ank=20250710;20250711105310

Fastställelseintyg / *Adoption certificate*

Undertecknad styrelseledamot för TNGSTN Sweden Services AB intygar, dels att denna kopia av årsredovisningen stämmer överens med originalet, dels att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 30 juni 2025. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.
The undersigned director of TNGSTN Sweden Services AB certifies that this is a true copy of the original annual accounts and that the income statement and the balance sheet in the annual accounts were adopted at the annual general meeting on 30 June 2025. The annual general meeting resolved to approve the boards' proposal for allocation of the result.

I/*in* Helsingborg, den/*on* 7 July 2025

Martin Oberholzer

ank=20250704-20250708165600

ÅRSREDOVISNING

för

TNGSTN Sweden Services AB

Org.nr. 556398-1066

Styrelsen får härmed avlämna årsredovisning för räkenskapsåret 2024-01-01 - 2024-12-31

Undertecknad styrelseledamot i TNGSTN Sweden Services AB intygar, att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den. Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition. Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm 2025-0630 30/6 2025

Martin Oberholzer

Docusign Envelope ID: C17D0547-4A75-4B7D-BBF2-B886373C1D5D

ank=20250704-20250708165561

ÅRSREDOVISNING

för

TNGSTN Sweden Services AB

Org.nr. 556398-1066

Styrelsen får härmed avlämna årsredovisning för räkenskapsåret 2024-01-01 - 2024-12-31

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TNGSTN Sweden Services AB

Org.nr. 556398-1066

FÖRVALTNINGSBERÄTTELSE

Årsredovisningen är upprättad i svenska kronor, TSEK.

Verksamheten

Verksamhetens art och inriktning
TNGSTN Sweden Services AB marknadsför och säljer programvara som erbjuder helhetslösningar för dokumentautomation och informationsbehandling. Bolaget agerar på den svenska marknaden. Genom en unik teknologi kan information från webb, e-post och papper fångas upp, tolkas, bearbetas och presenteras som enhetlig information i en kunds målsystem.
TNGSTN Sweden Services AB är moderbolag i en koncern med helägda dotterbolag som framgår av not 11. Verksamheten i de rörelsedrivande dotterföretagen består av försäljning av koncernens produkter och tillhandahållande av support och service kring dessa. Bolaget har sedan mitten av 2015 endast utvecklings- och ledningsfunktioner.

Säte
Företagets säte är Helsingborg.

Flerårsöversikt

	2024	2023	2022	2021	2020
Nettoomsättning	221 901	210 699	178 819	175 038	174 958
Res. efter finansiella poster	147 220	115 764	148 634	128 341	68 648
Balansomslutning	891 721	744 259	581 169	439 307	296 782
Soliditet (%)	79,16	79,20	85,61	86,37	82,48
Medelantalet anställda	36	35	36	38	38

Definitioner av nyckeltal, se noter

Ägarförhållanden
Bolaget är ett helägt dotterbolag till Tungsten Holdings International Limited. Närmast överordnade moderbolag som upprättar koncernredovisning i vilket företaget ingår är Tungsten Cayco Ltd, med säte på Caymanöarna.

Framtida utveckling
TNGSTN Sweden Services AB bedömer den underliggande efterfrågan för de lösningar som bolaget marknadsför som god och ser därför goda förutsättningar för resultatförbättringar och fortsatt tillväxt.

Riskexponering och osäkerhetsfaktorer
Tungsten är en internationell koncern och därmed exponerad för en mängd olika risker i den löpande verksamheten. Riskerna kan huvudsakligen delas in i omvärldsrelaterade risker, affärsrisker och finansiella risker. Arbetet med att hantera och förhålla sig till den riskexponering som koncernen utsätts för fortgår löpande på central nivå.
Riskexponering är mycket begränsad i bolaget då koncernens internprissättning minimerar risken lokalt.
En del av bolagets omsättning medför transaktioner i utländsk valuta varför förändringar på valutamarknaden utgör en risk och osäkerhetsfaktor.

Förändringar i eget kapital

	Aktiekapital	Reservfond	Balanserat resultat	Årets resultat	Summa eget kapital
Belopp vid årets ingång	3 325	66 215	428 013	91 917	589 470
Balanseras i ny räkning			91 917	-91 917	0
Årets resultat				116 438	116 438
Belopp vid årets utgång	3 325	66 215	519 930	116 438	705 908

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TNGSTN Sweden Services AB

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Resultatdisposition

Förslag till disposition av bolagets vinst

Till årsstämmans förfogande står	
balanserad vinst	519 930
årets vinst	116 438
	636 368
Styrelsen föreslår att	
i ny räkning överföres	636 368
	636 368

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

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TNGSTN Sweden Services AB

Org.nr. 556398-1066

RESULTATRÄKNING

	Not	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Rörelsens intäkter m.m.			
Nettoomsättning	3, 4	221 901	210 699
		221 901	210 699
Rörelsens kostnader			
Övriga externa kostnader	5	-56 033	-62 324
Personalkostnader	6	-40 676	-36 373
Av- och nedskrivningar av materiella och immateriella anläggningstillgångar		-21	-44
		-96 730	-98 741
Rörelseresultat		125 171	111 958
Resultat från finansiella poster			
Ränteintäkter från koncernföretag	7	9 765	8 346
Övriga ränteintäkter och liknande resultatposter	7	14 554	16
Räntekostnader och liknande resultatposter	8	-2 270	-4 556
		22 049	3 806
Resultat efter finansiella poster		147 220	115 764
Resultat före skatt		147 220	115 764
Skatt på årets resultat	9	-30 782	-23 847
Årets resultat		**116 438**	**91 917**

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TNGSTN Sweden Services AB

Org.nr. 556398-1066

BALANSRÄKNING

	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	10	36	31
		36	31
Finansiella anläggningstillgångar			
Andelar i koncernföretag	11	67 214	67 214
Andra långfristiga fordringar	12	0	860
		67 214	68 074
Summa anläggningstillgångar		67 250	68 105
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		821 938	673 088
Övriga fordringar		72	341
Förutbetalda kostnader och upplupna intäkter	13	1 658	2 392
		823 668	675 821
Kassa och bank			
Kassa och bank		803	333
Summa kassa och bank		803	333
Summa omsättningstillgångar		824 471	676 154
SUMMA TILLGÅNGAR		**891 721**	**744 259**

TNGSTN Sweden Services AB

Org.nr. 556398-1066

BALANSRÄKNING

	Not	2024-12-31	2023-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital	14	3 325	3 325
Reservfond		66 215	66 215
		69 540	69 540
Fritt eget kapital			
Fri överkursfond		153 748	153 748
Erhållet aktieägartillskott		9 000	9 000
Balanserat resultat		357 182	265 265
Årets resultat		116 438	91 917
		636 368	519 930
Summa eget kapital		705 908	589 470
Kortfristiga skulder			
Leverantörsskulder		117	0
Skulder till koncernföretag		141 100	101 937
Aktuella skatteskulder		37 091	46 099
Övriga skulder		1 348	1 264
Upplupna kostnader och förutbetalda intäkter	15	6 157	5 489
Summa kortfristiga skulder		185 813	154 789
SUMMA EGET KAPITAL OCH SKULDER		**891 721**	**744 259**

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TNGSTN Sweden Services AB

Org.nr. 556398-1066

KASSAFLÖDESANALYS

	Not	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Den löpande verksamheten			
Resultat efter finansiella poster		125 171	115 764
Justeringar för poster som inte ingår i kassaflödet	16	21	44
Erhållen ränta m.m.		24 319	-0
Erlagd ränta		-2 270	-0
Betald inkomstskatt		-39 790	-4 228
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		107 451	111 580
Kassaflöde från förändringar av rörelsekapital			
Minskning(+)/ökning(-) av fordringar		-147 847	-165 820
Minskning(-)/ökning(+) av kortfristiga skulder		40 032	51 554
Kassaflöde från den löpande verksamheten		-364	-2 686
Investeringsverksamheten			
Förvärv av inventarier, verktyg och installationer	10	-26	-31
Förändring av långfristiga fordringar	12	860	600
Kassaflöde från investeringsverksamheten		834	569
Förändring av likvida medel		470	-2 117
Likvida medel vid årets början		333	2 450
Likvida medel vid årets slut		**803**	**333**

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TNGSTN Sweden Services AB

Org.nr. 556398-1066

NOTER

Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning.

Principerna är oförändrade jämfört med föregående år.

Fordringar och skulder i utländsk valuta
Monetära fordringar och skulder i utländsk valuta har räknats om till balansdagens kurs.

Valutakursdifferenser som uppkommer vid reglering eller omräkning av monetära poster redovisas i resultaträkningen det räkenskapsår de uppkommer, antingen som en rörelsepost eller som en finansiell post utifrån den underliggande affärshändelsen.Fordringar och skulder i utlänsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Intäktsredovisning
Nyttjanderätter
Intäkter för nyttjanderätter periodiseras löpande över avtalets löptid.

Installation, utbildning och hårdvara
Intäkter för installation, utbildning och hårdvara sker när dessa genomförts respektive levererats.

Materiella anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enlig plan och eventuella nedskrivningar.

Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde.

	Antal år
Inventarier, verktyg och installationer	5

Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärde.

Finansiella tillgångar och finansiella skulder redovisas när företaget blir part i det finansiella instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången upphör eller regleras, eller när de risker och fördelar förknippade med tillgången överförs till annan part. Finansiella skulder tas bort från balansräkningen när den avtalade förpliktelsen fullgörs eller upphör.

TNGSTN Sweden Services AB har finansiella instrument i form av kortfristiga fodringar och skulder, med undantag från aktuella skattefordringar.

Andelar i dotterbolag
Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Andra långfristiga värdepappersinnehav
Placeringar i värdepapper som är anskaffade med avsikt att innehas långsiktigt har redovisats till sina anskaffningsvärden. Varje balansdag görs bedömning om eventuellt nedskrivningsbehov .

Kundfordringar och kortfristiga fordringar
Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individullt bedömda osäkra fordringar .

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NOTER

Leverantörsksulder
Leverantörsskulder redovisas initialt tilll anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som skall återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnader över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovis ade beloppet och det belopp som skall återbetalas.

Leasing
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovis as som en kostnad linjärt över leasingperioden.

Samtliga leasingavtal kostnadsförs linjärt över leasingperioden.

Inkomstskatt
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkneskapsår samt den del av tidigare räkneskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjuten skatteskulder och uppskjutna skattefodringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjuten skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggning och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

Ersättningar till anställda
Pensioner
TNGSTN Sweden Services AB har endast avgiftsbestämda pensionsplaner. Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner.

Koncernförhållanden
Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning.

Kassaflödesanalys
TNGSTN Sweden Services AB upprättar kassaflödesanalysen enligt den indirekta metoden. Vid upprättande av kassaflödesanalysen inkluderas kassa och bank bland likvida medel. Koncernmässiga medel, exempelvis cashpool konton, klassificeras antingen som kortfristiga fordran eller skuld.

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TNGSTN Sweden Services AB
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NOTER

Not 2 Uppskattningar och bedömningar

Upprättande av bokslut och tillämpning av redovisningsprinciper, baseras på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och antaganden ses över regelbundet.
Bolaget uppskattar att det i nuläget inte finns några väsentliga risker i bolagets värdering utav tillgångar och skulder.

Noter till resultaträkningen

Not 3 Inköp och försäljning inom koncernen	2024	2023
Andel av försäljningen som avser koncernföretag	100,00%	100,00%
Andel av inköpen som avser koncernföretag	83,00%	83,20%

Not 4 Leasingavtal	2024	2023
Årets leasingavgifter avseende leasingavtal uppgår till	785	815
Framtida minimileasingavgifter för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:		
Inom 1 år	782	685
Mellan 2 till 5 år	3 360	685
Senare än 5 år	1 020	0
	5 162	1 370

Not 5 Ersättning till revisorer	2024	2023
Mazars AB		
Revisionsuppdrag	499	515
	499	515

Med revisionsuppdrag avses revisors arbete för den lagstadgade revisionen och med revisionsverksamhet olika typer av kvalitetssäkringstjänster. Övriga tjänster är sådant som inte ingår i revisionsuppdrag, revisionsverksamhet eller skatterådgivning.

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TNGSTN Sweden Services AB

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NOTER

Not 6 Löner och andra ersättningar	2024	2023
Medelantal anställda		
Medelantalet anställda bygger på av bolaget betalda närvarotimmar relaterade till en normal arbetstid.		
Medelantal anställda har varit	36,00	35,00
varav kvinnor	*10,00*	*10,00*
varav män	*26,00*	*25,00*

Löner, ersättningar m.m.
Löner, ersättningar, sociala kostnader och pensionskostnader har utgått med följande belopp:

Löner och ersättningar	26 832	24 075
Pensionskostnader	4 124	3 911
Sociala kostnader	9 720	8 387
Summa	40 676	36 373

Könsfördelning i styrelse och företagsledning

Antal styrelseledamöter	4	4
varav kvinnor	*1*	*1*
varav män	*3*	*3*
Antal övriga befattningshavare	4	4
varav kvinnor	*1*	*1*
varav män	*3*	*3*

Not 7 Övriga ränteintäkter och liknande resultatposter	2024	2023
Räntor från koncernföretag	9 765	8 346
Övriga ränteintäkter	0	16
Kursdifferenser	14 554	0
	24 319	8 362

Not 8 Räntekostnader och liknande resultatposter	2024	2023
Räntekostnader till Koncernföretag	1 020	537
Kursdifferenser	0	4 012
Övriga räntekostnader	1 250	7
	2 270	4 556

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NOTER

Not 9	**Skatt på årets resultat**	**2024**	**2023**
	Aktuell skatt	-30 564	-23 847
	Summa redovisad skatt	-30 564	-23 847
	Avstämning av effektiv skatt		
	Resultat före skatt	147 220	115 764
	Skattekostnad 20,60% (20,60%)	-30 327	-23 847
	Skatteeffekt av:		
	Ej avdragsgilla kostnader	-264	-3
	Ej skattepliktiga intäkter	0	3
	Skattemässiga justeringar	27	0
	Summa redovisad skatt	-30 564	-23 847

Noter till balansräkningen

Not 10	**Inventarier, verktyg och installationer**	**2024-12-31**	**2023-12-31**
	Ingående anskaffningsvärde	6 319	6 288
	Inköp	26	31
	Utgående ackumulerade anskaffningsvärden	6 345	6 319
	Ingående avskrivningar	-6 288	-6 244
	Årets avskrivningar	-21	-44
	Utgående ackumulerade avskrivningar	-6 309	-6 288
	Utgående redovisat värde	36	31

Not 11 Andelar i koncernföretag

Företag **Org.nummer** **Säte**	**Antal** **Kap.andel %**	**Redovisat värde**
TNGSTN Automation Sweden AB 556581-3176 Sollentuna	1 000 100,00%	22 900
TNGSTN Expert Systems AB 556242-9463 Sollentuna	287 194 100,00%	44 314
		67 214

Not 12	**Andra långfristiga fordringar**	**2024-12-31**	**2023-12-31**
	Ingående anskaffningsvärde	860	1 460
	Amorteringar	-860	-600
	Utgående ackumulerade anskaffningsvärden	0	860
	Utgående redovisat värde	0	860

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NOTER

Not 13 Förutbetalda kostnader och upplupna intäkter

	2024-12-31	2023-12-31
Förutbetalda kostnader	1 658	2 392
	1 658	2 392

Förutbetalda kostnader består huvudsakligen av försäkringspremier, hyror, diverse licens- och serviceavtal.

Not 14 Upplysningar om aktiekapital

	Antal aktier	Kvotvärde per aktie
Antal/värde vid årets ingång	33 248 440	0,10
Antal/värde vid årets utgång	33 248 440	0,10

	2024-12-31	2023-12-31
Ovanstående aktieantal fördelar sig enligt följande		
A-aktier	1 194 480	1 194 480
B-aktier	32 053 960	32 053 960
	33 248 440	33 248 440

Not 15 Upplupna kostnader och förutbetalda intäkter

	2024-12-31	2023-12-31
Upplupna löner	5 092	4 465
Övriga interimsskulder	1 065	1 024
	6 157	5 489

Noter till kassaflödesanalysen

Not 16 Justering för poster som inte ingår i kassaflödet

	2024-12-31	2023-12-31
Avskrivningar	21	44
	21	44

Övriga noter

Not 17 Disposition av vinst eller förlust

Förslag till disposition av bolagets vinst

Till årsstämmans förfogande står	
balanserad vinst	519 930
årets vinst	116 438
	636 368
Styrelsen föreslår att	
i ny räkning överföres	636 368
	636 368

Not 18 Väsentliga händelser efter räkenskapsårets slut

Ingenting väsentligt har hänt under 2025.

ank=20250704;20250708816567

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TNGSTN Sweden Services AB

Org.nr. 556398-1066

NOTER

Not 19 Definition av nyckeltal

Soliditet
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning

Helsingborg 2025-

Signed by: Cort Townsend 5154D07D65EE4C6...
Cort Townsend 2025-06-30 | 19:08 CEST

DocuSigned by: Christian Hefner 41E893CBDFB849B...
Christian Hefner 2025-06-30 | 16:53 CEST

Signed by: Samantha Kirby
Samantha Kirby 2025-06-30 | 16:53 CEST

Signiert von: Martin Oberholzer 513B0CB39E4F487...
Martin Oberholzer 2025-06-30 | 16:56 MESZ

Vår revisionsberättelse har lämnats den 2025.

Forvis Mazars AB

Signed by: Madeleine Bratt 1A1B1E5F0A4343...
Madeleine Bratt 2025-06-30 | 19:35 CEST
Auktoriserad revisor

ank=20250704-20250708165568

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Certifikat om färdigställande

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Ämne: Complete with Docusign: ÅR 2024.pdf
Källkuvert:
Dokumentsidor: 14
Certifikatsidor: 5
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Tidszon: (UTC+01:00) Amsterdam, Berlin, Bern, Rome, Stockholm, Vienna

Signaturer: 5
Initialer: 0

Status: Färdigställda

Kuvertskapare:
Lovisa Torstensson
Regeringsgatan 67
Stockholm, Stockholm 111 83
lovisa.torstensson@forvismazars.com
IP-adress: 217.16.197.190

Spela in spårning

Status: Original
2025-06-30 16:46:54

Hållare: Lovisa Torstensson
lovisa.torstensson@forvismazars.com

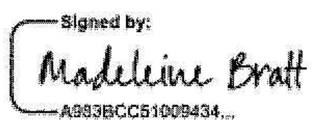
Plats: DocuSign

Signeringshändelser	Signatur	Tidsstämpel
Christian Hefner christian.hefner@tungstenautomation.com VP Corporate Counsel EMEA Tungsten Automation Deutschland GmbH Säkerhetsnivå: E-post, Kontoautentisering (ingen)	DocuSigned by: Christian Hefner 41E893CBDFB8499... Signaturantagande: Förvald stil Med IP-adress: 2a00:10:8205:801:b15a:b76d:7de6:51	Skickade: 2025-06-30 16:51:19 Visade: 2025-06-30 16:53:02 Signerade: 2025-06-30 16:53:23
Delgivande av elektronisk uppgift och signatur: Godkänt: 2024-06-28 15:47:04 ID: 1185f7bb-e637-4ead-a77c-d99da8c07132		
Cort Townsend cort.townsend@tungstenautomation.com CFO Säkerhetsnivå: E-post, Kontoautentisering (ingen)	Signed by: Cort Townsend 5154D07D65EE4C6... Signaturantagande: Förvald stil Med IP-adress: 2600:8802:3800:e700:c52a:4e2d:e3ca:6b6c	Skickade: 2025-06-30 16:51:19 Visade: 2025-06-30 19:08:00 Signerade: 2025-06-30 19:08:10
Delgivande av elektronisk uppgift och signatur: Godkänt: 2025-06-30 19:08:00 ID: ed7b8c40-2ed4-4083-b0a8-319f2bba6df4		
Martin Oberholzer martin.oberholzer@tungstenautomation.com Vice President Finance Säkerhetsnivå: E-post, Kontoautentisering (ingen)	Signiert von: Martin Oberholzer 512B8CB30E4F4B7... Signaturantagande: Förvald stil Med IP-adress: 92.105.6.216	Skickade: 2025-06-30 16:51:20 Visade: 2025-06-30 16:56:12 Signerade: 2025-06-30 16:56:22
Delgivande av elektronisk uppgift och signatur: Godkänt: 2025-06-30 16:56:12 ID: 0f008b12-6991-479b-9f34-643a5347be74		
Samantha Kirby sam.kirby@tungstenautomation.com Säkerhetsnivå: E-post, Kontoautentisering (ingen)	Signed by: Samantha Kirby 43CE7BC239DB40A... Signaturantagande: Förvald stil Med IP-adress: 31.126.78.8	Skickade: 2025-06-30 16:51:20 Visade: 2025-06-30 16:53:34 Signerade: 2025-06-30 16:53:43
Delgivande av elektronisk uppgift och signatur:		

Signeringshändelser	Signatur	Tidsstämpel

Godkänt: 2025-06-30 16:53:34
ID: 592b8b11-1130-465f-8118-d506aca8ad30

Madeleine Bratt
madeleine.bratt@forvismazars.com
Säkerhetsnivå: E-post, Kontoautentisering (ingen)



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Signaturantagande: Förvald stil
Med IP-adress: 78.70.87.48

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Händelser med undertecknare på plats	Signatur	Tidsstämpel
Redigerarleveranshändelser	Status	Tidsstämpel
Agentleveranshändelser	Status	Tidsstämpel
Mellanhandsleveranshändelser	Status	Tidsstämpel
Certifierade leveranshändelser	Status	Tidsstämpel
Kopieringshändelser	Status	Tidsstämpel
Vittneshändelser	Signatur	Tidsstämpel
Notariehändelser	Signatur	Tidsstämpel

Sammanfattning av kuverthändelser	Status	Tidsstämplar
Kuvertet har skickats	Hashkodat/krypterat	2025-06-30 16:51:20
Certifierat levererat	Säkerhetskontrollerat	2025-06-30 19:12:43
Signeringen är slutförd	Säkerhetskontrollerat	2025-06-30 19:35:20
Färdigställda	Säkerhetskontrollerat	2025-06-30 19:35:20

Betalningshändelser	Status	Tidsstämplar

Delgivande av elektronisk uppgift och signatur

ank=20250704-20250708165569

forvis mazars

REVISIONSBERÄTTELSE

Till bolagsstämman i TNGSTN Sweden Services AB
Org. nr 556398-1066

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för TNGSTN Sweden Services AB för år 2024.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av TNGSTN Sweden Services AB:s finansiella ställning per den 2024-12-31 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till företaget enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller på misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Penneo dokumentnyckel: 18KAD-H9F0C-MPS44-NDRP6-GCUWD-R8FZD

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för TNGSTN Sweden Services AB för år 2024 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till företaget enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Vår revisionsberättelse har lämnats i Göteborg den dag som framgår av vår elektroniska underskrift.

Forvis Mazars AB

Madeleine Bratt
Auktoriserad revisor

Penneo dokumentnyckel: 18KAD-H9F0C-WPS44-NDRP6-GCUWD-RBFZD

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"Med min signatur bekräftar jag innehållet och alla datum i detta dokumentet."

MADELEINE BRATT
Revisor
På uppdrag av: Forvis Mazars AB
Serienummer: d2e7a926994676[...]6761da90072ff
IP: 78.70.xxx.xxx
2025-06-30 17:36:08 UTC

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Tungsten CayCo, Ltd.

Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.

Tungsten CayCo, Ltd.

Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

Tungsten CayCo, Ltd.

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Suite 500
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Independent Auditor's Report

Board of Directors
Tungsten CayCo, Ltd.
Irvine, California

Opinion

We have audited the consolidated financial statements of Tungsten CayCo, Ltd. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive loss, shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, P.C.

April 28, 2025

Tungsten CayCo, Ltd.

Consolidated Balance Sheets
(in thousands, except share and per share data)

December 31,		**2024**		2023
Assets				
Current Assets				
Cash and cash equivalents	**$**	**35,124**	$	21,614
Restricted cash		**2,142**		2,142
Accounts receivable, net of allowances of $9,146 and $10,115		**233,641**		215,270
Other current assets		**27,736**		25,044
Income tax receivable		**7,624**		11,685
Total Current Assets		**306,267**		275,755
Property and Equipment, Net		**7,866**		7,489
Goodwill		**1,204,027**		1,217,532
Intangible Assets, Net		**1,269,410**		1,455,323
Deferred Tax Assets		**13,321**		6,224
Other Non-Current Assets		**44,172**		54,495
Total Assets	**$**	**2,845,063**	$	3,016,818
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accrued expenses	**$**	**114,698**	$	119,254
Current portion of deferred revenue		**208,856**		203,173
Income taxes payable		**17,819**		14,932
Lease liabilities		**4,706**		5,462
Current portion of long-term debt, net		**13,960**		13,960
Total Current Liabilities		**360,039**		356,781
Employee Benefits		**2,989**		4,730
Deferred Revenue, net of current portion		**34,532**		38,432
Deferred Tax Liabilities		**192,998**		203,654
Long-Term Debt, Net		**1,734,497**		1,672,613
Lease Liabilities, Net		**4,524**		8,462
Other Non-Current Liabilities		**3,164**		2,763
Total Liabilities		**2,332,743**		2,287,435
Commitments and Contingences (Note 16)				
Shareholders' Equity				
Ordinary shares, $1 par value; 50,000 shares authorized; 105 shares issued and outstanding		**-**		-
Additional paid-in capital		**886,634**		890,391
Accumulated deficit		**(383,010)**		(190,310)
Accumulated other comprehensive income		**8,696**		29,302
Total Shareholders' Equity		**512,320**		729,383
Total Liabilities and Shareholders' Equity	**$**	**2,845,063**	$	3,016,818

See accompanying notes to consolidated financial statements.

Tungsten CayCo, Ltd.

Consolidated Statements of Comprehensive Loss
(in thousands)

Year ended December 31,	2024	2023
Revenue		
Software licenses	$ 268,826	$ 250,742
Maintenance services	266,808	273,849
Professional services	40,888	42,908
Total Revenues	576,522	567,499
Cost of Revenues		
Cost of software licenses	41,191	41,117
Cost of maintenance services	39,441	41,428
Cost of professional services	30,943	35,746
Amortization of developed technology	32,780	32,780
Total Cost of Revenue	144,355	151,071
Gross Profit	432,167	416,428
Operating Expenses		
Research and development	60,372	64,808
Sales and marketing	268,232	262,944
General and administrative	43,484	51,896
Acquisition-related costs	325	14,742
Other operating expenses, net	44,556	23,970
Total Operating Expenses	416,969	418,360
Income (Loss) from Operations	15,198	(1,932)
Interest Expense, Net	(196,973)	(200,382)
(Loss) from Operations, before tax	(181,775)	(202,314)
Income Tax (Expense) Benefit	(10,925)	48,697
Net Loss	(192,700)	(153,617)
Other Comprehensive (Loss) Income		
Foreign currency translation adjustments	(21,113)	23,378
Pension adjustments, net of tax	507	(316)
Total Other Comprehensive (Loss) Income, net of tax	(20,606)	23,062
Total Comprehensive Loss	$ (213,306)	$ (130,555)

See accompanying notes to consolidated financial statements.

Tungsten CayCo, Ltd.

Consolidated Statements of Shareholders' Equity
(in thousands, except share and per share data)

	Ordinary Shares		Additional	Accumulated	Accumulated Other Comprehensive	Total Shareholders'
	Shares	Amount	Paid-in Capital	Deficit	Income	Equity
Balance, December 31, 2022	105	$ -	$ 890,253	$ (36,693)	$ 6,240	$ 859,800
Net loss	-	-	-	(153,617)	-	(153,617)
Other comprehensive income, net of tax	-	-	-	-	23,062	23,062
Repurchase of shares	-	-	(650)	-	-	(650)
Stock-based compensation	-	-	736	-	-	736
Issuance of ordinary shares	-	-	52	-	-	52
Balance, December 31, 2023	105	-	890,391	(190,310)	29,302	729,383
Net loss	-	-		(192,700)	-	(192,700)
Other comprehensive loss, net of tax	-	-		-	(20,606)	(20,606)
Repurchase and cancellation of shares	(1)	-	(9,315)	-	-	(9,315)
Stock-based compensation	-	-	558	-	-	558
Issuance of ordinary share	1	-	5,000	-	-	5,000
Balance, December 31, 2024	105	$ -	$ 886,634	$ (383,010)	$ 8,696	$ 512,320

See accompanying notes to consolidated financial statements.

Tungsten CayCo, Ltd.

Consolidated Statements of Cash Flows
(in thousands)

Year ended December 31,		**2024**		2023
Cash Flows from Operating Activities				
Net loss	**$**	**(192,700)**	$	(153,617)
Adjustments to reconcile net loss to net cash flows used in operating activities:				
Depreciation and amortization		**193,680**		176,525
Share-based compensation		**558**		939
Provision for credit losses		**-**		3,199
Amortization of debt issuance costs		**15,611**		15,654
Amortization of ROU assets		**3,590**		4,747
Deferred income taxes		**(18,473)**		(72,276)
Changes in operating assets and liabilities, net of acquisitions:				
Accounts receivable		**(25,429)**		(28,099)
Other assets		**2,375**		(16,250)
Accounts payable and accrued expenses		**(364)**		(7,868)
Deferred revenue		**9,054**		20,089
Lease liabilities		**(3,258)**		(4,256)
Other liabilities		**(1,689)**		1,288
Income taxes		**3,245**		6,385
Net Cash Used in Operating Activities		**(13,800)**		(53,540)
Cash Flows from Investing Activities				
Purchase of property and equipment		**(4,544)**		(4,257)
Net Cash Used in Investing Activities		**(4,544)**		(4,257)
Cash Flows from Financing Activities				
Payments for repurchase of shares		**(8,565)**		(650)
Proceeds from borrowing on term loans		**-**		50,000
Payments of debt issuance costs		**-**		(5,227)
Proceeds from borrowing on revolver		**136,000**		54,000
Repayment of revolver		**(75,000)**		(57,000)
Repayment of term loan		**(13,960)**		(13,960)
Proceeds from issuance of ordinary shares		**5,000**		52
Net Cash Provided by Financing Activities		**43,475**		27,215
Effect of Exchange Rate Changes on Cash and Cash Equivalents		**(11,621)**		6,293
Net Increase (Decrease) in Cash and Cash Equivalents		**13,510**		(24,289)
Cash, Cash Equivalents, and Restricted Cash, beginning of year		**23,756**		48,045
Cash, Cash Equivalents, and Restricted Cash, end of year	**$**	**37,266**	$	23,756
Supplemental Disclosure of Cash Flow Information				
Cash paid for income taxes	**$**	**21,684**	$	20,676
Cash paid for interest		**183,228**		180,375
Supplemental Disclosure of Non-Cash Investing Activities				
Lease liabilities arising from obtaining right of use assets	**$**	**856**	$	2,012
Supplemental Disclosure of Non-Cash Financing Activities				
Repurchase of shares in lieu of notes payable	**$**	**750**	$	-

See accompanying notes to consolidated financial statements.

1. Organization and Presentation

Tungsten CayCo, Ltd., a private company incorporated in the Cayman Islands, and its wholly owned subsidiaries (collectively Kofax, Tungsten CayCo, or the Company) was formed on June 20, 2022 (Inception Date) in connection with the acquisition (the Kofax Acquisition) of Kofax Parent Limited, a private company incorporated in Jersey, Channel Islands, and its wholly owned subsidiaries. The Kofax Acquisition closed on July 20, 2022 (Note 4).

In January 2024, the Company changed its legal name from Kofax CayCo Ltd. to Tungsten CayCo Ltd. The Company adopted a new name to reflect the growth of the Company and the need for a brand that more closely aligns with the Company's identity, capabilities, and future aspirations. There was no change to the ownership of the Company in connection with the change of its legal name.

The legal entities, Snow Midco Ltd, Snow Bidco Ltd, and Tungsten Snow Limited are holding companies, or shell entities, with no other operations, cash flows, material assets or liabilities other than the equity interests in subsidiaries below these entities, which includes the legal entity that is the borrower of the debt.

Tungsten CayCo is a global provider of digital transformation software and related maintenance and professional services. The Company's software enables organizations to design, deploy, and operate comprehensive systems that create an essential link between their systems of engagement, which generate real time, information-intensive communications from constituents, and their systems of record, which are typically large-scale enterprise applications and repositories used to manage their internal operations. The Company utilizes a hybrid go-to-market model that delivers software and services through both its direct sales and service employees and an indirect channel of authorized resellers, original equipment manufacturers and distributors.

Tungsten CayCo conducts business globally and is the successor to operations originally begun in Switzerland in 1985.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and are presented in U.S. dollars.

Basis of Consolidation

The consolidated financial statements include the accounts of Tungsten CayCo, Ltd. and its wholly owned subsidiaries of which the Company is the primary beneficiary. All intercompany balances and transactions between consolidated entities have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and notes. On an ongoing basis, the Company evaluates its estimates, assumptions and judgments. Estimates and assumptions are used for, but not limited to, revenue recognition,

including determining the nature and timing of satisfaction of performance obligations, variable consideration, standalone selling price, and other revenue items which require significant judgment; the estimated term of customer relationships; deferred revenue; income taxes; collectability of receivables; acquisition purchase price allocation, valuation of goodwill and acquired intangible assets; depreciable lives of property and equipment; accounting for stock-based compensation, pension adjustments and contingent liabilities. The Company bases its estimates and assumptions on historical experience, market participant fair value considerations and various other factors that are believed to be reasonable and supportable and result in estimates and assumptions that are reasonable for the use in the preparation of the consolidated financial statements. Actual amounts could differ from these estimates and those differences could be material to the consolidated financial statements.

Revenue Recognition

Tungsten CayCo primarily generates revenue from the following sources: (1) software licenses delivered to customers; (2) maintenance and support services (also known as post-contract customer support or PCS); (3) and professional services.

Revenues are generally recognized net of any taxes collected from customers and subsequently remitted to governmental authorities.

The Company accounts for a contract when both parties have approved and committed to the contract, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and the collectability of the consideration is probable.

The majority of the Company's arrangements with customers contain multiple products and services. The Company accounts for individual products and services separately if they are distinct—that is, if a product or service is separately identifiable from other items in the contract and if a customer can benefit from it on its own or with other resources that are readily available to the customer.

The Company recognizes revenue after applying the following five steps:

- Identification of the contract, or contracts, with a customer.
- Identification of the performance obligations in the contract, including whether they are distinct within the context of the contract.
- Determination of the transaction price, including the constraint on variable consideration.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, performance obligations are satisfied.

The Company allocates the transaction price of the arrangement based on the relative estimated standalone selling price (SSP) of each distinct performance obligation. In determining SSP, the Company maximizes observable inputs and consider a number of data points, including:

- The pricing of standalone sales (in the instances where available).
- The pricing established by management when setting prices for deliverables that are intended to be sold on a standalone basis.

- Contractually stated prices for deliverables that are intended to be sold on a standalone basis.
- Other pricing factors, such as the geographical region in which the products are sold and expected discounts based on the customer size and type.

The Company utilizes the residual approach to determine the SSP for performance obligations in arrangements in which SSP is not easily observable and there is high variability in selling price.

The Company only includes estimated amounts of variable consideration in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The Company reduces transaction prices for estimated returns and other allowances that represent variable consideration which the Company estimates based on historical return experience and other relevant factors and record a reduction to revenue and accounts receivable. Other forms of contingent revenue or variable consideration are infrequent.

Revenue is recognized when control of these products and services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services.

Certain products are sold through distributors or resellers. The Company acts as a principal in all distributor/reseller arrangements and report revenue on a gross basis. Certain distributors and resellers have been granted right of return and selling incentives which are accounted for as variable consideration when estimating the amount of revenue to be recognized. Returns and credits are estimated at the contract inception and updated at the end of each reporting period as additional information becomes available. In accordance with applicable accounting standards, the Company applies a portfolio approach to estimate the variable consideration associated with this group of customers.

Performance Obligations

The Company generates revenue from the sale of licenses to use or access its products, including royalty arrangements, and from maintenance and professional services. A software arrangement generally consists of: (1) a perpetual or term software license, (2) a maintenance service arrangement that includes technical support via the phone and web and the right to receive unspecified upgrades/enhancements on a when-and-if-available basis, generally for an initial period of one year, and (3) in some cases, separate professional services engagements for software implementation, education, training and other services.

License

Perpetual Licenses: On-Premise

The sale and/or license of software products and technology is deemed to have occurred when a customer either has taken possession of or has access to take immediate possession of the software or technology. Revenue from royalties on sales of the Company's software products by original equipment manufacturers (OEMs), where no services or other performance obligations are included, is recognized in the period earned so long as the Company has been notified by the OEM that such royalties are due, and provided that all other revenue recognition criteria are met.

Software as a Service

The sale of software as a service (SaaS) arrangements include both the (1) the right to access the software and (2) the right to receive maintenance and support services (also known as post-contract customer support or PCS) bundled into a single fee. SaaS arrangements are recognized over time on a ratable basis. The Company's SaaS licenses are generally offered for one-year base subscription periods and are generally available for use as hosted application arrangements under subscription fee arrangements. The base subscription entitles the end user to the technology itself and maintenance consisting of a specified level of customer support, bug fixes, functionality enhancement to the technology, and upgrades to new versions of the license, each on a when-and-if available basis, during the term of subscription.

Subscription Licenses: On-Premise

The sale of subscription licenses include both (1) the right to use the software and (2) the right to receive maintenance and support services (also known as post-contract customer support or PCS) bundled into a single fee. Each performance obligation is distinct. Under applicable accounting standards, the transaction price in such an arrangement must be allocated to each performance obligation based on the relative SSP of the goods and services being provided. Revenue from the right to use the software is recognized upon delivery.

Maintenance and Support

Software arrangements generally include PCS, which includes telephone support and the right to receive unspecified upgrades/enhancements on a when-and-if-available basis, typically for one year. Revenue from PCS is generally recognized over time ratably on a straight-line basis over the term that the maintenance service is provided.

Professional Services

Professional services contracted under time and material arrangements are recognized as the services are performed. With respect to professional services contracted on a fixed price basis, the Company has significant experience in providing these services and is able to estimate the stage of completion. Accordingly, the Company recognizes the revenue and profit on fixed price professional service engagements on a percentage-of-completion basis. When the Company provides professional services considered essential to the functionality of the software, the Company recognizes revenue from the professional services as well as any related software licenses on a percentage-of-completion basis whereby the arrangement consideration is recognized as the services are performed, as measured by an observable input.

Hardware

Hardware revenue is recognized at the point in time when control is transferred to the customer, which is typically upon delivery. Hardware revenue is insignificant for all periods presented, and has been grouped within software licenses in the consolidated statements of comprehensive loss.

Timing of Revenue Recognition

Information relating to revenue from customers by revenue type is as follows:

Year ended December 31,	**2024**	2023
Performance obligations transferred at a point in time:		
Software Licenses	$ **148,934**	$ 146,268
Performance obligations transferred over time:		
SaaS	**119,892**	104,474
Maintenance and support	**266,808**	273,849
Professional services	**40,888**	42,908
Total	$ **576,522**	$ 567,499

Significant Judgments

Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. The Company's license contracts often include professional services to configure and/or integrate the licenses into the customer's environment. Judgment is required to determine whether the license is considered distinct and accounted for separately, or not distinct and accounted for together with professional services.

Judgments are required to determine the SSP for each distinct performance obligation. When SSP is directly observable, the Company estimates SSP based upon the historical transaction prices, adjusted for geographic considerations, customer classes, and customer relationship profiles. In instances where SSP is not directly observable, the Company determines SSP using information that may include market conditions and other observable inputs. The Company may have more than one SSP for individual products and services due to the stratification of those products and services by customers and circumstances. In these instances, the Company may use information such as the size of the customer and geographic region in determining SSP. Determining SSP for performance obligations which the Company never sells separately also requires significant judgment. In estimating the SSP, the Company considers the likely price that would have resulted from established pricing practices had the deliverable been offered separately and the prices a customer would likely be willing to pay. The Company utilizes the residual approach for arrangements in which SSP is not easily observable and there is high variability in selling price.

Business Combinations

The financial results of the businesses that the Company has acquired are included in the Company's consolidated financial results based on the respective dates of the acquisitions. The Company allocates the purchase consideration to the identifiable assets acquired and liabilities assumed in the business combination based on their acquisition-date fair values. The excess of the purchase consideration over the amounts assigned to the identifiable assets and liabilities is recognized as goodwill. While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date, its estimates and assumptions are inherently uncertain and subject to refinement. As a result, during the measurement period, which is generally no more than one year from the business combination date, the Company records adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon conclusion of

the measurement period, any subsequent adjustment to assets acquired or liabilities assumed is included in operating results in the period in which the adjustment is determined.

Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. Goodwill is not amortized, but rather the carrying amounts of these assets are reviewed for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable.

The Company evaluates goodwill for impairment on an annual basis, or more frequently if the Company believes indicators of impairment exist. Pursuant to applicable accounting standards, the Company may opt to perform a qualitative assessment to test a reporting unit's goodwill for impairment, or the Company may directly perform the two-step impairment test. Based on its qualitative assessment, if the Company determines that the fair value of a reporting unit is more likely than not (i.e., a likelihood of more than 50%) to be less than its carrying amount, the two-step quantitative impairment test will be performed. In the first step of the quantitative impairment test, the Company compares the fair value of the reporting unit to its carrying value. If the fair value of the reporting unit exceeds its carrying value of the net assets assigned to that reporting unit, goodwill is not considered impaired and no further testing is required. If the carrying value of the reporting unit exceeds its fair value, then the Company must perform the second step of the quantitative impairment test in order to determine the implied fair value of the reporting unit's goodwill. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, then the Company would record an impairment loss equal to the difference. No goodwill impairment charges were recognized during the stated periods.

Finite lived intangible assets, such as customer relationships, tradenames or technology and patents are capitalized and amortized over their expected useful lives on a straight-line basis. Amortization of these intangible assets is included in either cost of revenue or operating expenses based on the function of the intangible asset.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation of property and equipment is computed on a straight-line basis over the estimated useful lives of the underlying assets. Leasehold improvements are depreciated over the shorter of the lease term or useful life. Repair and maintenance costs, which sustain property and equipment but do not extend their useful lives, are expensed as incurred.

Items of property and equipment are initially recognized at cost. The costs include the purchase price and directly attributable costs to bring the asset into a usable condition. Depreciation on all items of property and equipment is recorded on a straight-line basis over their expected useful lives or the lease term, if shorter.

Recoverability of Long-Lived Assets

The carrying value of long-lived assets (including finite-lived intangible assets and property and equipment) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. The Company deems an asset to be impaired if a forecast of the undiscounted future cash flows the asset is expected to generate are

less than its carrying amount. If an asset is determined to be impaired, the loss is measured as the amount by which its carrying value exceeds its fair value. No impairment charges related to long-lived assets were recognized during the years ended December 31, 2024 or 2023.

Research and Development Costs

Research and development costs related to software that is or will be sold or licensed externally to third-parties, or for which a substantive plan exists to sell or license such software in the future, incurred subsequent to the establishment of technological feasibility, but prior to the general release of the product, are capitalized and amortized to cost of license revenue over the estimated useful life of the related products. The Company has determined that technological feasibility is reached shortly before the general release of its software products. Costs incurred after technological feasibility is established have not been material. As a result, the Company expenses research and development costs as incurred.

Advertising Costs

Advertising costs are expensed as incurred and are classified as sales and marketing expenses. The Company incurred advertising costs of $1.2 million and $1.3 million for the years ended December 31, 2024 and 2023, respectively.

Capitalized Financing Fees

Capitalized financing fees represent fees and other direct incremental costs incurred in connection with the Company's debt. Deferred financing fees related to the Company's term loan are netted against the Company's debt. Deferred financing fees related to the Company's revolving credit facility are included in other assets. These amounts are amortized into interest expense over the estimated life of the debt using the effective interest method for the Company's term loan and using the straight-line method for the Company's revolving credit facility.

Income Taxes

Income tax expense reflects management's best estimate of current and future taxes to be paid. Significant judgments and estimates are required in determining total income tax expense.

Deferred income taxes arise from temporary differences between the carrying value of assets and liabilities and their tax basis, which will result in taxable or deductible amounts in the future. Deferred tax assets and liabilities are determined using enacted tax rates in effect in the years in which the differences are expected to reverse.

In evaluating the Company's ability to recover deferred tax assets within the jurisdiction from which they arise, the Company considers all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. In projecting future taxable income, the Company begins with historical results and incorporates assumptions including the amount of future state, federal and non-U.S. pre-tax operating income, the impact of permanent tax adjustments, the reversal of temporary differences, and the implementations of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates the Company is using to manage the underlying businesses. In evaluating the objective evidence that historical results provide, the Company considers the most

recent three years of cumulative operating income (loss). The Company maintains a valuation allowance to reduce its deferred tax assets to reflect the amount, based upon the Company's estimates that would more likely than not be realized.

The Company establishes unrecognized tax benefits for tax uncertainties. In accordance with applicable accounting standards, the Company establishes reserves for tax uncertainties that reflect the use of the comprehensive model for the recognition and measurement of uncertain tax positions. Under the comprehensive model, reserves are established when it is more likely than not that the position would be sustained upon examination, including resolutions of any related appeals or litigation processes, on the basis of the position's technical merits. When the threshold for recognition is met, a tax position is recorded at the largest amount that is more than 50% likely of being realized upon ultimate settlement. Interest and penalties are recognized as a component of income tax expense in the consolidated statements of comprehensive loss.

Foreign Currency

When determining the functional currency of a foreign entity, the Company takes into consideration the economic environment, the currency influencing operational and financial transactions as well as the activity of the entity.

Transactions in foreign currencies other than the entities' functional currency are converted using the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in non-functional currencies are converted using the rate of exchange at the period end. The gains or losses arising from the revaluation of foreign currency transactions to functional currency are included in operating expenses. Differences on foreign currency borrowings from foreign currency subsidiaries that form part of the net investment are taken directly to equity until the date of disposal of the net investment, at which time they are recognized in the other operating expense. Foreign currency differences arising on trading intercompany loans are charged to operating expenses.

The assets and liabilities of foreign operations are translated from their respective functional currencies into U.S. dollars, the Company's reporting currency, at the rate of exchange at the end of the period. Income and expenses are translated at monthly average exchange rates for the year as this represents a reasonable approximation of actual exchange rates at the date of transactions. While all equity components are translated at historical rates, the remainder, resulting from the retranslation of the net assets at the applicable spot rate, are reflected in accumulated other comprehensive income within shareholders' equity. On disposal of a foreign operation, the deferred cumulative amount of currency translation adjustments recognized in equity relating to that particular foreign operation is recognized in other expense, net.

Derivative Instruments

The Company is exposed to certain risks arising from economic conditions including interest rate, liquidity and credit risk. The Company manages exposure to economic risks by managing the amount, sources and duration of the debt funding and through the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing and duration of its known or expected cash payments principally related to its borrowings.

In accordance with applicable accounting standards, the Company recognizes all of its derivative instruments as either assets or liabilities in the consolidated balance sheet at fair value. The Company only uses derivative financial instruments to the extent necessary to hedge identified business risks and does not hold or issue derivative instruments for trading purposes. The Company entered into interest rate swap agreements to manage the interest rate risk on its borrowings and accounted for these as derivative instruments under applicable accounting standards. The Company elected not to apply hedge accounting and the accounting for changes in the fair value (i.e., gains or losses) of the interest rate swaps are recorded to Other Operating Expenses, net in the statement of operations. Cash received from the interest rate swaps is recorded to interest expense, net in the statement of operations.

Fair Value Measurements

Applicable accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. As of December 31, 2024, the Company's financial instruments consist of cash equivalents, accounts receivable, accounts payable, interest rate swaps and long-term debt. The fair values of cash equivalents, accounts receivable, and accounts payable approximate their respective carrying values because of the short maturity of those instruments.

The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 - This level consists of quoted prices in active markets for identical assets or liabilities.

Level 2 - This level consists of observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - This level consists of inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

The valuation techniques used to measure the fair value of all other financial instruments, all of which have counterparties with high credit ratings, were valued based on quoted market prices or model driven valuations using significant inputs derived from or corroborated by observable market data.

Comprehensive Loss

Comprehensive loss consists of net loss, current period foreign currency translation adjustments, and pension adjustments, net of any applicable income tax amounts. For the purposes of

comprehensive loss disclosures, the Company does not record tax provisions or benefits for the net changes in the foreign currency translation adjustment, as the Company intends to reinvest undistributed earnings in its foreign subsidiaries permanently.

Cash and Cash Equivalents

The Company classifies all highly liquid instruments with an original maturity of three months or less at the time of purchase as cash equivalents.

Restricted Cash

The Company classifies cash required to be set aside by a contractual agreement with a third party as restricted cash.

Accounts Receivable and Allowance for Credit Losses

The Company's accounts receivable includes billed and unbilled receivables, net of an allowance for credit losses. Trade accounts receivable are recorded at invoiced amounts and do not bear interest. The Company recognizes an allowance for credit losses on accounts receivable in an amount equal to the current expected credit losses. The estimation of the allowance is based on an analysis of historical loss experience, the age of the accounts receivable balances, credit quality of the Company's customers, current economic conditions and estimated future conditions, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible.

The Company assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible. The expense associated with the allowance for expected credit losses is recognized in sales and marketing expenses on the accompanying consolidated income statement.

Acquisition-Related Costs

Direct transaction costs are expensed through the consolidated statements of comprehensive loss in acquisition-related costs. This account consists of (i) costs directly attributable to acquisition strategy and the evaluation, consummation and integration of acquisitions, which are composed substantially of professional services fees including legal, accounting and other consultants and (ii) compensation costs, and retention payments that are anticipated to become payable to employees, both of which require continuing employment of the recipients, as well as severance payments to employees whose positions were made redundant.

Concentration of Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk principally consist of cash, cash equivalents and trade receivables. The Company places its cash and cash equivalents with financial institutions with high credit ratings. As part of its cash and investment management processes, the Company performs periodic evaluations of the credit standing of the financial institutions with whom it maintains deposits and has not recorded credit losses to date.

The risk with respect to trade receivables is mitigated by ongoing credit evaluations of the Company's customers and limits on the amount of credit extended when deemed appropriate, the short duration of its payment terms for the vast majority of its customer contracts and by the diversity of its customer base. No customer accounted for greater than 10% of the Company's accounts receivable or 10% of its total revenue as of and for the years ended December 31, 2024 and 2023.

Share-Based Compensation

The Company recognizes stock-based compensation expenses over the requisite service period, based on the grant date calculated value of the awards and the number of the awards expected to be vested upon service and performance conditions, net of forfeitures. For the years ended December 31, 2024 and 2023, the Company used the Black-Scholes option pricing model to estimate the calculated value of stock-based awards on the date of grant.

Recent Accounting Guidance Not Yet Adopted

Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (ASU 2023-09) is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments address investor requests for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. ASU 2023-09 is effective for the Company for annual periods beginning after December 15, 2025, on a prospective or retrospective basis. Early adoption is permitted. The Company is currently evaluating the impact of this accounting standard update on its consolidated financial statements and related disclosures.

3. Revenue from Contracts with Customers

Contract Balances

Contract assets and contract liabilities for the periods indicated were as follows (in thousands):

	Contract Assets	Contract Liabilities (Deferred Revenue)
Closing Balance, December 31, 2024	$ 90,762	$ 243,388
Closing Balance, December 31, 2023	73,698	241,605

Changes in the Company's contract assets and contract liabilities primarily result from the timing difference between its performance and the customer's payment. The Company fulfills its obligations under a contract with a customer by transferring products and services in exchange for consideration from the customer. The Company recognizes a contract asset when the Company transfers products or services to a customer and the right to consideration is conditional on something other than the passage of time. Accounts receivable are recorded when the customer has been billed or the right to consideration is unconditional. Contract assets of $90.6 million and $0.1 million were included in accounts receivable and other non-current assets as of December 31, 2024, respectively. Contract assets of $73.6 million and $0.1 million were included in accounts receivable and other non-current assets as of December 31, 2023, respectively. The Company recognizes contract liabilities (or deferred revenues) when the Company has received consideration or an amount of consideration is due from the customer and the Company has a future

obligation to transfer products or services. Contract liabilities include amounts billed or collected and advanced payments on contracts or arrangements.

Contract Acquisition Costs

The Company is required to capitalize certain contract acquisition costs. The capitalized costs primarily relate to paid commissions and other direct, incremental costs to acquire customer contracts. In accordance with applicable accounting standards, the Company applies a portfolio approach to estimate contract acquisition costs for groups of customer contracts. The Company elects to apply the practical expedient and will expense contract acquisition costs as incurred where the expected period of benefit is one year or less. Sales commissions paid on renewal maintenance and support are not commensurate with sales commissions paid on the initial maintenance and support contract. Contract acquisition costs are deferred and amortized on a straight-line basis over the period of benefit, which the Company has estimated to be four years. The period of benefit was determined based on an average customer contract term, expected contract renewals, changes in technology and the Company's ability to retain customers. Contract acquisition costs are classified as current or noncurrent assets based on when the expense will be recognized. The current and noncurrent portions of contract acquisition costs are included in other current assets, and other non-current assets, respectively. The Company has $9.3 million of current contract acquisition costs and $16.7 million of noncurrent contract acquisition costs as of December 31, 2024 and $5.8 million of current contract acquisition costs and $13.5 million of noncurrent contract acquisition costs as of December 31, 2023. Commission expense is included in sales and marketing expense on the consolidated statements of comprehensive loss. The Company had amortization expense of $7.0 million and $3.3 million related to contract acquisition costs for the years ended December 31, 2024 and 2023, respectively. There was no impairment related to commission costs capitalized.

Accounts Receivable and Allowance for Credit Losses

A roll forward of the Company's allowance for expected credit losses balance for the year ended December 31, 2024 is as follows (in thousands):

Allowance for Credit Losses, January 1, 2024	$	10,115
Provision for expected credit losses		-
Write offs		(969)
Allowance for Credit Losses, December 31, 2024	$	9,146

Allowance for Credit Losses, January 1, 2023	$	7,032
Allowance for credit losses		3,153
Write offs		(70)
Allowance for Credit Losses, December 31, 2023	$	10,115

4. Acquisitions

2024

There were no acquisitions during the year ended December 31, 2024.

2023

Kofax Parent Limited

On July 20, 2022, Snow BidCo Limited (Snow BidCo), a Company incorporated in England and Wales, and a subsidiary of Tungsten CayCo Ltd, a Company incorporated in the Cayman Islands, acquired the entire share capital of Kofax Parent Limited, a Jersey corporation from Thoma Bravo and other shareholders. In order to facilitate the transaction, Clearlake Capital Group L.P. (Clearlake) and TA Associates (TA), the private equity investors, established Tungsten TopCo LP (Tungsten TopCo), a Cayman partnership, into which Clearlake, TA and other minority shareholders contributed funds, and subsequently Tungsten TopCo contributed the funds to enable Snow BidCo to purchase Kofax Parent Limited. The parties entered into a stock purchase agreement in which 100% of the shares of Kofax Parent Limited were sold.

The purchase price allocation is determined based on the estimated fair values as of the date of acquisition and is subject to change during the measurement period. The Company recorded measurement period adjustments in the period in which the adjustments are recognized. The following table summarizes the allocation of the purchase price in respect of the Kofax acquisition, based on the fair values of net assets acquired (in thousands) as of acquisition date, as well as measurement period adjustments made during 2023:

	Amounts Recognized as of Acquisition Date	Measurement Period Adjustments	Amounts Recognized as of Acquisition Date (as Adjusted)
Cash paid for shares	$ 2,381,756	$ -	$ 2,381,756
Rollover equity	37,434	-	37,434
Total Purchase Consideration	$ 2,419,190	$ -	$ 2,419,190
Recognized Identifiable Assets Acquired and Liabilities Assumed			
Assets			
Cash and cash equivalents	$ 42,369	$ -	$ 42,369
Accounts receivable	90,799	(88)	90,711
ROU assets	19,401	-	19,401
Other current and noncurrent assets	64,013	1,426	65,439
Goodwill	1,167,260	(1,955)	1,165,305
Identifiable intangible assets	1,660,500	-	1,660,500
Liabilities			
Other current and noncurrent liabilities	(104,769)	283	(104,486)
Lease liabilities	(19,401)	-	(19,401)
Deferred tax liabilities	(306,946)	334	(306,612)
Deferred revenue	(194,036)	-	(194,036)
Fair Value of Net Assets Acquired	$ 2,419,190	$ -	$ 2,419,190

The measurement period adjustments primarily related to the recording of deferred tax assets attributed to acquired intangible assets. Other adjustments were related to write-offs of pre-acquisition accounts receivable and other accrued liabilities, as well as adjusting deferred tax liabilities related to capitalized sales commissions.

The goodwill is attributable to the workforce of the acquired business and the significant synergies expected to arise after the Company's acquisition of Kofax. The goodwill is not deductible for tax purposes.

The identifiable intangible assets acquired consisted of existing customer relationships, technology and patents, and tradenames (Note 5).

		Amount	Weighted-Average Life (Years)
Customer relationships	$	1,198,200	9.9
Technology and patents		314,500	10
Trade names, trademarks, and other		147,800	14.9
Total	$	1,660,500	10.4

Ephesoft Inc.

On August 17, 2022, Tungsten Automation Corporation., a Delaware corporation and subsidiary of Tungsten CayCo Ltd., a Company incorporated in the Cayman Islands entered into a merger agreement to acquire Ephesoft Inc. (Ephesoft). The Company acquired Ephesoft to extend its intelligent document processing solutions and cloud capabilities.

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The purchase price allocation is determined based on the estimated fair values as of the date of acquisition and is subject to change during the measurement period. The Company recorded measurement period adjustments in the period in which the adjustments are recognized. The following table summarizes the allocation of the purchase price in respect of the Ephesoft acquisition, based on the fair values of net assets acquired (in thousands) as of acquisition date, as well as adjustments made during 2023:

	Amounts Recognized as of Acquisition Date	Measurement Period Adjustments	Amounts Recognized as of Acquisition Date (as Adjusted)
Cash paid for Ephesoft shares	$ 42,738	$ -	$ 42,738
Rollover equity	17,500	-	17,500
Cash holdback	5,000	-	5,000
Total Purchase Consideration	$ 65,238	$ -	$ 65,238
Recognized Identifiable Assets Acquired and Liabilities Assumed			
Assets			
Cash and cash equivalents	$ 1,388	$ -	$ 1,388
Accounts receivable	3,747	(256)	3,491
ROU assets	647	-	647
Other current and noncurrent assets	719	(9)	710
Goodwill	34,230	(148)	34,082
Identifiable intangible assets	39,600	-	39,600
Liabilities			
Other current and noncurrent liabilities	(7,376)	413	(6,963)
Lease liabilities	(647)	-	(647)
Deferred revenue	(7,070)	-	(7,070)
Fair Value of Net Assets Acquired	$ 65,238	$ -	$ 65,238

Measurement period adjustments primarily related to write-off of pre-acquisition accounts receivable and an adjustment to deferred tax liabilities related to the pre-acquisition tax period as well as capitalized sales commissions.

The goodwill is attributable to the workforce of the acquired business and the significant synergies expected to arise after the Company's acquisition of Ephesoft. The goodwill is not deductible for tax purposes.

The identifiable intangible assets acquired consisted of existing customer relationships, technology and patents, and tradenames (Note 5).

	Amount	Weighted-Average Life (Years)
Customer relationships	$ 25,400	6
Technology and patents	13,300	10
Trade names, trademarks, and other	900	4
Total	$ 39,600	7.3

5. Goodwill and Intangible Assets, Net

The changes in the carrying amount of goodwill for the years ended December 31, 2024 and 2023 are as follows (in thousands):

Balance, January 1, 2023	$	1,206,367
Kofax acquisition measurement period adjustments		(1,955)
Ephesoft acquisition measurement period adjustments		(148)
Effect of foreign currency translation		13,268
Balance, December 31, 2023		1,217,532
Effect of foreign currency translation		(13,505)
Balance, December 31, 2024	$	1,204,027

Intangible assets consist of the following (in thousands):

December 31, 2024

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 1,223,600	$ (308,553)	$ 915,047
Technology and patents	327,800	(80,185)	247,615
Trade names, trademarks, and other	148,700	(41,952)	106,748
Total	$ 1,700,100	$ (430,690)	$ 1,269,410

December 31, 2023

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 1,223,600	$ (182,439)	$ 1,041,161
Technology and patents	327,800	(47,405)	280,395
Trade names, trademarks, and other	148,700	(14,933)	133,767
Total	$ 1,700,100	$ (244,777)	$ 1,455,323

Intangible assets are amortized straight-line over the estimated useful life of the asset. Amortization of acquired technology and patents is included in cost of revenues in the accompanying consolidated statements of comprehensive loss and amounted to $32.8 million and $32.8 million for the years ended December 31, 2024 and 2023, respectively. Amortization expense related to customer relationships and tradename intangibles are included in sales and marketing expenses and amounted to $153.1 million and $136.4 million for the years ended December 31, 2024 and 2023, respectively.

Estimated amortization expense for each of the five succeeding years as of December 31, 2024 is as follows (in thousands):

Year ending December 31,	
2025	$ 185,913
2026	185,682
2027	185,363
2028	181,440
2029	149,510
Thereafter	381,502
Total	$ 1,269,410

6. Income Taxes

Tungsten CayCo Ltd, a Cayman Islands incorporated, is a UK tax resident limited liability entity. The consolidated tax provision and tax obligations are a consolidation of Tungsten CayCo Ltd's subsidiaries which are located in a number of jurisdictions, including the U.S. and UK.

Year ended December 31,	**2024**	2023
United States (U.S.)	**$ (125,635)**	$ (145,750)
United Kingdom (UK)	**(67,020)**	(63,393)
Rest of the world	**10,880**	6,829
Loss, before income taxes	**$ (181,775)**	$ (202,314)

The benefits (provision) for income taxes is comprised of the following (thousands):

Year ended December 31,	**2024**	2023
Current:		
U.S. federal	**$ (17,731)**	$ (11,958)
U.S. states	**(2,483)**	(1,264)
UK	**(100)**	(551)
Rest of the world	**(9,084)**	(8,467)
Total Current Income Tax Benefit	**(29,398)**	(22,240)
Deferred:		
U.S. federal	**11,838**	35,443
U.S. states	**3,954**	4,130
UK	**(2,549)**	27,278
Rest of the world	**5,230**	4,086
Total Deferred Income Taxes	**18,473**	70,937
Total Income Tax Benefit	**$ (10,925)**	$ 48,697

The significant items impacting the fiscal 2024 effective tax rate vary from the UK statutory rate of 25%, are the foreign results taxed at different tax rates, elimination of interest carry forwards upon the liquidation of a UK subsidiary as part of an internal reorganization, changes in uncertain tax positions, U.S. tax incentives, and changes to valuation allowance.

The Company intends to indefinitely reinvest the undistributed earnings of U.S. subsidiaries. The unrecognized deferred tax liability on the portion of the undistributed earnings considered indefinitely reinvested is not material.

Temporary differences and carryforwards which give rise to a significant portion of deferred tax assets and liabilities are as follows (in thousands):

December 31,	2024	2023
Deferred tax assets:		
Net operating loss carry forwards	$ 33,117	$ 26,772
Acquired intangibles	349	9,077
Accrued expenses and other reserves	206	3,514
Research and development credits	4,205	4,053
Foreign tax credits	2,883	2,678
Other temporary and deductible differences	7,406	6,261
Excess interest	92,850	86,595
Deferred revenue	6,856	6,592
Capital losses	1,658	1,658
Capitalized R&D	18,761	14,474
Total Deferred Tax Assets	168,291	161,674
Valuation allowance for deferred tax assets	(61,891)	(25,336)
Net Deferred Tax Assets	106,400	136,338
Deferred tax liabilities:		
Acquired intangibles	(281,930)	(326,345)
Property and equipment	(108)	(264)
Contract acquisition costs	(3,431)	(4,736)
Financial instruments	(608)	(2,423)
Total Deferred Tax Liabilities	(286,077)	(333,768)
Net Deferred Tax Liabilities	$ (179,677)	$ (197,430)
Reported as:		
Deferred tax asset	$ 13,321	$ 6,224
Deferred tax liability	(192,998)	(203,654)
Net Deferred Tax Liabilities	$ (179,677)	$ (197,430)

As of December 31, 2024 and 2023, the valuation allowance represented a valuation allowance against the Company's net operating losses, excess interest, foreign tax credits and a partial valuation allowance against U.S. state R&D credits and the NDI U.S. acquired intangibles. The overall valuation allowance increased $36.5 million primarily related to excess interest limitations.

The Company has net operating loss carry forwards in various jurisdictions including the U.S. federal $12 million, U.S. state $39 million and UK of $87.1 million. Of the U.S. net operating losses, $7 million will begin to expire in 2027 and $5 million carry forward indefinitely.

The U.S. state net operating losses begin to expire in 2025.

Utilization of the U.S. net operating loss and U.S. tax credit carryforwards are subject to annual limitations under Sections 382 and 383 of the U.S. Internal Revenue Code of 1986 and similar state provisions due to ownership change limitations that may have occurred previously or that could occur in the future. The ownership changes may limit the amount of U.S. net operation loss carryforwards, U.S. tax credit carryforwards and other deferred tax assets that can be utilized to offset future taxable income and tax, respectively. In general, all ownership changes, as defined by Section 382 result from transactions increasing ownership of certain stockholders in the stock of the corporation by more than 50 percentage points over a three-year period. The Company had an ownership change in 2017, and the U.S. annual limitation is not expected to result expiration of U.S. NOLs or tax credit carryovers.

At December 31, 2024 and 2023, the Company had California research and development credit carryovers of $7.1 million and $6.8 million, respectively, which do not expire.

The Company has U.S. federal Foreign Tax Credits which begin to expire in 2025 of $2.9 million.

As of December 31, 2024, the Company had unrecognized tax benefits of $13.6 million that if recognized, would impact its effective tax rate. The Company's net unrecognized tax benefits increased by $3.6 million during 2024. The Company's unrecognized tax benefits is not expected to decrease within the next 12 months.

The Company recognizes interest and penalties related to unrecognized tax benefits in the income tax provision. The Company had $0.8 million and $0.4 million accrued for interest and penalties at December 31, 2024 and 2023, respectively. The Company recognized $0.4 million decrease in interest and penalties in its tax provision during 2024.

The Company and its subsidiaries are subject to UK and U.S. federal income taxes as well as income tax of multiple U.S. states, and income taxes in numerous foreign jurisdictions. With a few exceptions, the Company is no longer subject to income tax examination by tax authorities in the U.S. prior to 2018, and for other major jurisdictions for years prior to 2015. However, to the extent allowed by law, the taxing authorities may have the right to examine prior periods where net operating losses and tax credits were generated and carried forward. At December 31 2024, the Company is not currently under audit by the IRS, foreign or state or local tax authorities, with the exception of Germany, India and Canada.

7. Property and Equipment, Net

Property and equipment, net consist of the following (in thousands):

December 31,	2024	2023
Computer and other equipment	$ 12,778	$ 10,891
Furniture and fixtures	88	247
Leasehold improvements	1,926	2,382
	14,792	13,520
Less: accumulated depreciation	(6,926)	(6,031)
Property and Equipment, Net	$ 7,866	$ 7,489

Depreciation expenses were $4.0 million and $4.3 million for the years ended December 31, 2024 and 2023, respectively.

8. Other Assets

Other current assets consist of the following (in thousands):

December 31,	2024	2023
Prepaid assets	$ 10,927	$ 11,440
Cloud computing implementation costs	3,930	3,856
Contract acquisition costs (current)	9,254	5,798
Inventory	256	410
Other receivables	3,369	3,540
Total Other Current Assets	**$ 27,736**	$ 25,044

Other non-current assets consist of the following (in thousands):

December 31,	2024	2023
Prepaid assets	$ 2,874	$ 2,098
Cloud computing implementation costs	5,874	6,748
Contract assets	129	137
Non-current accounts receivable	2,265	3,141
Non-current contract acquisition costs	16,736	13,501
ROU assets	8,679	13,126
Revolver debt issuance costs	1,949	2,715
Security deposits	2,298	2,355
Interest rate swaps	3,368	10,674
Total Other Non-Current Assets	**$ 44,172**	$ 54,495

9. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following (in thousands):

December 31,	2024	2023
Trade payables	$ 13,703	$ 12,792
Taxation and social security	16,854	15,580
Accrued compensation expenses	21,591	21,779
Accrued vacation	7,000	6,637
Accrued interest	32,177	34,104
Accrued other	23,373	28,362
Total Accounts Payable and Accrued Expenses	**$ 114,698**	$ 119,254

10. Restructuring Costs

In 2023 and 2024, the Company underwent departmental restructuring as part of the cost reduction initiative. Restructuring charges primarily related to severance costs, bonuses and salary costs for employees whose positions were made redundant. Accrued restructuring costs are included in accounts payable and accrued expenses on the consolidated balance sheet as of December 31, 2024 and 2023. The restructuring activities are summarized in the table below (in thousands):

Year ended December 31,		2024		2023
Beginning of year	$	5,048	$	2,242
Accruals and adjustments		11,575		9,787
Cash payments		(14,547)		(6,981)
Total	$	2,076	$	5,048

11. Long-Term Debt

Long-term debt is comprised of the following (in thousands):

December 31,		2024		2023
Total debt:				
Term Loan - First lien	$	1,368,080	$	1,382,040
Term Loan - Second lien		348,000		348,000
Revolver		98,000		37,000
Total Principal Payments Due		1,814,080		1,767,040
Debt discount and issuance costs		(65,623)		(80,467)
Total Amount Outstanding		1,748,457		1,686,573
Less: current portion of long-term debt		13,960		13,960
Non-Current Portion of Long-Term Debt	$	1,734,497	$	1,672,613

On March 3, 2023, the Company entered into the First Amendment to the First Lien Credit Agreement dated July 20, 2022 to increase the First Lien Term Loan in a principal amount of $50 million. In conjunction with the closing of the First Amendment, the Company utilized the proceeds to fully pay off the revolving line of credit of $40 million that had been drawn in August 2022. Additional financing fees of $5.2 million were incurred in connection with the borrowing.

The Company recorded interest expense related to the term loans of $175.9 million and $182.8 million for the years ended December 31, 2024 and 2023 respectively. The Company recorded interest expense of $5.7 million and $1.7 million related to the revolving line of credit for the years ended December 31, 2024 and 2023, respectively.

At December 31, 2024, the effective interest rate on the First Lien Term Loan and Second Lien Term loan was 9.94% and 12.31%, respectively.

At December 31, 2023, the effective interest rate on the First Lien Term Loan and Second Lien Term loan was 10.73 % and 13.13%, respectively.

As of December 31, 2024 and 2023, $98 million and $37 million of borrowings under the revolving line of credit were outstanding, respectively.

Debt Issuance Costs

In connection with First Amendment to the First Lien Credit Agreement dated July 20, 2022 to increase the First Lien Term Loan in a principal amount of $50 million, the Company incurred debt issuance of $5.2 million of lender fees. The debt issuance cost related to the additional term loan is included in the consolidated balance sheet as direct deductions from the carrying amount of the related notes and will be amortized to interest expense over the term of the Term Loan using the effective interest method.

In connection with the First Lien Term Loan, Second Lien term Loan and the Revolver agreements, the Company incurred debt issuance costs of $102 million, which consisted of $96.5 million of lender fees and $5.5 million of third-party fees.

The debt issuance costs related to the term loans are included in the consolidated balance sheet as direct deductions from the carrying amount of the related notes and will be amortized to interest expense over the term of the Term Loan using the effective interest method. The debt issuance costs related to the revolving line of credit are included in the consolidated balance sheet as other assets and will be amortized on a straight-line basis over the term of the Revolver. As of December 31, 2024 and 2023, the remaining unamortized debt issuance cost related to revolving line of credit were $2.0 million and $2.7 million, respectively.

At December 31, 2024 and 2023, the remaining unamortized debt issuance costs related to the term loans included in the consolidated balance sheets totaled $65.6 million and $80.5 million, respectively.

Debt Covenants

Both the Term Loans and Revolver contain customary, restrictive financial covenants, which include among other things limits on incurring additional indebtedness, making investments, making fundamental changes (including dispositions) to the business. At December 31, 2024 and through the date of issuance of these consolidated financial statements, the Company was in compliance with all debt covenants.

Long-term debt matures over the next five years as follows:

Year ending December 31,	
2025	$ 13,960
2026	13,960
2027	111,960
2028	13,960
2029	1,312,240
Thereafter	348,000
Total	$ 1,814,080

12. Interest Rate Swaps

The Company uses variable-rate debt to finance its operations, capital expenditures and acquisitions. The variable-rate debt obligation exposes the Company to variability in interest payments due to changes in interest rates.

In April 2023, the Company entered into five interest rate swap agreements (Swap Agreements) with Bank of Montreal covering $1.3 billion of its aggregate indebtedness of the First Lien and Second Lien Term Loans. These swaps effectively lock in the interest rate on $1.3 billion of variable-rate debt through April 2025.

In May and July 2024, the Company entered into two interest rate swap agreements (Swap Agreements) with Wells Fargo Bank and Jefferies Financial Services, respectively, covering $1.2 billion of its aggregate indebtedness of the First Lien and Second Lien Term Loans. These swaps will be effective in April 2025 and lock in the interest rate on $1.2 billion of variable-rate debt through April 2026.

Under the Swap Agreements, the Company has changed the variable-rate cash flow exposure on the debt obligations to fixed cash flows. Under the terms of each Swap Agreements, the Company pays a fixed contractual interest rate and (i) makes an additional payment if the SOFR variable rate payment is below a contractual rate or (ii) receives a payment if the SOFR variable rate payment is above the contractual rate.

The settlement date for each swap is on the last day of interest period (every January/April/July/October).

The Company elected not to apply hedge accounting to the derivatives. At each settlement date, cash flow from the interest rate swaps is recorded as an offset to interest expense on the consolidated statements of comprehensive loss. The change in fair value of the interest rate swaps is recorded to other operating expense (income) on the consolidated statements of comprehensive loss for the year ended December 31, 2024.

The fair value of the Company's interest rate swap agreements were determined based on valuations received from the counter parties and are based on the present value of expected future cash flows using discount rates appropriate with the terms of the swap agreements. The fair value indicates an estimated amount the Company is to receive over the term of the Swap Agreements. The fair value asset and liability of the swap are as follows:

December 31,					
Asset Derivatives	Balance Sheet Location		**2024**		2023
Derivatives not designated as hedging instruments:					
Interest rate swaps	Other non-current assets	$	**3,368**	$	10,673
Interest rate swaps	Other non-current liabilities		**(722)**		-

The amount of loss (gain) recognized as other operating expense (income) on derivatives not designated as hedging instruments for the year ended December 31, 2024 and 2023 was $8.0 million and $(10.6) million respectively.

Fair Value of Interest Rate Swaps

The fair value of the interest rate swaps are estimated using industry-standard valuation models such as a discounted cash flow. These models project future cash flows and discount the future amounts to a present value using market-based expectations for interest rates and the contractual terms of the derivative instruments. The discount rate used is the relevant interest rate (e.g., SOFR) plus an adjustment for non-performance risk. Inputs are based on a three-tier hierarchy described in Note 2.

The following tables categorize the interest rate swaps measured at fair value (in thousands):

December 31, 2024

	Level 1	Level 2	Level 3	Total
Assets				
Interest rate swaps	$ -	$ 3,368	$ -	$ -
Total, at fair value	$	$ 3,368	$	$
Liabilities				
Interest rate swaps	$ -	$ 722	$ -	$ -
Total, at fair value	$	$ 722	$	$

December 31, 2023

	Level 1	Level 2	Level 3	Total
Assets				
Interest rate swaps	$ -	$ 10,673	$ -	$ -
Total, at fair value	$	$ 10,673	$	$
Liabilities				
Interest rate swaps	$ -	$ -	$ -	$ -
Total, at fair value	$	$ -	$	$

13. Shareholders' Equity

The Company has authorized share capital of 50,000 shares at a par value of $1 each, of which 105 shares have been issued. The shares are ordinary shares with voting rights.

In January 2024, Tungsten Topco L.P. (the Partnership), the parent company of Tungsten CayCo Ltd., entered into a Unit Subscription Agreement with a venture capital partner, an existing shareholder to the Partnership, to issue additional 5 million class A-1 units for an aggregate purchase price of $5 million. The Partnership then contributed $5 million into the Company as a co-investment in exchange for one (1) ordinary share in the Company.

14. Share-Based Compensation

Profit Interest Plan

In September 2022, the Partnership established the Tungsten Topco L.P. 2022 Profit Interest Plan (the Profit Interest Plan), with the purpose of promoting long-term growth and profitability of the Partnership and incentivizing selected individuals to remain invested in the Partnership's success. The Plan was approved and became effective as of September 1, 2022.

Each award of the Incentive Units (PIUs) is in the form of Class B partnership units, and are subject to the following vesting conditions:

- *50% Time-Vesting Units* - Units are vested over a period of four years. 25% of the units will be vested on the first anniversary of the vesting commencement date. The rest will vest in installments of 2.083% monthly for the remaining three years, subject to the participant's continued employment through the applicable vesting date. All unvested units as of termination date will be forfeited. In the event of the Sale of the Partnership, all unvested time-vesting units will become fully vested.
- *50% Performance-Vesting Units* - Units become vested upon sale of the Partnership based on the achievement of various Multiple of Invested Capital (MOIC).

Phantom Unit Plan

In September 2022, the Partnership also established the 2022 Phantom Unit Plan (the Phantom Plan), which allows the Partnership to issue Phantom Units to eligible employees residing outside of the United States. Each share of Phantom Units awarded to eligible employees under the Phantom Plan represents a contractual right to receive an amount in cash equal to the fair market value of a share of the Partnership's common stock on the settlement date. Each award of the Phantom Units is subject to the same vesting provisions as the Incentive Units from the Profit Interest Plan. No shares of PIUs or partnership units will be issued pursuant to the Phantom Plan, as the awards are settled in cash after the required vesting requirement has been satisfied.

Awards of Phantom Units are accounted for as a liability under applicable accounting standards, which requires changes in the fair value of the Company's liability to be recognized as compensation cost over the vesting period. The liability for the Phantom Units awards was $0.02 million and $0.02 million at December 31, 2024 and 2023, respectively, and was recorded in accounts payable and accrued expense on the consolidated balance sheet.

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The following table summarizes the nonvested awards activity:

	Nonvested Awards		
	Phantom Units	Incentive Units	Weighted-Average Exercise Price
Nonvested, December 31, 2022	2,819,601	80,572,533	$ 0.12
Granted	145,000	9,477,877	0.12
Vested/released	(125,357)	(13,302,167)	0.12
Forfeited	(426,904)	(1,420,648)	0.12
Nonvested, December 31, 2023	2,412,340	75,327,595	0.12
Granted	122,000	24,351,513	0.02
Vested/released	(99,048)	(10,114,908)	0.12
Forfeited	(362,070)	(17,292,803)	0.12
Nonvested, December 31, 2024	2,073,222	72,271,397	$ 0.12

The following table summarizes the vested awards activity:

	Vested Awards		
	Phantom Units	Incentive Units	Weighted-Average Exercise Price
Vested, December 31, 2022	-	-	$ 0.12
Granted	-	-	0.12
Vested/released	426,904	13,302,167	0.12
Forfeited	-	(345,911)	0.12
Vested, December 31, 2023	426,904	12,956,256	0.12
Granted	-	-	
Vested/released	362,070	10,114,908	0.12
Forfeited	(23,551)	(4,176,503)	0.12
Vested, December 31, 2024	765,423	18,894,661	$ 0.12

The assumptions utilized for purposes of the Black-Scholes option pricing model are summarized as follows:

- *Volatility* - As the Company does not have trading history for its common stock, the expected stock price volatility was estimated by using the historical volatility of the iShares Expanded Tech-Software Sect ETF (the Index). The Index is primarily comprised of securities of the North American software companies that are similar in nature to Tungsten. The Company calculated historical volatility of the Index based on daily price observations over a period equivalent to the expected term of the stock option grants.
- *Expected Term* - The expected term was estimated using the practical expedient available to nonpublic entities.
- *Risk Free Rate* - The risk-free interest rate is based on the yields of U.S. Treasury securities with maturities similar to the expected term of the stock option grants.
- *Dividend Yield* - The Company has never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future. Consequently, the Company used an expected dividend yield of zero.

The following table summarizes the weighted average assumptions used to estimate the calculated value of both Incentive Units and Phantom Units granted during the year ended December 31, 2024:

	Weighted-Average	
	Phantom Units	Incentive Units
Expected dividend yield	0%	0%
Risk-free interest rate	3,62%	3.73%
Expected life	4 years	4 years
Expected volatility	64.43%	64.22%
Calculated value per share	$ 0.01	$ 0.01

As of December 31, 2024, total compensation cost related to nonvested awards not yet recognized was $2.7 million and $0.1 million for Incentive Units and Phantom Units, respectively. The weighted average remaining period over which these costs are expected to be recognized was 1.96 years and 1.8 years for Incentive Units and Phantom Units, respectively.

The weighted average remaining contractual life of all options outstanding as of December 31, 2024 was 7.95 years and 7.78 years for Incentive Units and Phantom Units, respectively.

As of December 31, 2024, the performance condition related to the performance vesting units was not considered probable. Therefore, no compensation cost was recorded related to such units. For the time-vesting units, stock-based compensation expense was $0.6 million and $0.02 million for Incentive Units and Phantom Units, respectively, for the year ended December 31, 2024.

15. Employee Benefit Plans

Pension Plan

The Company sponsors various qualified defined benefit pension plans covering a substantial portion of its employees. Foreign pension benefits are based on various formulas that consider years of service, average or highest earnings during specified periods of employment and other criteria. A significant defined benefit pension plan is sponsored in Switzerland (Pension Plan).

The Pension Plan is managed by the Company and is accountable to the plan members. Management has reviewed the terms and conditions of the plan, in particular with regard to the mechanism for funding any deficit that might arise. Although the plan has many of the characteristics of a defined contribution plan, the scheme effectively includes a minimum guaranteed annuity rate, any shortfall in which the trustee would normally ask the employer to contribute.

The Company recognizes on its balance sheet an asset or liability equal to the over-or-under-funded benefit obligation of each defined benefit pension and other postretirement plans. Actuarial gains or losses and prior service costs or credits that arise during the period are not recognized as components of net periodic benefit cost, but rather are recognized, net of tax, as a component of other comprehensive income. Included in accumulated other comprehensive income as of December 31, 2024 and 2023, respectively, is unrecognized actuarial gains (losses) of $0.2 million and $1.1 million, related to the Company’s pension plans.

The following disclosure tables represent the activities for years ended December 31, 2024 and 2023.

Net Periodic Benefit Cost

Components of net periodic benefit costs for the Company's Pension Plan were as follows (in thousands):

Year ended December 31,	2024	2023
Service costs	$ 431	$ 395
Interest costs	139	166
Expected return on plan assets	(249)	(251)
Net Periodic Benefit Costs	$ 321	$ 310

Change in Projected Benefit Obligation

The table below presents components of the changes in projected benefit obligation, changes in plan assets, and funded status of the Company's Pension Plan (in thousands):

Year ended December 31,	2024	2023
Change in Projected Benefit Obligation		
Projected Benefit Obligation, beginning of year	$ 9,379	$ 8,329
Service costs	431	395
Interest costs	139	166
Participant contribution	247	337
Settlement	(1,290)	(780)
Premiums paid	(71)	(96)
Actuarial gains (loss)	195	1,132
Benefits paid	(152)	(150)
Impact of foreign currency translation	(641)	46
Projected Benefit Obligation, end of year	8,237	9,379
Change in Plan Assets		
Fair Value of Plan Assets, beginning of year	7,896	6,786
Actual return on plan assets	411	703
Premiums paid	(71)	(96)
Benefits paid	(152)	(150)
Impact of foreign currency translation	(1,332)	653
Fair Value of Plan Assets, end of year	6,752	7,896
Funded Status of Plans, end of year	$ (1,485)	$ (1,483)

The accumulated benefit obligation for the Company's Pension Plan was $7.5 million and $8.8 million at December 31, 2024 and 2023, respectively.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the Company's Pension Plan with a projected benefit obligation in excess of the fair value of plan assets and its Pension Plan with accumulated benefit obligations in excess of the fair value of plan assets were as follows (in thousands):

December 31, 2024

	Projected Benefit Obligation Exceeds the Fair Value of Plan Assets	Accumulated Benefit Obligation Exceeds the Fair Value of Plan Assets
Projected benefit obligation	$ (8,237)	$ -
Accumulated benefit obligation	-	(7,527)
Fair value of plan assets	6,752	6,752
Funded Status of Plans	$ (1,485)	$ (775)

December 31, 2023

	Projected Benefit Obligation Exceeds the Fair Value of Plan Assets	Accumulated Benefit Obligation Exceeds the Fair Value of Plan Assets
Projected benefit obligation	$ (9,379)	$ -
Accumulated benefit obligation	-	(8,763)
Fair value of plan assets	7,896	7,896
Funded Status of Plans	$ (1,483)	$ (867)

The Company's funding policy for its funded pension plans is based upon local statutory requirements. The Company's funding policy is subject to certain statutory regulations with respect to annual minimum and maximum company contributions. Plan benefits for the nonqualified plans are paid as they come due.

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Fair Value of Plan Assets

The Company measures the fair value of plan assets based on the prices that would be received to sell an asset or aid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based on a three-tier hierarchy described in Note 2. The tables below present total plan assets by investment category within the fair value hierarchy with respect to the inputs used to measure fair value (in thousands):

December 31, 2024

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 68	$ -	$ -	$ 68
Fixed income securities:				
Swiss government bond funds	-	1,013	-	1,013
International government bond funds	-	1,013	-	1,013
Emerging market	-	270	-	270
Mortgages	-	270	-	270
Equity securities	-	2,025	-	2,025
Real estate funds	-	1,755	-	1,755
Other	-	338	-	338
	$ 68	$ 6,684	$ -	$ 6,752

December 31, 2023

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 79	$ -	$ -	$ 79
Fixed income securities:				
Swiss government bond funds	-	1,034	-	1,034
International government bond funds	-	1,019	-	1,019
Emerging market	-	284	-	284
Mortgages	-	316	-	316
Equity securities	-	2,684	-	2,684
Real estate funds	-	2,053	-	2,053
Other	-	427	-	427
	$ 79	$ 7,817	$ -	$ 7,896

The Company's target asset allocation for its Pension Plan's assets is not to exceed 50% equity securities, 15% alternative investments, and 30% real estate. Risk tolerance on invested pension plan assets is established through careful consideration of plan liabilities, plan funded status and corporate financial condition. Investment risk is measured and monitored on an on-going basis through annual liability measures, periodic asset/liability studies and quarterly investment portfolio reviews.

Assumptions

The weighted-average assumptions used to determine net periodic benefit cost and projected benefit obligation were as follows:

	2024 (%)	2023 (%)
For Determining Net Periodic Benefit Cost		
Discount rate	1.10	1.60
Expected return on assets	3.50	3.30
Rate of compensation increase	2.00	2.00
For Determining Projected Benefit Obligation		
Discount rate	1.10	1.60
Rate of compensation increase	2.00	2.00

The Company's assumption for the expected long-term rate of return on plan assets is determined based upon recommendations from its Pension Plan's investment advisors using a building block approach that considers diversification and rebalancing for a long-term portfolio of invested assets. The Company's investment advisors study historical market returns and preserve long-term historical relationships between equities and fixed income in a manner consistent with the widely accepted capital market principle that asserts higher volatility generates a greater return over the long run. They also evaluate market factors such as inflation and interest rates before long-term capital market assumptions are determined. Market conditions and other factors may vary over time and could significantly affect the Company's estimates of the expected long-term rate of return on plan assets.

Estimated Future Benefit Payments

Estimated benefit payments over the next ten years for the Company's Pension Plan is as follows (in thousands):

Year ending December 31,	
2025	$ 354
2026	341
2027	332
2028	327
2029	371
Thereafter	1,590
Total Estimated Future Benefit Payments	$ 3,315

The Company estimates that $0.2 million of contributions are expected to be paid to its Pension Plan during the next fiscal year following the period ended December 31, 2024.

16. Commitments and Contingencies

Leases

The Company leases office space under various operating lease agreements that expire through 2028. The Company recognizes the related rent expense on a straight-line basis over the term of each lease. Free rent and rental increases are recognized on a straight-line basis over the term of each lease.

Rent expense, gross of sublease income, has been recorded in the consolidated statements of comprehensive loss as follows (in thousands):

Year ended December 31,		2024		2023
Operating lease cost	$	5,736	$	6,376
Short-term lease cost		1,129		1,707
Variable lease cost		14		21
Sublease income		(125)		(75)
Total Lease Cost	$	6,754	$	8,029

The following table presents supplemental balance sheet information about the Company's leases (in thousands):

December 31,		2024		2023
Operating lease ROU assets	$	8,679	$	13,126
Operating lease liabilities, current	$	4,706	$	5,462
Noncurrent operating lease liabilities		4,524		8,462
Total Operating Lease Liabilities	$	9,230	$	13,924

As of December 31, 2024, the weighted average remaining lease term was 2.47 years and the weighted average discount rate was 3.35%.

As of December 31, 2024, remaining maturities of lease liabilities were as follows (in thousands):

Year ending December 31,		
2025	$	4,925
2026		2,372
2027		1,218
2028		943
2029		70
Total Operating Lease Payments		9,528
Less: imputed interest		298
Total	$	9,230

Litigation and Other Claims

The Company is subject to legal proceedings, lawsuits and other claims relating to labor, service and other matters arising in the ordinary course of business. Management judgment is required in deciding the amount and timing of the accrual of certain contingencies. Depending on the timing of when conditions or situations arise, the timing of a contingency becoming probable and estimable is not necessarily determinable. At December 31, 2024 and 2023, the Company maintained an accrual balance of $2.7 million and $2.8 million, respectively, related to contingent losses arising from potential future litigation or claims against the Company and was recorded in accounts payable and accrued expense on the consolidated balance sheet. The amount of the contingency may change in the future as incremental knowledge, factors or other matters change or become known.

Guarantees and Other

In the ordinary course of business, the Company includes indemnification provisions in the contracts it enters into with customers and business partners. Generally, these provisions require us to defend claims arising out of the Company's products' infringement of third-party intellectual property rights, breach of contractual obligations and/or unlawful or otherwise culpable conduct. The indemnity obligations generally cover damages, costs and attorneys' fees arising out of such claims. In most, but not all cases, the Company's total liability under such provisions is limited to either the value of the contract or a specified, agreed upon amount. In some cases, its total liability under such provisions is unlimited. In many, but not all, cases, the term of the indemnity provision is perpetual. While the maximum potential amount of future payments the Company could be required to make under all the indemnification provisions is unlimited, the Company believes the estimated fair value of these provisions is minimal due to the low frequency with which these provisions have been triggered.

The Company indemnifies its directors and officers to the fullest extent permitted by law. These agreements, among other things, indemnify directors and officers for expenses, judgments, fines, penalties and settlement amounts incurred by such persons in their capacity as a director or officer of the Company, regardless of whether the individual is serving in any such capacity at the time the liability or expense is incurred. Additionally, in connection with certain acquisitions the Company has agreed to indemnify the former officers and members of the boards of directors of those companies, on similar terms as described above, for a period of six years from the acquisition date. In certain cases, the Company purchases director and officer insurance policies related to these obligations, which fully cover the six year periods. To the extent that the Company does not purchase a director and officer insurance policy for the full period of any contractual indemnification, the Company would be required to pay for costs incurred, if any, as described above.

17. Related Party Transactions

Clearlake Capital Group L.P and TA Associates, private equity investment firms, own a majority of the capital stock of the company through private equity funds managed by the firms. During the years ended December 31, 2024 and 2023, the Company recorded $12.3 million and $12.3 million, respectively, to other operating expenses for management and advisory fees paid to Clearlake Capital Group L.P and TA Associates. As of December 31, 2024 and 2023, Clearlake Capital Group L.P. held $14.2 million and $14.4 million of the First Lien Term Loan balance, respectively.

18. Subsequent Events

The Company's management has evaluated events and transactions that have occurred after December 31, 2024 (i.e., subsequent events) through April 28, 2025, the date at which the accompanying consolidated financial statements were available to be issued. Management has determined that no other material subsequent events have occurred during that period that would require the Company to either recognize the financial impact of such events in the accompanying consolidated financial statements or disclose any such events to ensure the consolidated financial statements are not misleading.