

Inquiries to Torstein Kløden Helleland	Your date 05.04.2016	Our date 07.04.2016
Telephone 22076139	Your reference Toner Wafd	Our reference 2016/047521

VIZRT GROUP HOLDING AS
Nordre Nøstekaiaen 1
5011 BERGEN

Permission to prepare the annual accounts and directors' report in English language

With reference to your letter received 5 April 2016 you apply for permission to keep annual accounts and directors' report in English language. The application in question concerns;

Vizrt Group Holding AS org. nr. 913 895 991
Vizrt Group AS org. nr. 813 914 042

Conclusion

Based on a total evaluation, the view of The Directorate of Taxes is that Vizrt Group Holding AS and Vizrt Group AS may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information that the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background

Vizrt Group Holding AS is owned by Nordic Capital Fund VIII located at Jersey and Vizrt Group AS is owned by Vizrt Group Holding AS. Vizrt Group Holding AS and Vizrt Group AS ("the Companies") operate in an international business with sale of software and hardware which are mainly used by broadcasters. Most of the Companies' existing and potential customers are foreign, and all key players and partners in this industry speak and use English as communication language. Having offices in over 40 locations around the globe, the Companies also use English as the working language. Vizrt Group AS has a bond listed on the Oslo Stock Exchange and is exempt from the Securities Trading Act section 5-13 regarding the language requirement of mandatory information. Hence, the company is reporting all information in English. The annual report and financial statements are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

Permission to make the annual accounts and the directors' report in Norway in English language

According to the Norwegian Accounting Act § 3-4, third paragraph shall "*the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language*".

Postal address P.O. Box 9200 Grønland 0134 Oslo	Visiting address: See www.skatteetaten.no Org.nr: 996250318 E-mail: skatteetaten@skatteetaten.no	Telephone 800 30 000 Telex 22 47 08 63
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Annual report

The Board of

Confine Visual TopCo AB

Swedish registration number 559346-3093

Hereby leaves its annual report for 2023
for the group and the parent company

This report is a translation of the original Annual report in Swedish and have not been reviewed by the company's auditors.



Confine Visual TopCo AB
Org.nr. 559346-3093

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Board of Director's Report

The Group

Confine Visual Topco AB ("Vizrt" or the "Company") is the parent company of the Vizrt Group. Vizrt business objective and vision consist in providing high quality and easy to use platforms to media creators (Broadcasters, Video production companies, and other corporations) enabling them to tell stories. The company's operations involve developing and selling software products for the media and entertainment industry, this implies delivering leading edge-solutions in graphics, cloud, remote live production, sports, virtual reality, infrastructure and more. The company is a world leader in visual storytelling tools for media creators in the broadcast, sports, digital, and pro-AV industries.

Vizrt's business started in 1997 out of the Norwegian television channel, TV2, with technology from a high-performance graphics engine and a template-based control application enabling journalists and producers to create graphics for live productions without the need for graphic designers.

Vizrt Group is a global and multifaceted organization with over 600 employees from 60 different countries, established in 16 offices around the world. The company's research and development centers are established in Austria, Norway, Portugal, Sweden, Switzerland and in the USA

The Group has three of the strongest brands in media distribution; Vizrt, Tricaster, and NDI®.

Vizrt as a brand, is a leading player in innovative software-based solutions for live productions with 3D graphics, studio automation and sports analysis tools, and focuses on expanding its presence and strengthening its regional expertise by marketing, selling, delivering, and supporting Vizrt's products. Through Vizrt's clients CNN, CBS, NBC, Fox, BBC, BskyB, Sky Sports, Al Jazeera, NDR, ZDF, Network 18, Tencent and many more, Vizrt reaches out to about 3 billion people every day with its products.

Tricaster is a leading actor in IP video technology, giving every narrator a voice through video. For sales of Tricaster selected partners are used worldwide to market innovative solutions. Tricaster enables customers to reach their audiences faster than ever, such as through marketing brands, and in reaching out to corporations, companies, universities, and associations. Tricaster products are IP-centric via NDI®, and the company has clients within, for example, the Supreme Court of the United Kingdom, the New York Giants, the NBA Development League, NHL, Nickelodeon, CBS Radio, ESPN Radio, Fox Sports, MTV, the National Aeronautics and Space Administration (NASA), Pinent Masons LLP and in more than 80% of the US Fortune 100.

NDI® facilitates better video for everyone. The NDI software is a protocol installed on hardware such as cameras and is used by customers worldwide. NDI enables individuals and organizations to access the benefits of IP-based, software-defined visual storytelling, which creates an interconnected community of storytellers. During January 2023 the IP rights for NDI was sold from the American limited NewTek Inc to the Swedish entity Vizrt NDI AB.

In January 2023, the Group acquired the IP-rights to Flowics as part of the group's continued growth strategy. The Flowics platform enables customers to create and remotely control live graphics and will strengthen the group's abilities to develop and offer SaaS solutions.

During 2023 the Group continued to work on "One Vizrt" a reorganization with the aim of creating a global commercial organization divided in direct and indirect sales strategy to offer the full product portfolio to all customers and strengthening the supporting teams with the aim of improving customer focus and creating growth.

Vizrt is a privately held company. The shareholders are Cidron Confine S.a.r.l. with 51 percent and Cidron Visual X S.a.r.l. 2 with 49 percent of the shares. The final owner is Nordic Capital Fund X. During March 2022, the fund Nordic Capital Fund X acquired the shares in the Vizrt Group from the previous owner Nordic Capital Fund VIII. The change in ownership resulted in a new group relationship arising with Confine Visual Topco AB as the parent company. For further information regarding the acquisition, see note 4 Business acquisitions.

Comments on the consolidated financial statements

The consolidated financial statements for the period ending 31 December 2023 are prepared in accordance with IFRS, issued by the International Accounting Standards Board (IASB) and adopted by the EU.

Last year was the company's and the group's first financial year, which the comparative figures for 2022 includes March 17 to December 31 for 2022. Comparative figures are found in brackets below.



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Turnover and profit - Financial year 2023

- Revenues amounted to 162 MUSD (143), of which was divided between the regions as follows EMEA 69 MUSD (49), AMECS 62 MUSD (81) and APAC 29 MUSD (22).
- An internal acquisition took place in January 2023 when Confine Visual BidCo AB acquired the IP rights related to NDI from NewTek Inc of 18.2MUSD.
- The gross income amounted to 103 MUSD (86) and the gross margin amounted to 64 percent (60).
- Operating income amounted to 3 MUSD (-135) corresponding to an operating margin of 2 percent (-95). The operating profit for the previous year included an impairment of goodwill of 137 MUSD and acquisition-related costs of 3.5 MUSD attributable to the acquisition of the Vizrt Group. The adjusted operating profit amounted to 8 MUSD (6), which corresponds to a margin of 5 percent (4).
- During 2022, the company entered into agreements on credit facilities in the form of a revolving loan of up to 80 MUSD, loan facility B of 525 MUSD, and acquisition facility loans of up to 100 MUSD. At the end of year 2023, 20 MUSD of the revolving loan and 11 MUSD of the acquisition loan had been used for acquiring the IP rights related to Flowics
- Operating cash flow amounted to -10 MUSD (12), which is mainly due to a negative impact on unrealized FX changes of -14 MUSD (-4) for the year, which impacts an adjustment for non-cashflow items reduced for paid income taxes.

The company continuously measures and reports financial key figures on a monthly basis. Therefore, EBITDA margin is monitored monthly by the company. The adjusted EBITDA refers to EBITDA adjusted for items affecting comparability such as transaction cost when the company changed owners in 2022 and other non-recurring items. Adjusted EBITDA has a currency based on budget exchange rates instead of the actual closing exchange rate. Adjusted EBITDA amounted to 42 MUSD (48) compared to unadjusted EBITDA of 5 MUSD. The EBITDA margin amounted to 35 percent (32) for the year 2023.

Innovation is a central part of the group's strategy. Investments in Research and Development (R&D) amount to 12 percent (9) of total revenues. During 2023, R&D activities have been kept at a high level with an increased focus on IP-based products.

Investments

Goodwill amounted to 521 MUSD and is attributable to the acquisition of the Vizrt Group in 2022 when the group changed fund. There has been no impairment done during the year 2023. During 2022 there was an impairment of goodwill amounting to 137 MUSD. Other intangible assets amounted to 479 MUSD (486) and consist of capitalized R&D expenses and intangible assets attributable to the acquisition of the Vizrt Group. Capitalized R&D expenses positively affected intangible assets by 20 MUSD (11) and related depreciation amounts to 13 MUSD (7).

Equity

Total equity at the end of the period amounted to 384 MUSD (429). There has been no group contribution or dividend paid out for 2023. In October the two US entities Vizrt Inc and NewTek Inc were merged in an upstream merger where employees and assets and liabilities of NewTek Inc were moved up and Vizrt Inc is the operating entity after the merger. The merger did not have an impact on the group as it was done in the subsidiary Vizrt Inc.

Events after closing date

On 1 January 2024 a new Group CFO entered named Pierre Milet and Esben Ravn Olesen resigned. The American operations will move to new premises in Texas.

Future prospects

Vizrt Group enjoys a leading market position. The long-term development of the company is based on leveraging its current market shares both on Broadcast/graphic markets and live production/enterprise video markets. The Group vision is to continue to develop its dominant position through organic growth by providing solutions fostering the production of video stories through any channel as well as through strategic acquisitions. The Group targets to keep on the strategic direction of offering subscription to its customers based on SaaS solutions.



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Multi-year overview, the Group

<i>In KUSD if nothing else is stated</i>	1 Jan – 31 Dec 2023	17 Mar – 31 Dec 2022
Key Ratios		
Net sales	161 706	142 717
Gross profit	103 007	85 849
Operating expenses	-158 877	-277 899
Items affecting comparability*	-4 929	-140 874
Operating profit	3 379	-135 059
Operating profit adjusted for items affecting comparability	8 308	5 816
Cash flow from operating activities	-9 620	11 944
Equity/asset ratio		
Equity/asset ratio, percent	34,96	38,06
Margin ratios		
Gross margin, percent	64	60
Operating margin, percent	2	-95
Adjusted operating margin, percent	5	4
Other data		
Number of employees at 31 December	527	567
Average FTE	533	566

*Has been adjusted for items affecting comparability. In 2023 the affected comparability items amounted to 4.9 MUSD (3.5) regarding legal expenses for liquidation of entities and transaction cost for the group transaction and other management services and restructuring cost.

Parent company

The parent company is not operating and has no employees. The operating profit amounted to -610 KSEK (-3). Profit after financial items amounted to -1 809 KSEK (2 117). The company received a group contribution from Vizrt NDI AB of 1 811 KSEK, last year the company sent a group contribution of -747 KSEK.

Risks and uncertainties

The company is subject to several risk factors which are described in detail in note 17 within the report. The other uncertainty factors identified are mentioned below.

Interest exposure

The company is highly leveraged and has significant debt obligations. Credit facilities within the group have variable interest rates based on SOFR and a margin. From December 2022, the company hedges this interest rate exposure. For further information on the credit facilities, see note 17 Financial instruments.

Exchange rate movements

About 67% and 22% of the revenue is billed in USD and EUR, respectively. The main part of the cost base is in USD, NOK, SEK, and EUR. The company does not hedge the currency exposure.

Other risk factors

Other risk factors identified:

- IT security risk increases with cloud-based products, and with increasing cyberattacks in the world increases the customer demand for security status controls within the area. Vizrt has invested in security training and security validation and that Vizrt encourages customers to move over to new releases of software as they will not get the same benefit from older versions.



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- Products may be affected by serious quality problems that could result in loss of customers or revenue, delays in revenue recognition, increased returns, damage to the company's reputation and significant warranty or other expense.
- The company uses a significant number of third-party software components, some of which are licensed under open-source licenses. There is a risk that the company does not comply with all relevant open-source license terms. Any violation of such open-source license terms may result in legal action, loss of access to critical software, and damage to the company's reputation.
- Disruptions in global supply chains. As the company's supply chains are spread globally, they are subject to both unforeseen and expected disruptions as a result of trade policy decisions such as restrictions on free trade, the emergence of trade wars or trade embargoes, or other social disruptions that can occur in the event of, for example, a pandemic. Disruptions can result in delivery delays, increased operational costs, competitive disadvantages, and the need for major structural changes in supply chains. Global trade policy developments are monitored on an ongoing basis and the company is moving towards SaaS products which decrease the sales of hardware.
- Tax risk. The company's sales take place primarily through subsidiaries in a given number of countries. Transactions take place in accordance with the group's transfer pricing policy. If local tax authorities make an assessment that deviates from the company's pricing, there is a risk of increased tax costs. There are also risks linked to handling taxes locally in the various markets where the company operates. The company conducts an annual review of tax risks together with external tax experts as well as a comparison of internal pricing against market prices. Adjustments to tax dispositions are made based on this review. In 2023 Vizrt changed its internal pricing model to secure it to be in line with the decision taken and where the value adding related to the IP-rights is done.
- Impairment of intangible assets. A large part of the company's R&D investments are capitalized as intangible assets. If the company's product development efforts result in products that do not become commercial successes, it can lead to extensive write-downs. An ongoing examination of the need for impairment, so-called "impairment test", is carried out by analyzing future expected income related to the projects and brands that are included in the balance sheet. More information under note 1 and 11.

The existence of any of these above-mentioned risks can have a significant negative impact on the company's operations, financial position, and results.

Proposed disposition of earnings

The Board suggests that no dividend is paid in 2023 and that available funds are retained by the parent company.

For the Annual General Meeting, the following funds are available:

	SEK
Share premium reserve	5 503 771 140
Retained earnings	7 128 548
Net profit	2 079
	<hr/> 5 510 901 767
 Disposition according to the below:	
Amount to retain by the parent company	5 510 091 767
	<hr/> 5 510 091 767

Sustainability report

Vizrt will apply the CSRD reporting from 2025. During 2023 a double materiality analysis has been performed related to the new reporting. The group has also during the year improved its sustainability report why it from now on will be found on the e homepage of Vizrt. <https://www.vizrt.com/corporate-responsibility/>



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The Group

The Group's income statement

<i>In KUSD</i>	Note	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022
Net sales	2,3	161 706	142 717
Cost of goods sold	5	-58 699	-56 869
Gross income		103 007	85 849
Other operating income		550	123
Selling expenses	5,6	-57 637	-48 735
Administrative expenses	5,6,7	-23 362	-20 552
Research and development expenses	5,6	-19 179	-13 252
Other operating expenses		0	-138 491
Operating income		3 379	-135 059
Financial income	8	17 667	9 924
Financial expenses	8	-63 951	-36 178
Net financial income		-46 283	-26 254
Income after financial items		-42 904	-161 313
Income tax	9	7 118	-4 813
Net income		-35 786	-166 125
Attributable to			
Owners of the Parent Company		-35 368	-154 345
Non-controlling interest		-418	11 780
		-35 786	-166 125



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The Group's report over comprehensive income

<i>In KUSD</i>	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022
Net income	-35 786	-166 125
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefits pension plans	-497	-551
Taxes relates to items above	-108	-
Items that have been or may be reclassified to profit or loss		
Translation difference on foreign operations	- 7 933	-2 519
Other comprehensive income	- 8 538	-3 070
Total comprehensive income	- 44 324	-169 195
Attributable to		
Owners of the Parent Company	- 46 930	-158 391
Non-controlling interest	2 606	-10 804
	- 44 324	-169 195
Earnings per share, basic and diluted, total	-0,14	-0,61



Confine Visual TopCo AB

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The Group's statement of financial position

<i>In KUSD</i>	Note	31 dec 2023	31 dec 2022
ASSETS			
Non-current assets			
Goodwill	10	520 620	520 620
Other intangible assets	11	479 379	485 840
Tangible assets	12	15 855	17 577
Deferred tax assets	9	11 386	7 999
Other long-term receivables		2 719	2 216
Total non-current assets		1 029 960	1 034 253
Current assets			
Inventory	13	10 378	18 076
Trade receivables	17	31 685	33 356
Prepaid expenses and other receivables	14	10 503	7 653
Secured funds		243	263
Cash and cash equivalents	17	16 615	34 880
Total current assets		69 425	94 229
TOTAL ASSETS		1 099 385	1 128 482
EQUITY AND LIABILITIES			
Equity			
Share capital		3	3
Additional paid in capital		584 469	584 469
Non-controlling interest		4 314	2 215
Translation reserve		-15 554	-4 046
Retained earnings		-188 897	-153 180
Total equity		384 335	429 461
Liabilities			
Non-current liabilities			
Non-current financial liabilities	17	508 969	483 954
Non-current lease liabilities	15	8 905	10 449
Deferred tax liabilities	9	93 738	94 736
Net employee defined benefit liabilities	6	3 677	2 952
Total non-current liabilities		615 289	592 091
Current liabilities			
Current financial liabilities	17	37 235	35 018
Current lease liabilities	15	3 744	4 026
Trade payables		4 011	4 436
Employee liabilities	6	6 591	5 973
Current tax liability	9	9 063	15 449
Other operating liabilities		1 424	1 747
Prepaid income and deferred costs	16	37 692	40 282
Total current liabilities		99 760	106 930
TOTAL EQUITY AND LIABILITIES		1 099 385	1 128 482



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Consolidated statement of changes in equity

<i>In KUSD (except issued shares)</i>	Issued shares	Issued capital	Additional paid in capital	Other reserves	Retained earnings incl. profit for the period	Total equity attributable to owners of the parent company	Non-controlling interest	Total equity
Opening Balance Mars 17, 2022	-	-	-	-	-	-	-	-
Profit for the period					-154 345	-154 345	-11 780	-166 125
Other comprehensive income				-4 046	0	-4 046	976	-3 070
Total comprehensive income				-4 046	-154 345	-158 391		-169 195
Shareholders' contributions			584 469			584 469		584 469
Cash dividend						0	-239	-239
Transactions with non-controlling interest					1 165	1 165	-569	596
Issue of share capital	251 037 959	3				3		3
Acquisitions through shares							13 827	13 827
Total transactions with owners		3	584 469	-	1 165	585 637	13 019	598 656
Closing balance, December 31, 2022	251 037 959	3	584 469	-4 046	-153 180	427 246	2 215	429 461
Profit for the period					-35 368	-35 368	-418	-35 786
Other comprehensive income				-11 507	-54	-11 454	3 024	-8 430
Total comprehensive income				-11 507	-35 422	-46 930	2 606	-44 324
Shareholders' contributions						-		-
Cash dividend						-		-
Transactions with non-controlling interest					-295	-295	-507	-802
Total transactions with owners		-	-	-	-295	-295	-507	-802
Closing balance, December 31, 2023	251 037 959	3	584 469	-15 544	-188 897	380 022	4 314	384 336



Confine Visual TopCo AB

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The Group's statement of cash flows

	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022
	Note	
OPERATING ACTIVITIES		
Profit before taxes	-42 904	-161 313
<i>Adjustments for items not included in the cash flow</i>		
Depreciation and impairment of non-current assets	47 126	180 899
Deferred interest expenses	0	5 360
Unrealized exchange differences	-14 136	-4 037
Paid income tax	-3 022	-8 011
<i>Change in working capital</i>		
Change in accounts receivable and prepaid expenses	-1 662	-2 443
Change in inventory	7 698	-6 196
Change in accounts payable and other liabilities	-2 720	7 684
Cash flows from operating activities	-9 620	11 944
INVESTING ACTIVITIES		
Investments in intangible assets	-24 558	-10 988
Investments in tangible assets	-1 591	-1 725
Acquisition of business, net liquidity impact	2 -	-913 799
Cash flow from investing activities	-26 149	-926 512
FINANCING ACTIVITIES		
Contribution of capital from owners	-	584 472
Proceeds from issuance of borrowings	20 000	535 863
Transaction costs related to loans	-	-16 073
Repayment of bonds	-	-149 141
Instalment of lease liabilities	-3 841	-3 986
Instalment of pension liabilities	725	-606
Cash flow from financing activities	16 884	950 527
Cash flow for the period	-18 886	35 959
Cash and cash equivalents at the beginning of the year	34 880	-
Translation difference in cash and cash equivalents	620	-1 078
Cash and cash equivalents at the end of the year	16 615	34 881



Confine Visual TopCo AB

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Notes

Note 1 Significant accounting principles

Company information

The annual report is issued the 31st of December 2023 and relates to Confine Visual TopCo AB, 559346-3093, which is the parent company in the Vizrt Group ("Vizrt"). The parent company is a Swedish company based in Stockholm, Sweden.

On the 26 April 2024, the Board approved the annual report and the consolidated financial statements, which are lastly planned to be accepted by the annual general meeting on the 30 April 2024.

Below stated accounting principles for the group have been applied consistently on all periods that are presented in the group's financial statements, unless otherwise stated below.

Compliance with praxis and law

The group's financial statements have been prepared in accordance with IFRS® Accounting Standards issued by International Accounting Standards Board (IASB) as adopted by the EU. Furthermore, RFR 1 "Kompletterade redovisningsnormer för koncerner" has been applied.

The parent company applies the group's accounting principles with the exceptions listed under note M1.

Changes to the accounting principles

An amendment has been made to IAS 1 Presentation of financial statements. The purpose of the amendments is to increase the usefulness of the disclosures concerning accounting principles applied, by encouraging a focus in the disclosures on significant accounting principles and how they are applied. The descriptions of the accounting policies have therefore been further concentrated to significant accounting policies and are more focused on how these policies are applied within the group.

New standards, changes, and interpretations yet to be applied

New and changed IFRS Accounting Standards with future application are not expected to have any significant effect on the group's financial statements.

Functional currency and presentation currency

The group's financial statements are presented in United States Dollars (USD) and the parent's financial statements are prepared in Swedish Krona (SEK). The parent company's functional currency is Swedish Krona. The functional currency is the currency in the primary economic environments that the business units conduct their business in. The most commonly used functional currency in the group is the American dollar (USD). All amounts are rounded to the nearest thousand unless otherwise stated. The amounts presented have in some instances been rounded, which means that tables do not always add up.

Consolidation principles and business combinations

Subsidiaries report in accordance with the acquisition method. Transactional expenses, with the exception of transactional expenses that are attributable to the issuance of equity or debt instruments, which arise are reported directly in profit or loss for the year.

In business combinations where the remuneration transferred, any non-controlling interest, and the fair value of the previously owned interest (in the case of stepwise acquisitions) exceed the fair value of acquired assets and assumed liabilities that are recognized separately, the difference is recognized as goodwill.

In cases where the acquisition does not concern 100 percent of the subsidiary, non-controlling interest arises. There are two options to account for non-controlling interest. These two options are to recognize the non-controlling interest's proportionate share of net assets or to recognize the non-controlling interest at fair value, meaning non-controlling interest will have a share in goodwill. The choice between these alternatives can be made on an acquisition-by-acquisition basis. The group has so far only made one business combination, of the Vizrt AB group. At this acquisition, non-controlling interest was recognized at fair value.

Acquisitions from non-controlling interests are reported as a transaction within equity, i.e. between the parent company's owners (within retained earnings) and non-controlling interest. Therefore, goodwill does not arise in these transactions. The change in non-controlling interest is based on its proportional share of net assets.

Sales to non-controlling interest, where controlling influence remains, are reported as a transaction within equity, i.e. between the parent company's owners and non-controlling interest. The difference between received cash and non-controlling interests' proportional share of acquired net assets is reported under retained earnings.

Acquisitions, in which substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, are, through a simplified assessment, accounted for as asset acquisitions. The choice to apply



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this simplified approach is made on an acquisition-by-acquisition basis. Vizrt has applied the simplified approach concerning the acquisition of Flowics in 2023.

Inventories

Inventories are valued at the lower of the cost and net realizable value. The cost for inventories is calculated through application of the first in – first out method (FIFO) and includes expenses that have occurred at the time of the acquisition of the inventory assets and the transportation of these to their current location and condition. The group regularly analyzes available quantities in relation to current and historical sales prices and forecasted selling volumes, technological obsolescence, and market conditions. Based on these analyses the inventory value is adjusted to net realizable value when necessary.

Revenues

The group offers software for graphics and media assets while also performing related services. The group also sells hardware related to its software. Revenues from contracts with customers are measured based on the consideration specified in the contract with the customer. The total compensation in the contract is allocated to each performance obligation based on each performance obligation's stand-alone price.

Revenues are recognized at the point in time when performance obligations are satisfied and when control has been transferred to the customer. Revenues are recognized either over time or at a point in time, depending on how control is transferred. Determining the time for the transfer of control demands assessment. The below table summarizes how the group recognizes revenues for different types of performance obligations.

<i>Type of product/service</i>	<i>Character and date for fulfilment of performance obligations.</i>	<i>Revenue recognition</i>
Software	Upon delivery or when the item is available for download	Revenues are recognized when the goods have been delivered and accepted by the customer. If adaptation is needed before the customer can use the software, the revenues for the software are recognized when the adaptation has been conducted.
Hardware	When control has been transferred to the customers, usually at delivery	Revenues are recognized when the goods have been delivered and accepted by the customer.
Subscription	Over the subscription period	Software as a subscription is combined with services (e.g., service and upgrades) in the contract. Granting of the license and the services is considered a performance obligation for which revenue is recognized on a straight-line basis over the subscription period.
Professional services and training	As the work is done	The company recognizes revenue from professional services and education when these are performed. As a method of measuring completion of performance obligation, the hours worked are compared to the total working hours that have been calculated for the entire length of the mission.
Support and maintenance	Over the contract period	Revenues for support and maintenance are recognized over the length of the contract.

Compensation to employees

Defined contribution plans

Plans where the group's obligation is limited to the fees that the group has undertaken to pay are classified as defined contribution plans. The group's obligations regarding fees to defined contribution plans are recognized as an expense in profit for the year at the rate at which they are earned by the employees having performed services for the group for a period of time.



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Defined benefit plans

The Company's defined benefit plans are for severance pay under Swiss, Thai, and Austrian law. According to these laws, the employees have the right to severance pay in case of termination or pension. The obligation of the group in these cases is based on the discounted expected future cashflows. As discount rate, a rate on high-quality corporate bonds with maturities matching the estimated maturity of the benefit payments is used. The plan assets of the group are made up of assets held by a long-term bond for employees or of qualified insurances. The plan assets are not available for the company's own creditors and cannot be returned directly to the company.

The net liability of the group consists of the discounted value of the obligation less the fair value of the plan assets. Remeasurement gains and losses are recognized in other comprehensive income during the period in which they occur. The net interest expense/income on the defined benefit obligation/asset is recognized in profit for the year.

Taxes

Income taxes are made up of current taxes and deferred taxes. Income tax is recognized in profit of the year except when underlying transactions are reported in other comprehensive income or in equity, whereby the associated tax effect is recognized in other comprehensive income or in equity. Current taxes are taxes that are going to be paid or obtained regarding the current year.

Deferred tax is calculated on the basis of temporary differences between the carrying amount and the tax bases of assets and liabilities. Deferred tax assets relating to deductible temporary differences and loss deductions are recognized only to the extent that they are likely to be available. Deferred tax assets are valued at each reporting date and are reduced to the extent that the related tax benefit is unlikely to be realized.

Property, plant, and equipment

Property, plant and equipment are reported at their cost less accumulated depreciation and any impairment losses. The cost includes the purchase price and expenses directly attributable to the asset in order to bring it into place and in condition to be used in accordance with the purpose of the acquisition. The assets are depreciated on a straight-line basis over their estimated useful lives as shown in the following table:

Tangible asset	Number of years
Computers and other machinery	2 – 5 (mainly 3)
Equipment	5 – 15 (mainly 10)
Leasehold improvements	Linearly over the shorter of assessed lease term and useful life

Intangible assets including goodwill

Intangible assets acquired in a business combination are identified and recognized separately from goodwill when they meet the definition of intangible assets, and their fair value can be measured with certainty. The cost for these intangible assets is their fair value on the day of the acquisition. Acquired goodwill is initially recognized as the difference between the acquisition price and the net fair value of acquired assets, liabilities, and contingent liabilities.

Separately acquired intangible assets and internally developed products are initially recognized at cost. Expenditure on research is reported in the income statement when it is incurred.

In the cases in which the consideration for separately acquired assets includes variable payments, these payments are excluded from the initial acquisition cost. The payments are added to the cost of the asset when they are incurred, i.e., when the variability disappears, and the amount is determined. The purchase price for Flowics contains such a variable payment, see note 11 Intangible assets and Significant estimates and judgements.

The following amortization periods are applied to the intangible assets of the group:

Intangible asset	Number of years
Customer relations	15
Technology	5-10
Internally developed products	5
Backlog	1

The group does not amortize goodwill and brands. Recognized brands are deemed to have an indefinite useful life because they relate to brands well known by the market. The group intends to keep and develop these brands and thereby expect them to generate cash flows during an indefinite period of time.

Impairment of tangible and intangible assets

The reported values for the group's assets are tested at each closing date to assess whether there is an indication of impairment needs. If there is an indication of impairment, the recoverable amount of the asset is calculated (see below). For goodwill, other

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intangible assets with indefinite useful life, and intangible assets that are not yet ready for use, the recoverable amount is calculated yearly.

In the group's impairment tests, assets are normally grouped together into cash-generating units, i.e., the lowest level at which it is possible to identify substantially independent cash flows. An impairment is recognized when the cash-generating unit's carrying amount exceeds the recoverable amount. An impairment is reported as an expense in profit for the year. Where an impairment need is identified for a cash-generating unit, the amount of the impairment loss is allocated primarily to goodwill. After that, a proportional write-down of the other assets included in the unit is made.

The recoverable amount is the higher of the fair value less costs of disposal and value in use. When calculating value in use, future cash flows are discounted by a discount factor that considers the risk-free interest rate and the risk associated with the specific asset (WACC).

Leasing

The group acts only as lessee and not lessor and mainly leases office space. At the commencement date of the lease, the group reports a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, which consists of the initial value of the lease liability plus lease payments paid at or before the commencement date plus any initial direct expenses. The right-of-use asset is depreciated on a straight-line basis from the start date to the earlier of the end of the asset's useful life and the end of the lease term, which is normally the end of the lease term for the group.

The lease liability – which is split into a long-term and a short-term part – is initially valued at the present value of the remaining lease payments during the assessed lease term. The lease term consists of the non-cancelable period with additions for additional periods in the agreement if at the commencement date it is deemed reasonably certain that these will be used. The lease payments are normally discounted with the group's incremental borrowing rate, which, in addition to the group's credit risk, reflects each agreement's lease term, currency, and quality of the underlying asset as intended collateral. The lease liability includes for the group the present value of the following payments during the estimated lease term:

- fixed payments
- variable lease payments linked to an index (such as CPI) or an interest rate level (such as Stibor), initially measured using the size of the index or interest rate level at the start date

In the balance sheet, right-of-use assets are presented as a part of property, plant, and equipment, while the lease liability is presented as a separate item (divided into short- and long-term parts).

For leases that have a lease term of twelve months or less or with an underlying asset of low value, less than 5 TUSD, no right-of-use asset and lease liability is recognized. Lease payments for these leases are expensed on a straight-line basis over the lease term.

Financial assets and liabilities

The group's financial assets include primarily cash and cash equivalents, short-term deposits, trade receivables and other receivables, cash investments and derivatives. On the liability side there are bank loans, lease liabilities, and other liabilities such as trade payables.

Recognition in the statement of financial position and initial valuation

Accounts receivables are recognized when they are issued, all other financial receivables and financial assets are initially recognized when the group becomes a party to underlying agreements. An account receivable without significant financing component is initially measured at transaction price. Other financial assets are initially recognized at fair value plus, in the case of financial instruments not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue. Financial liabilities are initially measured at fair value less the transaction price.

Classification and subsequent valuation of financial instruments

Vizrt holds a derivative in the form of an interest swap. This derivative is reported at fair value via the statement of profit or loss since Vizrt does not apply hedge accounting. In addition, some of Vizrt's long-term liabilities (Term Loan Facility B and Acquisition Facility) contain embedded derivatives relating to early repayment options and the ability to defer interest payments. Vizrt has made the assessment that these embedded derivatives do not meet the requirements to be broken out and reported separately.

All other financial assets are valued at amortized cost. Interest income, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. Gains or losses arising from cancellation are also recognized in the profit or loss.



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All of the group's financial liabilities are valued at amortized cost. Interest expense and exchange rate gains and losses are recognized in profit or loss. Gains or losses arising from cancellation are also recognized in the profit or loss.

Impairment of financial assets

The group recognizes reserves for expected credit losses on financial assets valued at amortized cost. The calculation of expected credit losses is mainly based on information on historical losses for similar receivables and counterparties. The historical information is continuously evaluated and adjusted based on the current situation and the group's expectations of future events.

Significant estimates and judgements

Significant sources of estimation uncertainties

The sources of estimation uncertainties listed below concern such uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment test of goodwill

In 2022, the group recognized a goodwill impairment of 137m USD in the cash generating units of EMEA and AMECS. In 2023, no impairment need has been identified in the goodwill impairment test. This conclusion is based on several assumptions about future conditions and on estimations of parameters. A description of these assumptions and parameters as well as a sensitivity analysis is found in note 10 Goodwill.

Deferred tax assets

Deferred tax assets are recognized concerning unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profit will be available, against which the unused tax losses and unused tax credits can be utilized. Significant assessment is required to determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable gains along with future tax planning strategies. In total, on 31 December 2023, around 7m USD is recognized as deferred tax assets concerning unused tax losses and temporary differences. For further information, see note 9 Tax.

Financial liabilities

Since the group's Acquisition Facility is not fully used, there are still capitalized transaction expenses regarding this loan that the group has not started to expense. The possibility to draw on this loan expires in the spring 2024 and if the loan is not fully used, these capitalized transaction expenses will need to be expensed. At most, this can lead to a financial cost of 2m USD.

Significant judgements in the application of the accounting principles of the group

Significant accounting judgements made when applying the accounting principles of the group are listed below.

Revenues

The group has made the judgement that the provision of licenses in combination with other services in subscription contracts are to be seen as one performance obligation. Therefore, revenues are recognized over time. Since the group assesses that this business will gradually grow during the coming years, the revenues of the group will to a higher extent be recognized over time.

Flowics

During the year, the group has acquired the rights to Flowics' IP. Since substantially all of the assets acquired is concentrated in a single asset, i.e., the intangible asset concerning the IP-right, the group has, through a simplified assessment, determined that the acquisition can be accounted for as an asset acquisition. This means, among others, that no deferred tax is recognized at the time of the acquisition and the disclosure requirements for business combinations are not taken into consideration.

The purchase price for the acquisition contains a variable payment based on Flowics' future financial performance. The size of this variable payment will be determined during 2024 and can amount to 10m USD, at most. This amount will be added to the carrying amount of the intangible asset when it is determined.



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Note 2 Operating segments

Operating segments are disclosed in accordance with the internal reporting to the chief operating decision maker. The chief operating decision maker is the function responsible for allocation of resources and analysis of the operating segments' financial performance. The reporting to and the analysis from the chief operating decision maker occur monthly. This reporting follows the accounting principles of the group except that amortization of intangible assets is excluded and instead the original expense is presented (the difference is presented in the item "Deviating accounting principles" below). Additionally, items deemed extraordinary ("Extraordinary Items (NRI)") are also excluded as well as budgeted and not actual exchange rates are used (the effect from the use of these exchange rates is shown under "Exchange rate adjustments, exchange rates").

The business is analyzed based on a geographical perspective. The segments have the same operations and business model, which is to sell and implement software and connected services such as training, professional services and support. In the column "Corp" below, joint group costs are reported, which constitute of among others central governing, finance, and IT.

Non-current assets per country

<i>In KUSD</i>	2023	2022
Sweden	980 507	999 988
Switzerland	19 499	12 060
USA	7 624	10 166
Other foreign countries	8 225	1 822
Total non-current assets*	1 015 854	1 024 035

*The non-current assets presented above exclude financial instruments and deferred taxes.

1 Jan 2023 – 31 Dec 2023

<i>in KUSD</i>	EMEA	APAC	AMECS	Corp	Total
Revenues	69 168	28 568	62 431	-9	160 157
<i>of which software and software-related products</i>	46 055	20 187	29 474	0	95 716
<i>of which hardware</i>	11 663	2 819	6 400	-9.07985	20 873
<i>of which hybrid solution</i>					
<i>of which services</i>	4 934	1 366	1 816	-2.692E-13	8 116
Cost of goods sold	-18 236	-8 047	-22 245	1 137	-47 392
Gross income	50 931	20 521	40 185	1 128	112 765
Other operating expenses	-10 870	-4 213	-11 410	-51 342	-77 836
Depreciation	5 432	5 396	5 391	5 356	21 576
Allocation corp	-16 408	-8 216	-20 220	44 845	0
EBITDA	29 085	13 487	13 946	-13	56 505
Deviating accounting principles					-26 049
Extraordinary items (NRI)					-6 804
Exchange rate adjustments, budget rates					1 303
Goodwill impairment					0
Depreciation					-21 576
Finance net					-46 283
Income before tax					-42 904
Income tax					7 747
Net income					-35 157

The item Revenues includes exchange rate adjustments to the budget rate of 8 457 KUSD and extraordinary items (NRI) of 350 KUSD (324). Together, these items make up the difference to the 161 706 KUSD (142 717) in reported revenue.



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17 Mar -31 Dec 2022

<i>In KUSD</i>	EMEA	APAC	AMECS	Corp	Total
Revenues	48 684	22 216	80 598		151 499
<i>of which software and software-related products</i>	35 601	15 699	72 380		123 681
<i>of which hardware</i>	8 805	1 468	1 478		11 751
<i>of which services</i>	4 278	5 049	6 740		16 067
Cost of goods sold	-10 582	-5 651	-27 543	-37	-43 813
Gross income	38 102	16 565	53 056	-37	107 686
Other operating expenses	-5 331	-3 082	-10 878	-44 704	-63 995
Depreciation	2 350	549	1 176	584	4 659
Allocation corp	-12 598	-6 091	-26 015	44 704	-
EBITDA	22 523	7 941	17 339	547	48 350
Deviating accounting principles					-27 670
Extraordinary items (NRI)*					-10 370
Exchange rate adjustments, budget rates					-3 330
Goodwill impairment					-137 380
Depreciation					-4 659
Finance net					-26 254
Income before tax					-161 313
Income tax					-4 813
Net income					-166 125

* Has been adjusted for items affecting comparability regarding legal expenses for liquidation of entities and transaction cost for the group transaction and other management services and restructuring cost.

Note 3 Net sales

The net sales are split on the following products and suites.

<i>In KUSD</i>	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022
Software and software related products	132 157	117 383
Hardware sales	21 268	18 590
Services	8 281	6 745
Net sales total	161 706	142 717

The recognized revenues are split on the below types of performance obligations.

<i>In KUSD</i>	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022
Performance obligations with revenues recognized at a point in time	84 663	87 990
Performance obligations with revenues recognized over time	77 042	54 727
Net sales total	161 706	142 717

During 2023, 35% (37%) of the group sales occurred in USA and USA is thereby the country in which the largest share of the net sales comes from. In no other single country, did more than 10% of the sales occur in the current year. Only a small share of the sales occurs in Sweden (around 1.5%).



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No single client has accounted for more than 10% of the net sales during the current year.

<i>In KUSD</i>	2023-12-31	2022-12-31
Assets included in "trade receivables"	27 500	29 073
Contract assets	3 784	4 228
Contract liabilities	-27 632	-27 102

The contract assets relate to the group's right to consideration for work performed in projects that has not been invoiced at the closing date.

The contract liabilities relate to prepayments from clients regarding commitments for work that will be performed in a later period.

Note 4 Business combinations

On March 17, 2022, the fund Nordic Capital Fund X acquired the shares in the Vizrt Group from the previous owner Nordic Capital Fund VIII. Nordic Capital Fund X, through the companies Confine Visual Topco AB, Confine Visual MidCo 1 AB, Confine Visual MidCo 2 AB, Confine Visual Midco 3 AB and Confine Visual BidCo AB (all founded in the autumn of 2021 with the purpose of carrying out the transaction), acquired the shares in the company Confine Visual NewCo AB, which owned the shares Vizrt AB, the former consolidating company in the Vizrt Group. In practice, the current group relationship thus arose from this transaction, as the five holding companies founded by Nordic Capital Fund X before the transaction had no active operations.

The transaction allows Nordic Capital, together with Vizrt's management team, to continue to support the business and its strategy and provides the capital required to further strengthen the company's growth through acquisitions and organic growth, which will allow the Vizrt Group to better meet the ever-changing needs of the market. Through the new owner, the Group will continue to be able to utilize Nordic Capital's capabilities as a software investor with its network and knowledge of operational excellence.

As the current group relationship in practice arose in connection with the acquisition, all the Group's revenues in 2022 and the entire year's net profit in 2022 relate to the acquisition.

Impact of the acquisition on the Group's revenues and net profit (MUSD)

Revenues	143
Net profit	-32

If the acquisition had taken place on January 1, 2022, the Group's total revenues and net profit January 1 - December 31, 2022, would have amounted to the following amounts. These calculations have assumed that all fair value adjustments that occurred at the time of the acquisition would have been identical if they had occurred on January 1 instead of March 17. Furthermore, it is assumed that the acquisition was financed in the identical manner on the same terms.

The Group's revenues and net profit if the acquisition had taken place on 1 January 2022 (MUSD)

Revenues	186
Net profit	-38

Purchase price paid (MUSD)

Cash part of the purchase price paid	1 021
Payment with shares in Confine Visual NewCo AB	14
Total purchase price	1 035

Since the purchase price paid partly consisted of shares in Confine Visual NewCo AB, a non-controlling interest arose at the time of acquisition. At the time of acquisition, this non-controlling interest owned 86% of the capital in Capnor Viz KIP AB and 5% of the capital in Confine Visual MidCo 1 AB. See the note on shares in subsidiaries for information on the Vizrt Group's percentage voting rights in these companies. Total net income and other comprehensive income 2022 attributable to non-controlling interest refer to this non-controlling interest.



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Assets acquired and liabilities assumed (MUSD)

Goodwill	224
Other intangible and tangible assets	77
Accounts receivable	35
Cash and cash equivalents	108
Other working capital	-31
Deferred tax	12
Financial assets	2
Financial liabilities	-179
Other liabilities	-4
Net assets	245

The carrying amount of accounts receivable corresponds to what the Group expects to receive. This amount is reduced by a credit reserve of MUSD 4.

Goodwill (MUSD)

Consideration transferred	1 035
Net assets at carrying amount	-245
Identified surplus values	-356
Goodwill	434

Total goodwill recognized as of the formation of the new group is thus MUSD 658. Reported goodwill relates to, among other things, future customers and products, market position and personnel. No part of the goodwill is expected to be tax deductible.

Identified surplus values relate in full to fair value adjustments relating to intangible fixed assets (customer relationships, order backlog, technology, and brands). See note 11, intangible assets for more information.

Acquisition-related expenses

Acquisition-related expenses amounted to approximately MUSD 3.5. This expense is included in the item administrative expenses in the group's income statement.

Note 5 Expenses by nature

<i>In KUSD</i>	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022
Salary related expenses	65 596	50 500
Cost of goods sold excl. depreciation	30 676	29 073
Office expenses	5 760	4 369
Goodwill impairment	0	137 380
Depreciation and impairment intangible assets	41 595	40 639
Depreciation tangible asset	1 608	1 275
Depreciation right-of-use assets	3 924	3 023
Consultancy and subcontractor expenses	6 343	7 637
Other expenses (marketing, insurance, etc.)	3 376	4 001
Total	158 877	277 899

The above costs constitute all operating expenses, i.e., from the line items "Cost of goods sold", "Selling expenses", "Administrative expenses", "Research and development expenses", and "Other operating expenses" in the income statement.



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Note 6 Personnel disclosure

<i>In KUSD</i>	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022
Salaries and other remuneration	51 820	40 091
<i>Of which, salaries and other compensation to senior executives</i>	2 537	2 152
<i>Of which, salaries and other compensation to other employees</i>	49 283	37 939
Pension expenses	3 328	2 648
<i>Of which, defined-benefit plans</i>	208	129
Social fees	6 667	6 665
Other personnel related expenses	2 783	931
	64 598	50 335

- 1) The amount includes fixed and variable remuneration.
- 2) Senior executives refer to group management, CEO, and regional managers.
- 3) The table includes salary related expenses classified as activated RnD expenses.

Salaries and other remuneration to group management

The CEO is eligible to participate in a bonus program. The bonus is calculated on agreed annual company goals. The bonus can vary from 0% to 75% of the regular salary depending on the performance of the company.

The notice period is 6 months mutually and the CEO is entitled to a departure period of another 6 months. No share-related salary component has been agreed with any employee.

Salaries and benefits, 2023

<i>In KUSD</i>	Salary and remunerations		Benefits		Pensions		Total	
	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022
CEO:								
Michael Hallén	836	370	9	8	133	101	978	479
Group Leadership Team								
8 people excluding CEO	2 274	1 956	18	36	273	258	2 565	2 250
	3 110	2 326	27	44	406	360	3 543	2 729

Remuneration to the board and group management

These guidelines cover senior executives in Confine Visual BidCo AB ("Vizrt" or "Company"). In this context, senior executives are understood to mean the managing director and other members of group management. The guidelines must be applied to compensation that is agreed, and changes that are made to already agreed compensation, after the guidelines have been adopted by the board.

The guidelines' promotion of the Company's business strategy, long-term interests, and sustainability

The remuneration within Vizrt shall encourage senior executives to promote the Company's business strategy, long-term interests, and sustainability as well as to act in accordance with the Company's code of ethics and values. Furthermore, the compensation must be designed so that Vizrt can attract, retain, and motivate employees with the right skills. The compensation should encourage good performance, healthy behavior and risk-taking that is in line with the expectations of customers and owners.



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Form of compensation

The compensation must be market-based and may consist of the following components: fixed cash salary, variable cash compensation, pension benefits, and other benefits. The salary must be gender and age neutral, and discrimination must not occur. Vizrt has a holistic perspective on compensation, which means that all compensation components must be weighed. The emphasis in compensation must be on a fixed salary based on the responsibility and complexity of the position, current market conditions and the individual's performance.

Variable compensation

Variable compensation for senior executives within the Company may amount to no more than 75 percent of the fixed annual cash salary and consist 100% of cash. The variable compensation must be based on financial criteria and be linked to the group's results. It thus has a clear connection to the business strategy and thus to the company's long-term value creation.

The variable remuneration must consider all risks in the Company's operations and be proportionate to turnover and profit before tax, depreciation, and financial items (EBITDA). Payment of remuneration must not work against the Group's long-term interests. The managing director has the discretion to adjust or waive payment if the managing director deems it necessary in light of the company's financial situation or another business-motivated reason.

Retirement benefits and other benefits

Pensions and insurance are offered in accordance with national laws, regulations, and market practices in the form of company-specific plans. Vizrt has defined contribution pension plans. Variable cash compensation shall not be pensionable. The pension premiums for a defined contribution pension must amount to a maximum of 30 percent of the fixed annual cash salary. Other benefits may include, among other things, health insurance, life insurance and healthcare insurance as well as the opportunity to invest in securities linked to the company. Any other benefits must be competitive when compared with equivalent actors.

Termination of employment

When terminating an employment contract, a maximum notice period of six months and a maximum severance pay equivalent to six months' wages apply.

Remuneration to the Board of Directors

The board fee includes a fixed fee for board members and a fixed fee for committee work, excluding social fees. The Group's board is employed in Confine Visual BidCo AB. There have been no board fees for subsidiaries, in line with the decision at the annual board meeting. All board members receive the board fee through payroll procedures. At the annual board meeting on 30 June 2023 in Confine Visual BidCo AB it was decided that the following fees will be received by the board.

<i>In USD</i>	2023	2022
Chairman of the board, Klaus Hølse	110 497	9 597
Director, Fredrik Näslund	29 876	28 792
Director, Lise Mortensen	38 674	37 566
Director, Philipp Krispin	29 876	28 792
Director, Scott Jones	45 000	0

Board fees

<i>In KUSD</i>	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022
Chairman of the board	98	82
Directors	95	28
	192	109

There are no outstanding loans or pledges to the chief executive officer, directors, or shareholders.



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Gender distribution senior executives	2023				TOTAL
	WOMEN		MEN		
	Number	%	Number	%	
Senior executives	2	29	5	71	7
Boards	1	13	7	100	8
- Of which the parent company	0	0	1	100	1

	2022				TOTAL
	WOMEN		MEN		
	Number	%	Number	%	
Senior executives	2	25	6	75	8
Boards	0	0	3	100	3
- Of which the parent company	0	0	1	100	1

Senior executives refer to group management including the CEO.

Number of employees

The average number of employees is calculated based on the number of employees (FTE) during the year. As of December 31 2023, the group had 533 FTEs.

FTE	2023	2022
Women	155	138
Men	500	489
	655	627

Defined benefit pension plans

In KUSD	2023	2022
Cost of service current period	258	319
Cost of service previous period	-84	81
Management costs	-48	-49
Interest expenses	86	32
Other	7	7
Total	219	390



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	Defined benefit obligation	Fair value of plan assets	Provisions for pensions, net
<i>In KUSD</i>	2023	2023	2023
Expenses			
Balance as of January 1	3 439	1 953	1 486
In the income statement	-	-	-
Cost of service current period	341	-	341
Cost of service previous period	(84)	-	(84)
Management costs	-	-	-
Interest expenses	86		86
Total expenses	3 782	1 953	1 829
Other comprehensive income			
Actuarial gains and losses	497	(29)	526
Exchange rate differences	261	203	58
Total other comprehensive income	758	174	584
Other			
Payments from the employer	-	276	(276)
Expected returns	-	45	(45)
Pensions paid	-269	-74	-195
Total other	-269	246	-516
Balance per 31 December 2022	4 271	2 374	1 897



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	Defined benefit obligation	Fair value of plan assets	Provisions for pensions, net
<i>In KUSD</i>	2022	2022	2022
Expenses			
Balance as of March 17, 2022	-	-	-
Assumed obligation and acquired asset	3 993	1 903	2 090
<i>In the income statement</i>			
Cost of service current period	319	-	319
Cost of service previous period	81	-	81
Management costs	-	-	-
Interest expenses	32	-	32
Total expenses	4 425	1 903	2 522
<i>Other comprehensive income</i>			
Actuarial gains and losses	-711	-25	-686
Exchange rate differences	16	-	16
Total other comprehensive income	-695	-25	-670
<i>Other</i>			
Payments from the employer	-	236	-236
Expected returns	-	49	-49
Pensions paid	-291	-210	-81
Total other	-291	75	-366
Balance per 31 December 2022	3 439	1 953	1 486



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Note 7 Audit fees

<i>In KUSD</i>	1 Jan-31 Dec 2023		17 Mar-31 Dec 2022	
	EY	Other auditors	EY	Other auditors
Audit assignments and other audit activities	406	141	334	61
Tax advisory services	0	186	0	468
Other advisory services	0	15	4	0
Total	406	342	338	529

Audit assignment refers to statutory audit of the annual report and the statutory accounting, audit of the board's and chief executive director's administration as well as other audits performed according to agreement or contract. This includes other services as are assigned to the company's auditor as well as advisory services or other services triggered by observations during the audit. Tax advisory refers to services in the tax area that are related to the Group's taxable income.

Note 8 Finance net

<i>In KUSD</i>	1 Jan -31 Dec 2023	17 Mar-31 Dec 2022
Currency differences	17 608	9 368
Fair value change financial instruments	60	556
Total finance income	17 667	9 924

	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022
Interest expense on liabilities measured at a mortized cost according to	-59 370	-34 835
Interest expense on lease liabilities	-320	-264
Banking fees and other financial service fees	-4 260	-1 078
Total finance expense	-63 951	-36 177
<i>of which, interest expense from financial liabilities using the effective interest rate method</i>	-59 370	-34 835
Finance net	-46 283	-26 253



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Note 9 Tax

The corporate tax rate in Sweden was 20.6% in 2023. Foreign subsidiaries are taxed according to the local regulations of the respective country.

<i>In KUSD</i>	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022
Current tax expenses/income		
Tax expense/income for the period	-1 506	-3 727
Tax adjustment attributable to previous years	3 734	-6 824
Total	2 228	-10 551
Deferred tax		
Intangible assets	6 667	7 464
Deferred tax attributable to temporary differences	-1 777	-1 726
Total	4 891	5 738
Total recognized tax expense	7 118	-4 813

Reconciliation effective tax <i>In KUSD</i>	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022
Profit before tax	-42 904	-161 313
Tax calculated at 20.6%, (Swedish tax rate)	8 838	33 230
Effect of different tax rates in different countries	63	780
Non-taxable revenue	624	222
Non-deductible expenses	-10 684	-36 266
Adjustment with reference to previous years	3 734	-6 824
Utilization of previously uncapitalized loss carry-forwards	5 154	4 089
Decrease in capitalized loss carry-forwards not expected to be utilized	2 088	-
Other,	-2 698	-44
Total tax expenses	7 118	-4 813
Effective tax rate	-17%	-3%

The group's effective tax rate amounted to -17% (3) per 31 December 2023 and the current tax recorded over equity within the Group amounted to a total of 0 USD. Other comprehensive income included deferred taxes related to defined benefit pension plan amounting to -108 USD (0).

Reported in the balance sheet

<i>In KUSD</i>	2023-12-31		2022-12-31	
	Assets	Liabilities	Assets	Liabilities
Carryforward losses	6 082	-	4 569	-
Temporary differences	873	6 223	462	1 105
Intangible assets	4 867	88 069	3 340	94 736
Total	11 822	94 292	8 371	95 841



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Note 10 Goodwill

	2023-12-31	2022-12-31
Balance at the beginning of year	520 620	0
Acquisitions during the year	0	658 000
Impairment losses	0	-137 380
Total balance	520 620	520 620

Goodwill impairment test

In the impairment test, the book value of goodwill has been allocated to the cash-generating units within the group according to the below table.

	2023-12-31	2022-12-31
EMEA	173 704	250 400
APAC	69 000	69 000
AMECS	277 916	338 600
Total	520 620	658 000

Technique and important assumptions

In the impairment tests, the replacement value is based on each cash-generating unit's recoverable amount estimated based on discounted cash flows.

The cash flow calculation includes an explicit period of eight years and thereafter a constant growth rate is assumed. The explicit time period for eight years is used to be in line with time period in the group valuation in 2022. The group is moving towards a SaaS model within sales of products where the transitional phase to a new model motivates to a longer explicit period. Assessment of cash flows and growth rates during the explicit period is based on financial budget figures determined annually by management together with the local management teams. INCLUDE REVENUES; MARGINAL AND INVESTMENT DETAILS IN TABLE

The table below summarizes the most material assumptions for each cash-generating unit.

	2023			2022		
	EMEA	APAC	AMECS	EMEA	APAC	AMECS
WACC (after tax)	10.7%	11.2%	9.9%	11.7%	12.9%	11.3%
Constant growth rate after 8 years	3.7%	3.6%	3.5%	2.0%	2.0%	2.0%

The impairment test shows no requirement for an impairment in the cash-generating units EMEA, AMECS or APAC. The WACC has declined since last year impacting the risk premium and the risk-free rate to increase slightly. The change in WACC is explained by a higher risk premium and lower tax rates for all regions. The tax rates were overestimated in the 2022 calculation. The growth rate after eight years has increased in the markets where the group mainly operates, which is the USA (USD). The growth rate has been set in comparison with the American bonds growth rates which lies within 3-4%. The investment rates decrease from year one to year eight from 6,5% down to 3,7%. The increase in growth rate has a linear decline from year one to year eight and for EBITDA margin there is a consistent increase in margins in the coming five years and to be flatter after year five.

Sensitivity analysis

A number of sensitivity analyzes have been carried out where variables in the value-in-use model have been changed and the effect analyzed. For the forecasted cash flow, the discount rate, growth rate and operating margin are important factors. The analyzes have focused on a decrease of the growth rate or operating margin by one percentage point or increasing discount rate by one percentage point. The analysis has shown no need for impairment in the EMEA and APAC region as the value in use exceeds the book value of both cash generating units. A smaller write-down to be found in AMEC's region for the discount rate amounted to 31 MUSD and the growth rate of 11 MUSD, no write-down requirement when the operating margin changes for the region.

In 2022 the impairment test showed an impairment requirement in the cash-generating units EMEA (of 76 696 KUSD) and AMECS (of 60 684 KUSD) and an impairment of 137 MUSD was done in the mentioned regions. The impairment loss was due to material changes in market interest rates in EMEA and AMECS (and thus the discount rate used) since the purchase price analysis was



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established for the acquisition of the Vizrt Group in March 2022 (see Note 4, Business combinations). If the same discount rates had been applied in the impairment test as in the acquisition analysis, there would have been no need for impairment.

Note 11 Intangible assets

<i>In KUSD</i>	<i>Technology</i>	<i>Customer relations</i>	<i>Brands</i>	<i>Orderlog</i>	<i>Capitalized dev. projects</i>	<i>Total</i>
ACQUISITION COST						
Opening balance Januari 1, 2023	95 540	221 500	146 300	15 300	48 080	526 721
Investments	15 269	-	-	0	13 177	28 446
Translation differences	1 136	0	0	0	7 210	8 347
Closing balance 31 December 2023	111 946	221 500	146 300	15 300	68 467	563 515

ACCUMULATED DEPRECIATION AND IMPAIRMENT

Opening balance Januari 1, 2023	-7 663	-11 649	0	-12 070	-9 498	-40 880
This year's depreciation 1)	-11 993	-14 767	0	-3 230	-9 964	-39 954
Translation differences	-152	-	-	-	-3 150	-3 301
Closing balance 31 December 2023	-19 808	-26 416	0	-15 300	-22 611	-84 135

Book value

Per 31 December 2023	92 138	195 084	146 300	0	45 856	479 380
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<i>In KUSD</i>	<i>Technology</i>	<i>Customer relations</i>	<i>Brands</i>	<i>Orderlog</i>	<i>Capitalized dev. projects</i>	<i>Total</i>
ACQUISITION COST						
Opening balance March 17, 2022	-	-	-	-	-	-
Acquisition through business combination	95 684	221 500	146 300	15 300	36 686	515 470
Investments	-	-	-	-	10 988	10 988
Translation differences	-144	0	0	0	406	262
Closing balance 31 December 2022	95 540	221 500	146 300	15 300	48 080	526 721

ACCUMULATED DEPRECIATION AND IMPAIRMENT

Opening balance March 17, 2022	-	-	-	-	-	-
This year's depreciation 1)	-7 668	-11 649	-	-12 070	-7 355	-38 743
This year's impairment	-	-	-	-	-1 898	-1 898
Translation differences	5	-	-	-	-244	-239
Closing balance 31 December 2022	-7 663	-11 649	-	-12 070	-9 498	-40 880

Book value

Per 31 December 2022	87 878	209 851	146 300	3 230	38 582	485 840
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1) Depreciation on intangible fixed assets is included in the income statement in the items Cost of goods sold, Selling expenses, Administrative expenses and Research and development expenses.

During the year the group acquired IP rights for 12,7 MUSD from external parties. The main aim with the acquisitions was to broaden the Vizrt offer of products. The greatest acquisition amounted to 11,7 MUSD and was related to Flowics, IP developed in Uruguay. The product offers a cloud-native, browser-based platform enabling customers to create and remotely operate live graphics and interactive experiences for social media, broadcast, live streaming, websites, apps, or venues via HTML



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Capitalized development projects constitute of future products that will be a part of the group's future offering as well as products already released.

Note 12 Property, plant, and equipment

<i>In KUSD</i>	Computers and other machines	Office furniture, office equipment, and others	Leasehold improvements	Total
ACQUISITION COST				
Opening balance January 1, 2023	1 577	1 513	440	3 530
Investments	975	446	170	1 591
Disposals	-158	-201	-57	-416
Translation differences	444	76	29	549
Closing balance 31 December 2023	2 838	1 834	582	5 255
ACCUMULATED DEPRECIATION				
Opening balance January 1, 2023	-28	-147	-76	-251
This year's depreciation	-964	-424	-220	-1 608
Disposals	224	195	48	467
Translation differences	-385	-16	-50	-451
Closing balance 31 December 2023	-1 153	-392	-298	-1 843
Book value				
Per 31 December 2022	1 685	1 442	285	3 412
Additionally: Right-of-use assets				12 443
Total book value per 31 December 2023				15 855

<i>In KUSD</i>	Computers and other machines	Office furniture, office equipment, and others	Leasehold improvements	Total
ACQUISITION COST				
Opening balance March 17, 2022	-	-	-	-
Acquisition through business combination	1 495	1 327	117	2 939
Investments	893	364	469	1 725
Disposals	-208	-45	-190	-443
Translation differences	-603	-133	44	-691
Closing balance 31 December 2022	1 577	1 513	440	3 530
ACCUMULATED DEPRECIATION				
Opening balance March 17, 2022	-	-	-	-
This year's depreciation	-813	-297	-165	-1 275
Disposals	270	44	146	460
Translation differences	516	106	-57	564
Closing balance 31 December 2022	-28	-147	-76	-251
Book value				
Per 31 December 2022	1 550	1 366	364	3 279

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Additionally: Right-of-use assets	14 298
Total book value per 31 December 2022	17 577

Note 13 Inventories

<i>In KUSD</i>	2023-12-31	2022-12-31
Work in progress	-	215
Finished goods	10 378	17 861
Total	10 378	18 076

During 2023, 24.9 (25.2) MUSD in inventories have been recognized as an expense. An impairment of inventory of 0.03 (0.3) MUSD is included in this amount. During the year, 0.02 (0.1) MUSD in previous impairments have been reversed.

No material part of the inventory is carried at net realizable value.

Note 14 Prepaid expenses and other receivables

<i>In KUSD</i>	2023-12-31	2022-12-31
VAT receivable	2 383	2 731
Prepaid taxes	5 497	1 953
Prepaid Expenses SW license	911	582
Other prepaid expenses and receivables	1 713	2 388
Total	10 503	7 653

Note 15 Leasing

In KUSD

Right-of-use assets	Buildings	Others	Total
Depreciation, 2023	3 907	16	3 924
Closing balance 31 December 2023	12 434	9	12 443
Depreciation, 2022	3 006	17	3 023
Closing balance 31 December 2022	14 274	24	14 298

Additions to right-of-use assets in 2023 amounted to 2.3 (2.8) MUSD. This amount represents the value of new lease contracts in 2023.

Lease liability	2023-12-31	2022-12-31
Current lease liability	3 744	4 026
Non-current lease liability	8 905	10 449
Total	12 649	14 475

For a maturity analysis on the lease liabilities, see note 17 Financial instruments and financial risks.



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	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022
Amounts recognized in the profit or loss		
Depreciation on right-of-use assets	3 924	3 023
Interest expenses on lease liabilities	320	264
Expenses relating to short-term leases	90	227
Amounts recognized in the cash flow statement		
Total cash flow relating to lease contracts	4 211	3 664

Buildings

The lease contracts consist of non-cancellable periods of 1-10 years, with options to extend for additional periods if that would be a preference. Vizrt individually assesses at the start of each contract whether it is reasonably certain to use one or more such options to extend. Substantive changes might occur in the future if a reassessment of a lease term for one of Vizrt's major building lease contracts takes place. The weighted average remaining lease term is for Vizrt at 31 December 2023 3.2 (4.5) years.

Some lease contracts include lease payments that vary with changes in local price indices and payments related to property taxes. These amounts are determined yearly.

Other lease contracts

Other lease contracts consist of assets of lower value, such as office equipment and cars. These contracts have non-cancellable periods of 1-3 years. The group is normally not reasonably certain to exercise an extension option for these contracts.

Note 16 Deferred costs and prepaid revenues

<i>In KUSD</i>	2023-12-31	2022-12-31
Prepaid revenues	28 033	32 227
Deferred commissions	434	728
Acquisition of IP rights	3 019	-
Other deferred costs	6 205	7 235
Total	37 692	40 282



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Note 17 Financial instruments and financial risks

Financial instruments

Accounting classification and fair value

The group holds the following financial instruments with the below classifications.

IKUSD

Financial instruments	2023				2022			
	Financial instruments valued to fair value	Financial instruments valued to amortized cost	Total carrying value	Fair value	Financial instruments valued to fair value	Financial instruments valued to amortized cost	Total carrying value	Fair value
Financial assets								
Other long-term assets	-	2 104	2 104	2 104	-	1 660	1 660	1 660
Derivatives, interest swap	616	-	616	616	556	-	556	556
Accounts receivable	-	31 685	31 685	31 685	-	33 356	33 356	33 356
Cash	-	16 615	16 615	16 615	-	34 880	34 880	34 880
Finansiella tillgångar	616	50 404	51 020	51 020	556	69 896	70 453	70 453
Finansiell liabilities								
Other long-term liabilities	-	508 969	508 969	508 969	-	483 954	483 954	483 954
Short-term financial liabilities	-	37 235	37 235	37 235	-	35 018	35 018	35 018
Leverantörsskulder	-	4 011	4 011	4 011	-	4 436	4 436	4 436
Finansiella skulder	0	550 214	550 214	550 214	-	523 408	523 408	523 408

As of December 31, 2023, Vizrt's interest rate swap is the only financial instrument valued at fair value. The fair value is determined based on the development of the daily SOFR (Secured Overnight Financing Rate), which is updated daily by the Federal Reserve Bank of New York. This fair value valuation is based on the input data at Level 2, i.e., on directly observable inputs other than quoted prices in an active market for identical assets or liabilities. See more information about the interest rate swap below under External loans.

Fair value of the group's financial assets and liabilities corresponds in all material respects to its reported value.

External loans and borrowings

In TUSD	Nominal value	PIK interest	Credit approved	Marginal	Interest rate	Maturity date	Balance December 31, 2023	Capitalized transaction cost per December 31, 2023	Total balances per December 31, 2023
Loan Facility B Acquisition Facility	525 000	7 993	-	5.75%	Mars 2029	Mars 2029	532 993	-14 343	520 544
Revolving credit facility (RCF)	10 863	165	100 000	5.75%	Mars 2029	December 2029	11 028	-316	10 752
	-	-	80 000	3,75%**	2028	2028	20 000	-	20 000

*All loans above have daily SOFR as base rate.

** The margin varies with Vizrt's consolidated leverage ratio, see below.



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In connection with the acquisition of the Vizrt Group, a Facility B loan was taken out with a nominal amount of 525 MUSD, which was used to partially finance the acquisition. At the same time, the group was granted credits in the form of an Acquisition facility and RCF of 100 MUSD and 80 MUSD, respectively. There are no covenants related to Facility B or to the Acquisition loan. The RCF has a covenant that will be triggered when used 32 MUSD of the total credit line.

The Acquisition Facility was utilized for the first time in October 2022, when 10.9 MUSD was utilized with the purpose of financing the acquisition of the IP rights regarding Flowics, see the note events after closing date. Facility B and the Acquisition Facility both contain opportunities to repay the loans early, which can be done for a fee until September 2023. After that, Vizrt has the option to repay these loans early without a fee. In addition, both loans include an option to postpone parts of interest payments, up to 3% of the margin during any period (a so-called PIK toggle). During the year, Vizrt has utilized the PIK toggle fully for the two last quarters. The option to redeem the loans early and the PIK toggle constitute embedded derivatives. As both are considered to be closely associated with loans, there is no separate reporting of these. See the accounting principles for more information.

Interest rate related contracts (KUSD)	Up to 1 year	1-5 years	Over 5 years	Nominal amount	Positive market value	Negative market value
Swaps	-	262 500	-	262 500	616	-
Total	-	262 500	-	262 500	616	-

Vizrt has chosen to hedge the interest on half the outstanding amount of Term Loan Facility B, i.e., a hedge is made in the amount of 262.5 MUSD. The interest rate swap was entered into on December 21, 2022, and runs until December 22, 2025. Throughout the agreement, Vizrt received the daily SOFR and instead pays a fixed interest rate of 3.97%. The purpose of signing the swap is to reduce Vizrt's liquidity risk.

Liabilities changes from the financial activities

External loans	2023-12-31	2022-12-31
Opening balance, 1 Jan	518 972	0
New loan	0	535 863
PIK of interest	8 158	0
Use of RCF	20 000	0
Foreign exchange rates	-577	-1 842
Transaction cost	-350	-15 048
Other		
Closing balance, Dec 31	546 204	518 972

Revolving Credit Facility (RCF) has been utilized during the year amounted to 20 MUSD, the margin per December 31, 2023 is 3.75%, which is the highest margin possible to be paid regarding this loan. The margin varies with the Vizrt consolidated leverage ratio and can be lowest 3.00%. None of the loans are publicly traded.

The loan holders are represented by Global Loan Agency Services Limited (GLAS) (Facility B and Acquisition Facility) and by Nordea Bank Abp, branch in Norway (RCF).

Among financial liabilities, capitalized transaction expenses attributable to potential loans (remaining part of the acquisition part of the acquisition facility and RCF) of USD 2.2 million are also presented.

Financial risks

The group is exposed to liquidity-, credit- and market risks in its business operations. The target of the group is to monitor risks and minimize where possible. The management at the highest level within the group surveys how these risks are monitored.

The parent company has a limited financial risk, primarily regarding cash and banking of lower value in foreign currency.



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Market risk

Market risk is the risk that changes in market prices, e.g. currency rates and other market rates, will affect the net profit of the group or its financial instruments. The target with the market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

Currency risk

Transaction exposure

The group's management to minimize the transaction exposure consists, in the first hand of matching flows and by choosing invoicing currency. As it is not possible for the group to match the currency for its flows in all cases, the group is exposed to certain transaction risk. The following table shows the net flows of the group (shows revenues reduced by costs), translated to USD, in the most significant currencies as well as in which currencies the revenues are derived from. The group assesses that the flows will have a similar structure in 2024, as there will be no greater changes for invoice flows between the year.

<i>USD</i>		
Net flows	1 Jan- 31 Dec 2023	17 Mar-31 Dec 2022
USD	-16 118	-69 455
EUR	-38 045	1 791
GBP	10 406	429
CHF	8 588	-7 472
NOK	-531	-15 425
SEK	-10	-78 613
Other currencies	-109	2 619
Totalt	-35 786	-166 125

Revenue split		
	1 Jan-31 Dec 2023	17 Mar-31 Dec 2022
USD	67%	73%
EUR	22%	18%
Other currencies	11%	9%
Totalt	100%	100%

The group makes regular impact assessments of the development of the most significant currencies. The group is currently not using any currency hedges.

Translation exposure

As the company has large parts of its business in geographical markets with currencies other than USD, the group is exposed to translation risk. Currently, the group does not hedge its translation exposure but performs continuous assessment of the development of the most significant currencies and what impact these have on the net assets of the group.

Sensitivity analysis

The net exposure is largest in Euro. A strengthening of the Euro towards USD of 10% would have impacted the net profit of the group with -4 MUSD (-7). For the year 2022 the net exposure was largest in SEK.

Interest rate risk

Interest rate risk arises through changes in market rates affecting interest income from the group's interest-bearing assets and the interest expenses from the group's financial liabilities, changing the group's finance net and cash flow. The group's financial liabilities have variable interest, which is partly hedged by the group with interest rate swaps, see above under "External loans".

Based on the interest-bearing liabilities as is per year end 2023, an increase in interest rates of one percentage unit would have impacted the net profit of the group with -5 MUSD (-4).



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Interest rate risk

Interest rate risk arises through changes in market rates affecting interest income from the group's interest-bearing assets and the interest expenses from the group's financial liabilities, changing the group's finance net and cash flow. The group's financial liabilities have variable interest, which is partly hedged by the group with interest rate swaps, see above under "External loans".

Based on the interest-bearing liabilities as is per year end 2022, an increase in interest rates of one percentage unit would have impacted the net profit of the group with -5 MUSD (-4).

Liquidity risk

The liquidity risk is the risk that the group experiences difficulties in repaying its financial liabilities regulated in cash and that payment obligations cannot be met due to insufficient liquidity. The group's cash and cash equivalents amount to 17 MUSD (35) as per the 31 December 2023. This is considered a sufficient basis for the group to meet its short-term payment obligations.

To further secure cash flows and contribute with flexibility, the group has access to a revolving credit facility of 80 MUSD. The revolving credit facility has been used with 20 MUSD (0), as per 31 December 2023.

The following table shows remaining payments on the group's financial liabilities at the closing date. The amounts shown are undiscounted.

KUSD

Maturity analysis, 2023	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	Later than five year	Total
Bond	57 229	57 229	57 229	57 229	57 229	594 740	880 883
Shareholder loan	1 102	1 102	1 102	1 102	1 102	12 224	17 732
Lease liability	21 280	17 301	16 267	11 212	4 565	0	70 626
Total	79 611	75 631	74 598	69 542	62 895	606 963	969 241

IKUSD

Maturity analysis, 2022	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	Later than five year	Total
Bond	49 154	49 154	49 154	49 154	49 154	584 510	830 281
Shareholder loan	987	987	987	987	987	12 058	16 996
Lease liability	4 083	3 450	2 929	2 784	1 697	354	15 297
Total	54 224	53 592	53 070	52 926	51 839	596 922	862 574

The amounts shown above are based on market rates as at the closing date. Since the group has loans with variable interest rates, the amounts shown above could be higher than what is shown above if market rates would increase.

Credit risk

Credit risk is the risk that a counterparty in a contract will not be able to fulfill its payment obligations. The group's credit risk lays mainly in its outstanding trade receivables.

The group's trade receivables have a global spread. The group performs continuous credit assessments of its customers and requires security when assessed necessary. In many cases, the group works with prepayments to minimize credit risk. The following table shows how the group's trade receivables are distributed among different types of reported items.

Accounts receivables	2023-12-31	2022-12-31
Accounts receivables	28 720	33 046

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Accrued revenue	4 185	4 283
Provision for doubtful accounts receivable	-1 220	-3 973
Total accounts receivable	31 685	33 356

The group has allocated the risk for credit loss based on information about the risk for losses. This includes external credit assessments, audited financial statements, and other financial information available about the customer. The group uses a matrix model to calculate expected credit losses on trade receivables, which can constitute a larger number of smaller balances. The table below shows the exposure to credit risk and expected credit losses at year-end. The trade receivables' outstanding balance represents the group's maximal credit exposure.

in KUSD	31 Dec 2023			31 Dec 2022		
	Gross value	Provision for expected credit losses	Reported amount	Gross value	Provision for expected credit losses	Reported amount
Current (not past due)	22 761	0	22 761	23 022	0	23 022
1-30 days past due	3 370	0	3 370	3 707	0	3 707
31-60 days past due	1 533	0	1 532	2 447	0	2 447
61-90 days past due	2 207	-3	2 203	2 204	0	2 204
91-120 days past due	630	-5	625	814	-1	813
More than 120 days past due	2 404	-1 212	1 193	5 135	-3 973	1 162
Totalt	32 905	-1 220	31 685	37 329	-3 974	33 355

Cash and cash equivalents constitute mainly of bank deposits in USD and EUR in larger banks in Europe and the USA ranked A-AA++ as per 31 December 2023.



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Note 18 Shares in subsidiaries

Listed below are all subsidiaries and the percentage of votes held by the Group. All shares are unlisted.

Name	Reg. No.	Domicile	Percentage share
			2023
Capnor Viz KIP AB	SE-559196-6212	Stockholm	99,7%
Confine Visual MidCo 1 AB	SE-559346-3101	Stockholm	98,3%
Confine Visual MidCo 2 AB	SE-559346-3119	Stockholm	100,0%
Confine Visual MidCo 3 AB	SE-559346-3127	Stockholm	100,0%
Confine Visual BidCo AB	SE-559346-3135	Stockholm	100,0%
NewTek Inc*	48-1022237	Kansas	100,0%
Vizrt AB	SE-556607-4760	Stockholm	100,0%
Vizrt AG	CHE-239269011	Zürich	100,0%
Vizrt Australia Pty Ltd	122201870	Sydney	100,0%
Vizrt Austria GmbH	3718689	Vomp	100,0%
Vizrt CIS, LLC**	1,07776E+12	Moskva	100,0%
Vizrt (Beijing) Technology Ltd.	110105563603489	Beijing	100,0%
Vizrt France Sarl	810153478	Paris	100,0%
Vizrt Germany GmbH	HRB 246091	Munich	100,0%
Vizrt Group AS	NO-813914042	Bergen	100,0%
Vizrt Group Holding AS	NO-913895991	Bergen	
Vizrt Inc.	94-3245791	Delaware	100,0%
Vizrt India Private Limited	U93090DL2006FTC154625	Delhi	100,0%
Vizrt NDI AB	SE-559392-5745	Stockholm	100,0%
Vizrt Norway AS	NO-978660932	Bergen	100,0%
Vizrt South America S.A	30-71834205-4	Buenos Aires	
Vizrt Spain & Portugal S.L.	B85148385	Madrid	100,0%
Vizrt Sweden AB	SE-556607-4760	Stockholm	100,0%
Vizrt (Thailand) Limited	105549039710	Bangkok	100,0%
Vizrt Technologies 2015 Ltd.***	515243186	Tel Aviv	100,0%
Vizrt UK	3775981	London	100,0%

*Was merged with Vizrt INC in October 2023

** Vizrt CIS was liquidated in December 2023

*** Under liquidation

Not 19 Events after closing date

On 1 January 2024 a new Group CFO entered named Pierre Milet and Esben Ravn Olesen resigned. The American operations will move to new premises in Texas.



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Parent company

Parent company's income statement

<i>IN KSEK</i>	<i>Note</i>	1 jan 2023- 1 dec 2023	30 okt 2021- 31 dec 2022
Personnel expenses	M2	-	-
Other operating expenses		-610	-3
Operating profit		-610	-3
Profit from financial fixed assets	M3	-1 253	1 369
Interest income and similar items		75	0
Interest expenses and similar items		-21	750
Profit after financial items		-1 809	2 117
Group contributions	M4	1 811	-747
Profit of the year		2	1 369
Attributable to			
The parent company's shareholders		2	1 369
		2	1 369

Parent company's statement of comprehensive income

<i>IN KSEK</i>	1 jan 2023- 1 dec 2023	30 okt 2021- 31 dec 2022
Net income	2	1 369
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that have been or may be reclassified to profit or loss	-	-
Other comprehensive income	-	-
Total comprehensive income	2	1 369



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Parent company's statement of financial position

<i>IN KSEK</i>	<i>Note</i>	31 December 2023	31 December 2022
ASSETS			
Fixed assets			
Shares in subsidiaries	M5	5 506 396	5 498 956
Total fixed assets		5 506 396	5 498 956
Current assets			
Prepaid expenses and accrued income		419	-
Other receivables	M6	2 554	-
Cash and bank balances		1 968	12 716
Total current assets		4 941	12 716
TOTAL ASSETS		5 511 337	5 511 672

<i>IN KSEK</i>			
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital		25	25
<i>Unrestricted equity</i>			
Share premium reserve		5 503 771	5 503 771
Retained earnings		7 129	5 759
Profit of the year		2	1 369
Total equity		5 510 927	5 510 925
Liabilities			
Short-term liabilities			
Trade payables		410	-
Accrued expenses and prepaid income		0	747
Total short-term liabilities		410	747
TOTAL EQUITY AND LIABILITIES		5 511 337	5 511 672



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Parent company's statement of changes in equity

<i>IN KSEK (except number of shares)</i>	Number of shares	Share capital	Share premium reserve	Retained earnings incl. Profit of the year	Total equity
Equity at 2023-01-01	-	-	-	-	-
Issue of share capital	251 037 959	25	5 503 771		5 503 796
Shareholders' contributions				5 759	5 759
Total transactions with owners			5 503 771	5 759	5 509 555
Profit of the year				1 369	1 369
Closing equity as per December 31, 2022	251 037 959	25	5 503 771	7 129	5 510 925

<i>IN KSEK (except number of shares)</i>	Number of shares	Share capital	Share premium reserve	Retained earnings incl. Profit of the year	Total equity
Equity at 2023-01-01	251 037 959	25	5 503 771	7 129	5 510 925
Profit of the year				2	2
Closing equity as per December 31, 202	251 037 959	25	5 503 771	5 131	5 510 927

Parent company's statement of cash flows

<i>IN KSEK</i>	<i>Note</i>	1 jan 2023- 1 dec 2023	30 okt 2021- 31 dec 2022
Operating activities			
Profit of the year		2	1 369
		2	1 369
Change in operating receivables		-3 721	0
Change in operating liabilities		411	747
CASH FLOWS FROM OPERATING ACTIVITIES		-3 308	2 117
Investing activities			
Acquisitions of shares in subsidiaries		-11 010	-5 509 307
Divestment of shares in subsidiaries		3 570	10 351
CASH FLOWS FROM INVESTING ACTIVITIES		-7 440	-5 498 956
Financing activities			
Capital contribution		0	5 509 555
CASH FLOWS FROM FINANCING ACTIVITIES		0	5 509 555
CASH FLOW FOR THE PERIOD		-10 748	12 716
Cash and cash equivalents at the beginning of the financial year		12 716	-
Cash and cash equivalents at the end of the year		1 968	12 716



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Notes

Note M1

Accounting principles

The parent company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) ("Årsredovisningslagen") and "Redovisning för juridiska personer" (RFR 2) issued by the Financial Reporting Board. RFR 2 requires the parent company to use the same accounting principles as the group to the extent permitted by Swedish accounting legislation. The differences that exist between the parent company's and the group's principles are caused by such restrictions on the possibilities of applying IFRS Accounting Standards in the parent company and are set out below.

Changed accounting principles

Future changes to IFRS Accounting Standards or RFR 2 are not expected to have any material effect on the parent company's financial statements.

Classification and presentation

The parent company's income statement and balance sheet are prepared in accordance with the Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and the cash flow statement are based on IAS 1, Presentation of financial statements.

Subsidiary

The parent company's holdings of shares and stakes in group companies are reported on the basis of cost. The holdings are recorded at cost and only dividends are recognized in the income statement. Transaction expenses are included in the carrying amount of holdings in subsidiaries, unlike in the group where these transaction costs are recognized directly in profit or loss as incurred.

Group contributions

The net of group contributions received and submitted is recognized in the parent company in the income statement.



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Note M2 Employees and personnel costs

The company has no employees, and no compensation has been paid.

Note M3 Profit from shares in subsidiaries

<i>IN KSEK</i>	1 jan 2023- 1 dec 2023	30 okt 2021- 31 dec 2022
Dividend received 1)	-	3 885
Loss from sale of shares in subsidiaries 2)	-1 253	-2 546
Purchase of shares in subsidiaries 3)	-	29
Total	-1 253	1 369

1) Received dividend from the subsidiary Capnor Viz KIP AB

2) Refers to the sale of shares in the subsidiaries Confine Visual MidCo 1 AB 2023 and Capnor Viz KIP AB 2022

3) Purchase of shares in the subsidiary Confine Visual MidCo 1 AB

Note M4 Group contributions

<i>IN KSEK</i>	1 jan 2023- 1 dec 2023	30 okt 2021- 31 dec 2022
Group contribution given 1)	-	-747
Group contribution received 2)	1 811	-
Total	1 811	-747

1) The Parent company has made a group contribution to Vizrt AB in 2022.

2) The Parent company has received a group contribution from Vizrt NDI during 2023.

Note M5 Shares in subsidiaries

Direct holdings

Company	Reg. No.	Domicile	Percentage share
			2023
Capnor Viz KIP AB	SE-559196-6212	Stockholm	99,7%
Confine Visual MidCo1 AB	SE-559346-3101	Stockholm	98,3%

<i>IN KSEK</i>	2023-12-31	2022-12-31
ACQUISITION COST		
Opening balance	5 498 956	-
Investments	11 010	5 509 307
Divestments and disposals	-3 570	-10 351
Closing balance	5 506 396	5 498 956



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Not M6 Other receivables

<i>IN KSEK</i>	2023-12-31	2022-12-31
Receivables Group companies	2 554	-

Note M7 Pledged collateral and contingent liabilities

	2023-12-31	2022-12-31
Collateral provided	None	None
Contingent liabilities	None	None

Note M8 Proposed disposition of earnings

At the disposal of the Annual General Meeting are:

	SEK
At the disposal of the Annual General Meeting are:	
Other contributed capital	5 503 771 140
Retained earnings	7 128 548
Profit or loss for the year	2 079
	5 510 901 767

The board of directors and the CEO propose the following allocation of profits

	SEK
Amount to retain by the parent company	5 510 091 767
	5 510 091 767



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Explanation to alternative performance measures

Vizrt Group uses alternative performance measures to manage and evaluate the development of the business. These are not defined based on the IFRS regulations but are consistent with how management and the Board measures the group's financial development.

Alternative performance measures	Definition	Reason for use of measures
Gross profit	Net sales less cost of goods sold	Gross profit is used to follow the profits of the business excluding sales, administration, research and development costs.
Operating profit	Profit before financial items and tax	Operating profit provides an overall picture of the profit generation in operating activities excluding financial items and tax.
EBITDA	Profit before financial items, tax, depreciation/amortization, and impairments	EBITDA provides an overall picture of the profit generation in operating activities excluding financial items, tax, depreciation/amortization, and impairments of tangible and intangible assets.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability and other non-recurring items	Adjusted EBITDA is used to analyze the group's underlying operating activities excluding significant non-recurring items to increase comparability over time.
Gross margin	Gross profit as a percentage of net sales	Gross margin is used to measure product profitability and to follow the development over time for the entire group.
Operating margin	Operating profit as a percentage of net sales	Operating margin is used to measure the profitability of the operating business excluding financial items and tax and provides an understanding of value creation over time.
EBITDA margin	Adjusted EBITDA as a percentage of net sales	EBITDA margin is used to measure profitability of the operating business excluding depreciation/amortization and impairments of tangible and intangible assets and provides an understanding of value creation over time.