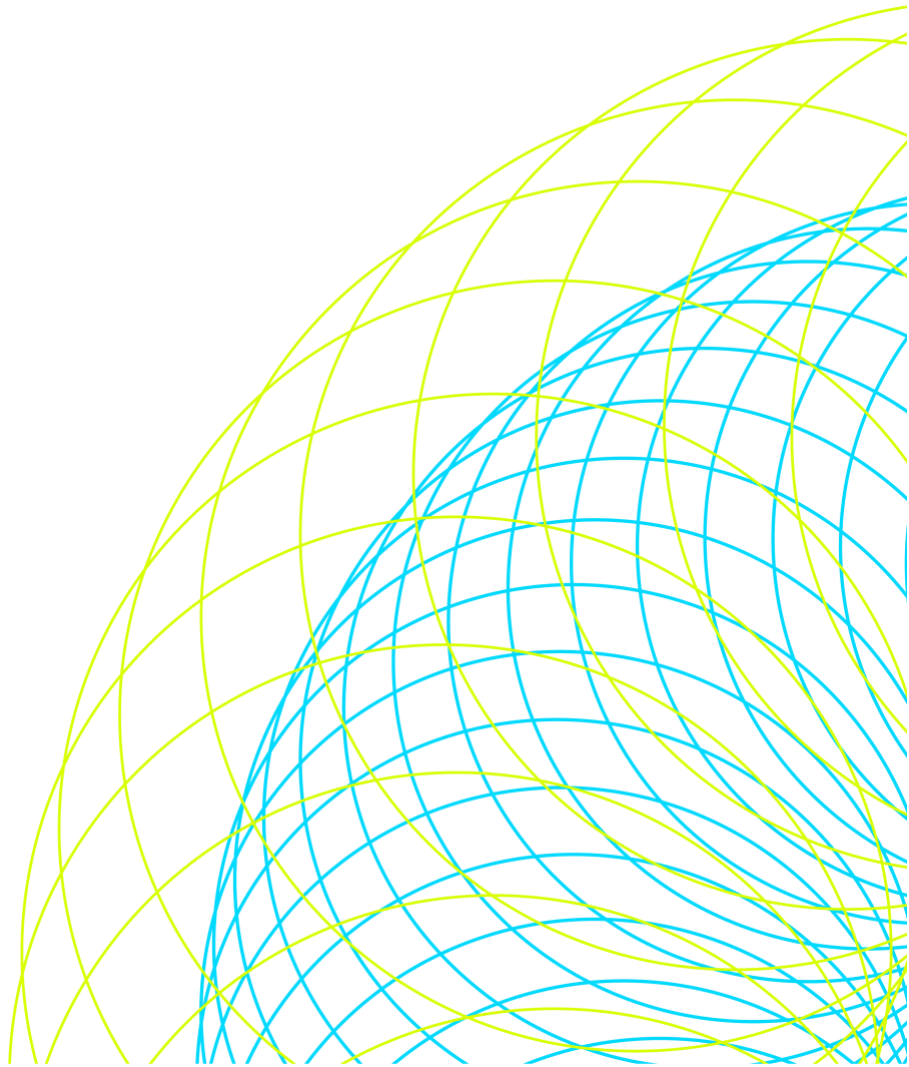


*cyviz* / **DON'T HOLD BACK™**

2022

**ANNUAL REPORT**



# Annual Report 2022

## Cyviz AS

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### **About Cyviz**

Cyviz AS (“Cyviz” or the “Company”) was established in 1998 and is headquartered in Stavanger, Norway. The Company has 100% ownership of the following subsidiaries: Cyviz LLC (USA), Cyviz Limited (United Kingdom), Cyviz BV (The Netherlands), Cyviz Pty Ltd (Australia) and Cyviz Pte Ltd (Singapore). Cyviz is represented in United Arab Emirates and Saudi Arabia through branch offices.

Cyviz is a global technology provider for comprehensive conference and control rooms as well as command and experience centers. Since 1998, the Company has created next level collaboration spaces, assuring inclusive meeting experiences for in person and remote attendance.

Cyviz serves global enterprises and governments with the highest requirements for usability, security, decision making and quality. The cross-platform experience Cyviz delivers to manage and control systems and resources across the enterprise, makes Cyviz the preferred choice for customers with complex needs. The Cyviz Solution Concepts brings the complete benefits of next level collaboration to every aspect of the business. The Company has Cyviz Experience Centers in Atlanta, Benelux, Dubai, Houston, Jakarta, London, Oslo, Riyadh, Singapore, Stavanger, and Washington DC.

Cyviz is listed on Euronext Growth at the Oslo Stock Exchange.

### **Financial review**

*(Numbers for the corresponding period in 2021 in parentheses)*

Cyviz reported consolidated operating income of NOK 486 million in 2022 (NOK 323 million). The Parent Company, Cyviz AS, reported operating income of NOK 328 million in 2022 (NOK 206 million). Order intake for 2022 was NOK 589 million (NOK 402 million), representing an increase of 47% compared to 2021. The increase in revenues and order intake is for a large part attributable to effects of investments made and initiatives taken during the last two years in sales capacity, as well as strong partnerships and positions in high growth markets. The increased demand for digital collaboration solutions in general show signs of acceleration as a consequence of COVID-19. Both employers and employees see the strong benefits (savings with respect to time, cost and climate footprint) of digital collaboration, at the same time as expectations relating to quality in use and ease of management for the solutions are favorable for Cyviz with a strong position in the high-end market.

Cyviz reported a consolidated operating loss of NOK 11.0 million in 2022 (loss of NOK 31.5 million), whilst the reported operating profit for Cyviz AS was NOK 24.3 million in 2022 (loss of NOK 16.1 million).

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### Cyviz AS

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The operating loss in 2022 is primarily a consequence of continued growth initiatives whereby onboarding, sales cycle and delivery time leads to income lagging increased personnel costs. With the strong growth in order intake, it is fair to state that these initiatives so far seem to be paying off in line with expectations.

Cyviz reported consolidated net financial expenses of NOK 9.7 million in 2022 (income of NOK 2.8 million) primarily as a consequence of currency fluctuations. For Cyviz AS, reported net financial expenses were NOK 19.0 million in 2022 (income of NOK 3.0 million).

Cyviz' tax expenses were NOK -1.4 million (tax income) in 2022 (expenses of NOK 1.1 million). For Cyviz AS the tax expenses amounted to NOK 17 thousand (NOK 0.9 million). By end of 2022, the Group has NOK 180 million (NOK 159 million) of tax losses carried forward.

Cyviz reported consolidated net loss of NOK 19.4 million in 2022 (net loss of NOK 29.8 million). For Cyviz AS, the reported net profit was NOK 5.3 million in 2022 (net loss of NOK 14.1 million).

Cyviz reported a consolidated net cash flow from operating activities of NOK -82 thousand in 2022 (NOK -22.1 million). Net cash flow from operating activities for the parent company was NOK -7,3 million in 2022 (NOK -27.2 million).

Consolidated net cash flow from investing activities amounted to NOK -33.6 million in 2022 (NOK -25,2 million). For Cyviz AS, the amount was NOK -29.1 million in 2022 (NOK -21.9 million). Investments in 2022 were mainly related to development of new technology and a new ERP-system for the Group.

For the Group and the parent company, Cyviz AS, net cash flows from financing activities was NOK -1.0 million in 2022 (NOK 48.5 million) relating to repayment of long-term loans to Innovasjon Norge.

Total assets for the Group were NOK 260 million at the end of 2022 (NOK 218 million). Total assets for the parent company, Cyviz AS, were NOK 276 million at the end of 2022 (NOK 215 million).

The Group's total equity at the end of 2022 was NOK 98.6 million (NOK 123 million). Cyviz AS' equity was NOK 155 million at the end of 2022 (NOK 148 million).

The Group's cash and cash equivalents were NOK 13.7 million at the end of 2022 (NOK 48.5 million). The corresponding figure for the parent company was NOK 6.6 million at the end of 2022 (NOK 44.0 million).

# Annual Report 2022

## Cyviz AS

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By the end of 2022, the Group had net interest-bearing assets of NOK 4.7 million (NOK 38.5 million). The parent company, Cyviz AS, had net interest-bearing debt of NOK 2.4 (net interest-bearing assets of NOK 34.0 million).

In the opinion of the Board of Directors, the income statement and balance sheet give a satisfactory representation of the result in 2022 and for the financial position at year end 2022.

### **Going concern**

The Company's Board of Directors have concluded that it is appropriate for the financial statements to continue to be prepared under the going concern basis of accounting. Pursuant to section 3-3 (a) of the Norwegian Accounting Act, it is confirmed that the conditions for assuming that the Company and the Group are a going concern are present, and that the financial statements have been prepared based on this assumption.

### **Research and development**

The Group has in 2022 continued to invest in research and development (R&D). This activity primarily takes place at the headquarters in Sandnes, and in the subsidiary Cyviz Ltd. in Edinburgh (Scotland). A total of 16 employees work full time with R&D. In addition, external expertise is used when needed. In 2022, a total of NOK 24.5 million was invested in R&D, of which NOK 2.2 million was financed by subsidies from SkatteFunn.

The Company's ability to develop, renew and improve its products has been crucial to the growth in the Company in recent years and further focus on R&D is an important part of the Company's strategy.

### **Organization and staff**

During 2022, Cyviz focused on maintaining and integrating the newly hired employees and had a total of 158 employees at year-end, representing an increase of 11 employees compared to year-end 2021. The average number of full-time equivalent employees in 2022 was 148 for the Group including 74 in the parent company. All recruitments in Cyviz are controlled and quality checked, and onboarding programs are tailor made to reflect both a local and a Group perspective. Trainings are given in Cyviz' values, vision, and mission as well as key policies such as code of conduct, anti-corruption and relevant IT and data policies

The health and well-being of Cyviz' employees is paramount to maintaining successful operations and to provide value to both customers and shareholders. The Company reported sick leave of 544 days in 2022, which corresponds to 1.3 % of total working hours. In 2022, no injuries occurred to personnel which then led to absence from work. The Board of Directors considers the working environment in the Company to be satisfactory.

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## Cyviz AS

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Cyviz performs an annual satisfaction survey to oversee all employees' well-being and provides the opportunity to give feedback to the management. The results in 2022 were good with improved results in most areas compared to previous years.

At the end of 2022, the Group had 24 female and 134 male employees. The corresponding figures for the parent company were 13 and 62 employees, respectively. The Board of Directors consists of one female and three male members. Cyviz has a non-discriminatory, fair and benchmarked wage and benefit structure. Group employees are treated in a non-discriminatory manner.

### **Sustainability**

Due to the nature of our proposition, offering a platform for seamless remote participation, collaboration, and content management, we are helping customers reduce carbon footprint and promote virtual engagement as a work form.

### **Transparency Act (Åpenhetsloven)**

Cyviz has established an internal working group that is responsible for ensuring that the company fulfills the requirements of the Norwegian Transparency Act. Cyviz has started the due diligence evaluations and will publish a statement of the due diligence process by 30th June 2023. The statement will be available on [www.cyviz.com](http://www.cyviz.com).

### **ESG Strategy**

Cyviz conducted its first double materiality assessment winter 2023, based on the principles stated in Corporate Sustainability Reporting Directive (CSRD). Double materiality entails mapping material impacts a company has through its value chain, as well as identifying material risks and opportunities driven by stakeholder expectations and ESG megatrends. Based on the assessment, five ESG focus areas were defined: Environmental footprint, Effects on customers, Employee well-being, Cyber security, and Ethical and transparent value chain. By the end of 2023, Cyviz will establish an ESG strategy with targets and KPIs for each of the focus areas.

### **Risk management**

The Company is exposed to different types of risk, including risk associated with currency, liquidity, profitability, interest rate, credit, HSE, cybersecurity and supply chain.

As part of our business model, Cyviz trades extensively with international customers across currencies. As a consequence, a significant proportion of the Company's assets and liabilities are nominated in foreign currencies. A strengthening of the NOK versus relevant foreign currencies may have a negative impact on the company's cash flow, results and equity.

Liquidity risk is related to whether the Company has sufficient capital to cover current obligations. The Group manages liquidity risk based on budget. The Company's interest-bearing debt consists of a long-term loan from Innovation Norway of NOK 9 million. In

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### Cyviz AS

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addition, the Company has an overdraft facility from DNB Bank ASA of NOK 50.0 million. There are various conditions attached to the overdraft facility with DNB Bank ASA, including that the value of the assets pledged as collateral for the credit facility must be above certain levels, as well as equity ratio. As at year end 2022, the Group reported an equity ratio of 38%, which is slightly below the 40% requirement in the facility agreement. As at year end, the Group had not drawn on the facility, but has initiated positive dialogue with the lenders with respect to a waiver to ensure the availability of the facility if needed. As such, the management and Board of Directors are of the opinion that this matter will be resolved, and that the liquidity risk is considered low.

As further described in the Outlook section, there are strong underlying indications that the Company is on the path to profitability.

The Company is exposed to changes in interest rates based on interest-bearing debt and floating interest rates, currently the Company has a net cash position.

The Company's customers are mainly larger renowned customers. Cyviz has not experienced increased losses or material changes in credit risk due to COVID-19.

The invasion of Ukraine by Russia in 2022 has increased the geopolitical risk in the market in general, as well as risks related to business operations, supply chain and cyber-security. With respect to business priorities and focus from potential partners and customers, Cyviz is monitoring the situation closely. Contingency plans have been developed for different scenarios and The Company has increased monitoring and awareness related to cyber-security. Cyviz has the health and safety of our people and our partners as a top priority.

Cyviz holds and maintains a Directors and Officers Liability Insurance on behalf of the members of the Board of Directors and Company officers. The insurance includes controlled subsidiaries and is issued by a reputable insurer and the coverage is considered reasonable. The insurance covers personal legal liabilities including defense and legal costs for directors and officers of Cyviz AS and subsidiaries.

#### **Outlook**

In 2023, Cyviz will continue to focus on achieving profitable growth by leveraging economies of scale. Strong order intake performance indicates that the growth initiatives invested in throughout 2021 and 2022 are paying off, and the company anticipates that the conversion of order intake to revenue will lead to profitable income in the near future, positively impacting overall profitability. We are operating in a changing and somewhat unstable global world at the moment, and there will always be risks related to circumstances the company do not control when it comes to actual performance and profitability. The company has and will always put measures and plans in place to manage unforeseen incidents to reduce potential future risk.

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Cyviz AS

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The demand for Cyviz' solutions is expected to continue growing across all regions and key verticals due to various drivers such as the increasing need for hybrid work and advanced collaboration solutions in offices to improve efficiency and foster innovation. Cyviz is a multi-purpose digital solution that is easy to use and manage, making it an ideal investment for customers looking for scalability in their IT infrastructure. Standardized software is also essential for remote upgrade, management, and support to fulfill user experience and cybersecurity requirements, and this is an area of continued investment for Cyviz in 2023 and beyond.

With the shift towards cloud-based solutions and the rise of solutions as a service, Cyviz is well positioned to capitalize on these growing market trends. The company's unique and scalable technology platform, global footprint, and strong organization and culture demonstrate its ability to exceed customer expectations, leading the CEO and Board of Directors to have confidence in Cyviz' sustainable profitable growth. The Board clarifies that there will always be risk associated with future outlook and forward-looking statements.

Sandnes, 4 May 2023

Rune Syversen  
*Chairman of the Board*

Ingeborg Molden Hegstad  
*Board Member*

Patrick H. Kartevoll  
*Board Member*

Thomas S. Wrede-Holm  
*Board Member*

Espen K. Gylvik  
*CEO*

## Consolidated income statement

NOK 1 000	Note	2022	2021
<b>Operating income</b>			
Revenue	2	<u>485 967</u>	<u>322 668</u>
<b>Total operating income</b>		<b><u>485 967</u></b>	<b><u>322 668</u></b>
<b>Operating expenses</b>			
Cost of materials		265 772	180 494
Salary and personnel expenses	3.4	152 145	117 911
Depreciation	5.6	20 048	16 681
Other operating expenses	4.6	<u>59 002</u>	<u>39 038</u>
<b>Total operating expenses</b>		<b><u>496 967</u></b>	<b><u>354 124</u></b>
<b>Operating profit (loss)</b>		<b><u>-11 000</u></b>	<b><u>-31 456</u></b>
<b>Financial income and expenses</b>			
Interest income		599	225
Net currency gains (losses)		-8 420	3 417
Interest expenses		<u>-1 888</u>	<u>-795</u>
<b>Net financial income and expenses</b>		<b><u>-9 709</u></b>	<b><u>2 847</u></b>
<b>Profit (loss) before tax</b>		<b><u>-20 709</u></b>	<b><u>-28 609</u></b>
Income tax	7	-1 350	1 152
<b>Net profit (loss)</b>		<b><u>-19 359</u></b>	<b><u>-29 761</u></b>



## Consolidated statement of financial position

NOK 1 000	Note	31.12.2022	31.12.2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Research and development		40 863	31 164
Licenses, patents, other		17 204	13 956
<b>Total intangible assets</b>	3.5	<u>58 067</u>	<u>45 120</u>
<b>Tangible fixed assets</b>			
Property, plant & equipment	6.8	6 816	8 467
<b>Total tangible fixed assets</b>		<u>6 816</u>	<u>8 467</u>
<b>Total non-current assets</b>		<u>64 884</u>	<u>53 588</u>
<b>Current assets</b>			
Inventories	8.9	27 527	23 115
<b>Receivables</b>			
Accounts receivable	8.10	136 409	81 973
Other receivables	10.11	17 279	11 057
<b>Total receivables</b>		<u>153 688</u>	<u>93 030</u>
Cash and cash equivalents	12	13 744	48 510
<b>Total current assets</b>		<u>194 959</u>	<u>164 655</u>
<b>Total assets</b>		<u>259 843</u>	<u>218 242</u>

## Consolidated statement of financial position

NOK 1 000	Note	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital	13	14 174	14 174
Share premium		84 474	108 809
<b>Total paid-in capital</b>		<b>98 648</b>	<b>122 983</b>
<b>Total equity</b>	14	<b>98 648</b>	<b>122 983</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	15	4 779	3 964
Long-term interest bearing loans	8	9 000	10 000
<b>Total non-current liabilities</b>		<b>13 779</b>	<b>13 964</b>
<b>Current liabilities</b>			
Overdraft facility	8	0	0
Contract liabilities		38 726	11 555
Accounts payable		74 136	46 723
Public duties payable		5 906	6 471
Other current liabilities		28 649	16 547
<b>Total current liabilities</b>		<b>147 417</b>	<b>81 295</b>
<b>Total liabilities</b>		<b>161 195</b>	<b>95 259</b>
<b>Total equity and liabilities</b>		<b>259 843</b>	<b>218 242</b>

Sandnes, 4 May 2023

Rune Syversen  
Chairman of the Board

Ingeborg Molden Hegstad  
Board member

Thomas S. Wrede-Holm  
Board member

Patrick Hegge Kartevoll  
Board member

Espen Gylvik  
CEO

## Consolidated statement of cash flows

NOK 1 000	Note	2022	2021
<b>Cash flows from operating activities</b>			
Profit (loss) before tax		-20 709	-28 609
Option expense	4	1 388	46
Income tax paid	7	1 350	-316
Depreciation, amortization and impairment	5.6	20 048	16 681
Change in accounts receivable		-54 437	-26 389
Change in inventories		-4 412	-7 260
Change in accounts payable		27 413	22 434
Change in other accruals and prepayments		29 276	1 278
<b>Net cash flow from operating activities</b>		<b>-82</b>	<b>-22 134</b>
<b>Cash flows from investment activities</b>			
Purchase of fixed assets	5.6	-33 571	-25 190
<b>Net cash flow from investment activities</b>		<b>-33 571</b>	<b>-25 190</b>
<b>Cash flows from financing activities</b>			
Proceeds from capital increase		0	48 495
Repayment of long-term loans	8	-1 000	0
<b>Net cash flow from financing activities</b>		<b>-1 000</b>	<b>48 495</b>
Currency effects		-113	-105
<b>Net changes to cash and cash equivalents</b>		<b>-34 766</b>	<b>1 066</b>
Cash and cash equivalents per 1.1.		48 510	47 444
<b>Cash and cash equivalents per 31.12.</b>	8.12	<b>13 744</b>	<b>48 510</b>

## Notes to the financial statements

### Note 1 – General accounting policies

#### **Basis for preparation**

The consolidated financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (NGAAP). The financial statements have been prepared on the going concern basis.

All amounts are presented in thousands of NOK (TNOK), unless otherwise clearly stated.

#### **Group composition**

In addition to the parent entity, Cyviz AS, the Group also includes the subsidiaries Cyviz LLC, Cyviz Ltd, Cyviz Pte Ltd and Cyviz Pty Ltd, incorporated in USA, UK, Singapore and Australia, respectively.

The consolidated financial statements show these units as one single economic entity.

The consolidated financial statements have been prepared in accordance with uniform policies by converting the subsidiaries to the same principles as the parent company.

#### **Classification of items in the statement of financial position**

Assets intended for long-term ownership or use are classified as non-current assets. Assets associated with the normal operating cycle are classified as current assets. Receivables are classified as current assets if they fall due within one year. Analogue criteria are applied to liabilities. Non-current liabilities also includes next year's installments.

#### **Foreign currency translation**

The functional currency of the parent entity is NOK. For consolidation purposes, the results and financial positions of all the Group's entities that have a functional currency other than NOK are translated using the exchange rates prevailing at the end of each reporting period. Income and expenses are translated using monthly average exchange rates, this being a reasonable approximation for estimating actual rate. Exchange differences arising from this translation are recognized directly in equity.

#### **Statement of cash flows**

The cash flow statement is prepared using the indirect method. Interest received and paid is presented as cash flows from operating activities. Cash and cash equivalents consist entirely of bank deposits.

#### **Adjustments following Q4 reporting**

In connection with the preparation and audit of the annual financial statements, an additional estimated allowance for doubtful accounts have been booked. Consequently Accounts Receivable have been reduced and Other operating expenses have been increased by TNOK 2 000 compared to the reported annual figures in the Q4 report.

In addition to this certain adjustments related to classification of unbilled project revenue (assets) have been identified. Consequently Accounts Receivable have been increased by TNOK 7 168 and Contract Liabilities have been increased by TNOK 7 168 compared to the reported annual figures in the Q4 report.

A significant payment on accounts receivable was incorrectly included as Cash and cash equivalents in the Q4 reporting. However, the payment was not registered until 6 January. Consequently Accounts Receivable have been increased by TNOK 59 307 and Cash and cash equivalents have been decreased by TNOK 59 307 compared to the reported annual figures in the Q4 report. As a result of this, the balance as well as the cash flow from operating activities has been adjusted accordingly in the financial statements.

## Note 2 – Revenues

### Significant accounting policies

Cyviz revenues consist of goods, installation services, software licenses and service agreements. Revenues for goods are recognized at the time of delivery. Delivery is defined as the time when risk and control of the goods are transferred to the customer. Revenue for installation services are recognized when performed. Revenue for software licenses and service agreements are accrued over the service agreement period.

Allocation of revenue and costs related to construction contracts are done by referring to the stage of completion of contract activity. Level of completion is calculated as incurred cost in percentage of expected total cost, where the total cost is reassessed on an ongoing basis

### Revenues by geography

(amounts in NOK 1000)	2022	2021
Europe, Middle East and Africa (EMEA)	292 157	138 821
Americas	172 611	146 608
Other	21 199	37 239
<b>Total</b>	<b>485 967</b>	<b>322 668</b>

## Note 3 – Government grants

### Significant accounting policies

The group receives government grants in relation to its research and development activities. When such grants are received to carry out certain activities or compensate specific expenses, the grant is recognized in the income statement over the same period as the associated costs. Grants that compensate the group for the cost of an asset are deducted from the asset's acquisition cost when it is recognized in the statement of financial position.

### SkatteFUNN

SkatteFUNN is granted by the Research Council of Norway and is received as a deduction in tax payable or a cash payment, to the extent there is no tax payable to deduct it from.

Cyviz AS has been granted SkatteFUNN for two projects related to its ongoing development activities. As these projects meet the criterias for recognition as assets, the grant is deducted from the acquisition cost. Refer to note 5 for further information about these development projects.

**Note 4 – Personnel expenses, remunerations****Significant accounting policies**

Personnel costs are expensed as the employees earn the right to the payment of wages for hours worked. Payments to defined contribution pension are expensed over the period in which the employees earn the right to the deposit. Personnel costs related to research and development projects are capitalized to the extent that the conditions for this are met. Expenses relating to share option schemes for employees are accounted for in accordance with NRS 15A and based on measurement of the options at the grant date using the Black-Scholes model.

**Pensions**

The group mainly uses defined contribution pension plans for its employees, in accordance with local requirements in the country of employment.

**Capitalized development costs**

Reference is made to note 5 for further information regarding research and development projects.

**Specification of personnel costs**

(amounts in NOK 1000)	2022	2021
Wages	132 243	108 453
Government grants	0	0
Social security tax	11 528	7 399
Capitalized development costs	-7 507	-8 039
Other personnel costs	15 881	10 099
<b>Total</b>	<b>152 145</b>	<b>117 911</b>

**Number of employees**

(average FTE for the period)	2022	2021
Norway	83	41
Other	75	68
<b>Total</b>	<b>158</b>	<b>109</b>

<b>Key management compensation</b>	<b>Board of</b>	
(amounts in NOK 1000)	<b>CEO</b>	<b>Directors</b>
Salary	2 111	1 020
Bonus	1 150	0
Other benefits	204	0
<b>Total</b>	<b>3 465</b>	<b>1 020</b>

There are no loans or financial guarantees granted to the Board of Directors or executive management.

### Share option program

A share option program was established in October 2019 for the Company's management and employees with a maximum aggregate size corresponding to a number of 255 300 new shares in the Company. The share options vests with 3/5 on 1 May 2021, 1/5 on 1 May 2022 and 1/5 on 1 May 2023, contingent on employment at the vesting date. The options may be exercised in whole or in part within 45 days from the vesting date. The strike price for new shares under the program is NOK 26.70 per share.

A new share option program was established June 2022 with a number of 223 000. The share options vests with 1/3 on 14 Dec 2022, 1/3 on 14 Dec 2023 and 1/3 on 14 Dec 2024, contingent on employment at the vesting date. The options may be exercised in whole or in part within 45 days from the vesting date. The strike price for new shares under the program is NOK 21.75 per share.

### Share options outstanding

(amounts in NOK 1000)	<b>Number of options</b>
Outstanding options 31. december 2021	204 300
New options granted	223 000
Exercised options	0
Forfeited options	-45 000
<b>Outstanding options 31. december 2022</b>	<b>382 300</b>

Option costs recognized as personnel expense amounts to TNOK 1 388 in 2022 (2021 : TNOK 46).

**Valuation assumptions for share options established in 2019**

	May 2021	May 2022	May 2023
Price of underlying share	20.00	20.00	20.00
Strike price	26.70	26.70	26.70
Average risk free interest rate	1.55 %	1.55 %	1.55 %
Expected term (years)	1.6	2.6	3.6
Volatility	30 %	30 %	30 %
<b>Fair value of the option at grant date (NOK)</b>	<b>0.93</b>	<b>1.79</b>	<b>2.61</b>

**Valuation assumptions for share options established in 2022**

	December 2023	December 2024	December 2025
Price of underlying share	34.70	34.70	34.70
Strike price	21.75	21.75	21.75
Average risk free interest rate	1.55 %	1.55 %	1.55 %
Expected term (years)	0.5	1.5	2.51
Volatility	30 %	30 %	30 %
<b>Fair value of the option at grant date (NOK)</b>	<b>13.14</b>	<b>13.87</b>	<b>14.70</b>

**Specification of auditors remuneration**

(amounts in NOK 1000)	2022	2021
Statutory audit fee	920	899
Technical compilation	75	75
Tax advisory services*	75	335
Other non-auditing services	15	15
<b>Total</b>	<b>1 085</b>	<b>1 324</b>

Reported amounts are exclusive of VAT.

\* Fees for Advokatfirmaet PricewaterhouseCoopers: TNOK 75.



## Note 5 – Intangible assets

### Significant accounting policies

Expenditures on research and development are recognized as assets to the extent that they are part of projects generating identifiable intangible assets, of which future economic benefits can be attributed. Expenses related to projects not meeting these criteria are charged to the income statement as they accrue. When there are indications of impairment, an estimate of value in use is calculated. An impairment loss is recognized in the income statement to the extent that carrying amount exceeds the value in use.

### Capitalized development costs

The Group has capitalized TNOK 22 309 in connection with the development of its visualization technology in 2022. The work is mainly performed by Cyviz own employees in Sandnes, Norway and in the subsidiary Cyviz Ltd in Edinburgh, Scotland. Cyviz AS has all the commercial rights to the developed products. Annual depreciation is calculated and recognized in the income statement from the time when the products are fully developed and ready for commercial use.

### Specification of research and development expenses

(amounts in NOK 1000)	2022	2021
Visualization technology	24 535	17 826
Government grants	-2 226	-2 589
<b>Total research and development expenses</b>	<b>22 309</b>	<b>15 236</b>
Capitalized as intangible assets	22 309	15 236
<b>Charged to income statement</b>	<b>0</b>	<b>0</b>

### Specification of intangible assets

(amounts in NOK 1000)	Development	Licenses, patents etc.	Total
Cost 01.01.	142 217	18 019	160 236
Additions	22 309	6 316	28 625
<b>Cost 31.12.</b>	<b>164 526</b>	<b>24 335</b>	<b>188 861</b>
Accumulated depreciation 01.01.	111 053	4 063	115 117
Depreciations for the year	12 610	3 068	15 677
<b>Accumulated depreciation 31.12.</b>	<b>123 663</b>	<b>7 131</b>	<b>130 794</b>
<b>Book value 31.12.</b>	<b>40 863</b>	<b>17 204</b>	<b>58 067</b>
Economic useful life	5 years	5 years	
Depreciation schedule	Linear	Linear	

## Note 6 – Property, plant & equipment

### Significant accounting policies

Property, plant & equipment are recognized in the statement of financial position at cost less accumulated depreciation and impairment losses. The cost price of such assets is the purchase price including expenses directly attributable to the purchase of the asset. Expenditures incurred after the asset has been put into use, such as ongoing daily maintenance, are recognized as expenses in the period in which they were incurred, except for expenditures expected to generate future economic benefits that are recognized as a part of the asset. Leases for premises are treated as operating leases, with lease payments recognized as expense as they occur.

### Specification of property, plant & equipment

(amounts in NOK 1000)

Cost 01.01.	73 896
Additions	2 720
<b>Cost 31.12.</b>	<b>76 616</b>
Accumulated depreciation 01.01.	64 791
Depreciations for the year	4 371
<b>Accumulated depreciation 31.12.</b>	<b>69 162</b>
Currency translation effects	-637
<b>Book value 31.12.</b>	<b>6 817</b>

Economic useful life	3-10 years
Depreciation schedule	Linear

### Specification of leases for premises

(amounts in NOK 1000)	Annual payments	Remaining term
Offices in Norway	4 800	1-3 years
Offices in UK	1 400	1-2 years
Offices in USA	2 900	1-2 years
Offices in Middle East and Asia	5 050	1-2 years
<b>Total lease expense</b>	<b>14 150</b>	

## Note 7 – Income tax

### Significant accounting policies

The income tax expense in the income statement includes the tax payable for the period and changes in deferred tax. Tax payable and deferred tax is calculated using tax rates and tax legislation that have been enacted at the end of the reporting period. Deferred tax is calculated on all temporary differences between tax base and amount recognized in the statement of financial position. In addition deferred tax is also calculated on tax loss carryforward at the end of the reporting period. Deferred tax assets are only recognized to the extent that it is probable that future taxable income will be generated against which it can be utilized. Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset them.

### Basis for recognition of deferred tax asset

Based on an overall assessment of the group's historical earnings and the outlook for future taxable profits, the deferred tax assets were derecognized in 2019. There are no significant factors in 2022 indicating any need to change this assessment at the present time.

### Specification of income tax expense

(amounts in NOK 1000)	2022	2021
Tax payable in Norway	0	0
Tax payable in other countries	0	1 152
Change in deferred tax	0	0
Tax relating to prior periods	-1 350	0
<b>Income tax expense</b>	<b>-1 350</b>	<b>1 152</b>

**Reconciliation of tax expense with tax calculated at nominal rate**

(amounts in NOK 1000)	2022	2021
Result before tax	-20 709	-28 609
Tax at nominal rate (22 %)	-4 556	-6 294
Government grants	-490	-570
Other permanent differences	389	1 384
Change in deferred tax not recognized	4 657	6 631
Tax relating to prior periods	-1 350	0
<b>Income tax expense</b>	<b>-1 350</b>	<b>1 152</b>

**Specification of deferred tax**

(amounts in NOK 1000)	2022	2021	Change
Inventory	326	326	0
Accounts receivable	-2 650	-3 163	514
Provisions	-51	128	-179
Fixed assets	3 350	3 253	97
Other differences	-4 961	-4 769	-192
Net deferred tax on temporary differences	-3 986	-4 225	239
Tax loss carryforward	-42 453	-37 557	-4 896
<b>Total deferred tax</b>	<b>-46 439</b>	<b>-41 782</b>	<b>-4 657</b>
Deferred tax not recognized	-46 439	-41 782	-4 657
<b>Deferred tax recognized</b>	<b>0</b>	<b>0</b>	<b>0</b>

Of the deferred tax assets related to tax loss carryforwards, around 70 % is in Norway, where it may be carried forward for an indefinite time.

**Note 8 – Interest bearing loans****Significant accounting policies**

Non-current interest bearing loans are initially measured at face value, less admission costs, and subsequently measured at amortized cost. Differences between face value and carrying amount are amortized linearly over the period of maturity. As long as the Group are complying with the loan terms and the agreed maturity reaches beyond twelve months, interest bearing loans are classified as non-current liabilities. Next year's payments are included in non-current liability, and not presented separately. In the event of a breach of the loan terms, that enable the lender to demand immediate repayment, the liability is reclassified to current liabilities.

**Overdraft facility**

Cyviz has established an overdraft facility with a limit of NOK 50 million. The main lending term is that the drawn amount shall not exceed sum of 60% of accounts receivables, 50% of inventory, and a base of NOK 2.5 million. In addition, the equity ratio shall be minimum 40% measured yearly.

As at year end 2022, the Group reported an equity ratio of 38%, which is slightly below the 40% requirement in the facility agreement. As at year end, the Group had not drawn on the facility, but has initiated positive dialogue with the lenders with respect to a waiver to ensure the availability of the facility if needed. As such, the management and Board of Directors are of the opinion that this matter will be resolved, and that the liquidity risk is considered low.

**Innovation Norway**

For the loan from Innovation Norway, an interest and installment exemption applied until November 2021 and November 2022, respectively. The loan is to be repaid over 7 years, with the first installment in August 2022.

**Pledged assets**

Accounts receivable, fixed assets and inventories are pledged as security for the overdraft facility and the loan from Innovation Norway.

**Specification of interest bearing loans**

(amounts in NOK 1000)	2022	2021
Innovation Norway	9 000	10 000
<b>Total interest bearing loans</b>	<b>9 000</b>	<b>10 000</b>
Long-term	9 000	10 000
Short-term	0	0

**Specification of movements in interest bearing loans**

(amounts in NOK 1000)	2022	2021
Balance 01.01.	10 000	10 000
Cash flows from new loans	0	0
Cash flows from repayments (ex. interest)	-1 000	0
Cash flows from interest payments	0	0
Accrued interest	0	0
Converted to equity	0	0
<b>Balance 31.12.</b>	<b>9 000</b>	<b>10 000</b>

**Contractual payments on loans**

(amounts in NOK 1000)	Book amount	Next year	Year 2-5
Nominal amount inc. interest	9 000	1 902	7 922

**Carrying amount of assets pledged as security**

(amounts in NOK 1000)	2022	2021
Property, plant & equipment	3 342	3 704
Accounts receivable	129 839	49 010
Inventories	24 048	12 652
<b>Total</b>	<b>157 229</b>	<b>65 366</b>

## Note 9 – Inventories

### Significant accounting policies

The inventory of purchased goods is recognized to the lower of purchase cost or market value.

### Specification of inventories

(amounts in NOK 1000)	2022	2021
Acquisition cost	28 127	23 115
Provision for obsolescence	-600	0
<b>Inventories</b>	<b>27 527</b>	<b>23 115</b>

## Note 10 – Receivables

### Significant accounting policies

Accounts receivable and other receivables are recognized in the statement of financial position at face value, after deduction of expected loss. Provision for loss on receivables is estimated on the basis of an individual assessment of each receivable.

### Specification of receivables

(amounts in NOK 1000)	2022	2021
Accounts receivable at face value	138 748	86 649
Provision for expected credit losses	-2 339	-4 677
<b>Accounts receivable</b>	<b>136 409</b>	<b>81 973</b>
SkatteFUNN (government grant)	2 226	2 589
Prepayments	12 429	7 394
Other	2 624	1 074
<b>Other receivables</b>	<b>17 279</b>	<b>11 057</b>

## Note 11 – Financial instruments

### Significant accounting policies

The group uses currency forward contracts to hedge currency risk relating to sales in USD. However, the group does not apply hedge accounting. Open agreements at the reporting date are recognized at fair value, based on MTM-report from DNB. Unrealized gains or losses are presented as other receivables or other current liabilities, respectively. Both the contractual payments and the movement in unrealized gains or losses are recognized in the income statement as net currency gains (losses).

### Open currency forward contracts at the reporting date

(amounts in NOK 1000)	Trade date	Maturity date	Carrying amount
No open currency contracts at the reporting date			0
<b>Unrealized gain (loss)</b>			<b>0</b>
Unrealized gain (loss) last year			-478

## Note 12 – Bank deposits and restricted cash

### Significant accounting policies

Cash and cash equivalents includes all cash, bank deposits and other liquid investments that can be immediately converted into cash with negligible exchange rate risk. To the extent that overdraft facilities are used, the amount drawn is presented as current borrowing in the statement of financial position.

### Restricted cash

(amounts in NOK 1000)	2022	2021
Payroll tax account	2 378	2 016



## Note 13 – Share capital and shareholder information

## Share capital per 31.12.22

	Shares	Par value (NOK)	Share capital
Ordinary shares	12 885 597	1.10	14 174

All shares have equal voting and dividend rights.

In addition to the currently outstanding shares, Cyviz AS also has 382 300 options outstanding (refer to note 4 for more information).

## Significant shareholders per 31.12.22

	Shares	Ownership
Investinor Direkte AS	4 911 267	38.1 %
Karbon Invest AS	1 919 367	14.9 %
Silvercoin Industries AS	563 211	4.4 %
Spinoza AS	464 173	3.6 %
Camaca AS	383 791	3.0 %
Sakk AS	302 921	2.4 %
DNB Markets Aksjehandel/-Analyse	275 240	2.1 %
Lin AS	217 278	1.7 %
Solan Capital AS	215 000	1.7 %
Muen Invest AS	213 279	1.7 %
K.A. Fem AS	200 000	1.6 %
Norport AS	194 399	1.5 %
Citibank, N.A.	121 488	0.9 %
J.P. Morgan Se	110 000	0.9 %
Godthåb Holding AS	108 695	0.8 %
Inma Invest AS	102 426	0.8 %
Cat Invest 1 AS	96 701	0.8 %
Cime AS	89 485	0.7 %
Nordnet Livsforsikring AS	89 025	0.7 %
Fredrujseb	74 188	0.6 %
<b>Total (20 largest shareholders)</b>	<b>10 651 934</b>	<b>82.7 %</b>
Other shareholders	2 233 663	17.3 %
<b>Total</b>	<b>12 885 597</b>	<b>100.0 %</b>

Chairman of the Board Rune Syversen has an indirect ownership of 4%.

CEO Espen Kristian Gylvik has an indirect ownership of 0,3%.

## Shareholders associated with leading roles

	Shares	Options	Role
Espen Gylvik	89 485	51 800	CEO

## Note 14 – Equity

## Specification of equity

(amounts in NOK 1000)	Share capital	Share premium	Other paid-in equity	Sum
Equity as per 31.12.2021	14 174	108 809	0	122 983
Net profit (loss)	0	-17 971	-1 388	-19 359
Share-based compensation	0	0	1 388	1 388
Currency translation differences	0	-6 364	0	-6 364
<b>Equity as per 31.12.2022</b>	<b>14 174</b>	<b>84 474</b>	<b>0</b>	<b>98 648</b>

## Note 15 – Provisions and other current liabilities

## Significant accounting policies

Provisions and other current liabilities are mainly related to goods or services received, wages to employees or other expenses related to performed activities. Amounts that falls due within the next twelve months are classified as current liabilities and measured at nominal value. Provisions that falls due later than twelve months are classified as non-current and are discounted when the effect of this is considered material.

## Non-current provisions

Non-current provision relates to end-of-service gratuity earned by employees working in U.A.E and Kingdom of Saudi Arabia. The employee will generate a sum for payment for each year one is employed by the company in accordance with applicable laws in U.A.E and KSA. The obligation is settled through cash payment on termination of the employment. The schemes are regarded as unfunded defined benefit schemes measured at settlement value. Service cost, payments and remeasurements are recognised net as personnel expense.

## Note 16 – Related parties

There no related party transactions in 2022.

## Note 17 – Events after the reporting period

The Russia-Ukraine conflict, which remains ongoing at the date of this report, has resulted in a rapidly evolving geo-political situation and introduced a new set of challenges. In order to mitigate the potential impact on the company's operation particularly in respect of potential interruptions of supply chains and cyber risk, Cyviz is monitoring international sanctions and trade control legislation closely and has enforced control mechanisms to manage the elevated security threats imposed to the industry.

## Income statement

NOK 1 000	Note	2022	2021
<b>Operating income</b>			
Revenue	2.3	291 306	185 759
Other operating income	3	36 802	20 307
<b>Total operating income</b>		<b>328 108</b>	<b>206 067</b>
<b>Operating expenses</b>			
Cost of materials		156 532	107 287
Salary and personnel expenses	4	82 194	64 782
Depreciation	5.6	17 769	15 057
Other operating expenses	4	47 285	35 087
<b>Total operating expenses</b>		<b>303 779</b>	<b>222 213</b>
<b>Operating profit (loss)</b>		<b>24 329</b>	<b>-16 146</b>
<b>Financial income and expenses</b>			
Interest income from group companies		483	425
Other interest income		572	225
Net currency gains (losses)		-7 935	4 633
Write down of financial assets	7	-10 353	0
Interest expenses		-1 818	-794
Other financial expenses		0	-1 477
<b>Net financial income and expenses</b>		<b>-19 049</b>	<b>3 012</b>
<b>Profit (loss) before tax</b>		<b>5 279</b>	<b>-13 134</b>
Income tax	8	17	931
<b>Net profit (loss)</b>		<b>5 262</b>	<b>-14 065</b>
<b>Allocation of net profit (loss)</b>			
Transferred from share premium			-14 019
Transferred from other paid-in equity			-46
Transferred to/(from) retained equity		5 262	0
<b>Total allocated</b>		<b>5 262</b>	<b>-14 065</b>

## Statement of financial position

NOK 1 000	Note	31.12.2022	31.12.2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Research and development		35 996	31 995
Licenses, patents, other		17 204	14 018
<b>Total intangible assets</b>	5.9	<b>53 201</b>	<b>46 013</b>
<b>Tangible fixed assets</b>			
Property, plant & equipment	6.10	3 342	3 704
<b>Total tangible fixed assets</b>		<b>3 342</b>	<b>3 704</b>
<b>Financial fixed assets</b>			
Investments in subsidiaries	7	296	8 798
Long term receivables from group entities	11	3 150	874
<b>Total financial fixed assets</b>		<b>3 445</b>	<b>9 672</b>
<b>Total non-current assets</b>		<b>59 988</b>	<b>59 389</b>
<b>Current assets</b>			
Inventories	10.12	24 048	12 652
<b>Receivables</b>			
Accounts receivable	10	129 839	49 010
Short term receivables from group entities	7.10	43 047	41 889
Other receivables	13	12 546	7 859
<b>Total receivables</b>	11	<b>185 432</b>	<b>98 758</b>
Cash and cash equivalents	14	6 594	43 968
<b>Total current assets</b>		<b>216 074</b>	<b>155 378</b>
<b>Total assets</b>		<b>276 063</b>	<b>214 767</b>

## Statement of financial position

NOK 1 000	Note	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital	15	14 174	14 174
Share premium		134 191	134 191
Other paid-in equity		1 388	0
<b>Total paid-in capital</b>		<b>149 753</b>	<b>148 365</b>
<b>Retained earnings</b>			
Other equity		5 262	0
<b>Total retained earnings</b>		<b>5 262</b>	<b>0</b>
<b>Total equity</b>	16	<b>155 015</b>	<b>148 365</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	17	4 779	3 964
Long-term interest bearing loans	10	9 000	10 000
<b>Total non-current liabilities</b>		<b>13 779</b>	<b>13 964</b>
<b>Current liabilities</b>			
Overdraft facility	10	0	0
Contract liabilities		22 214	11 028
Accounts payable		62 179	22 935
Public duties payable		4 588	4 517
Other current liabilities		18 288	13 957
<b>Total current liabilities</b>		<b>107 269</b>	<b>52 437</b>
<b>Total liabilities</b>		<b>121 047</b>	<b>66 401</b>
<b>Total equity and liabilities</b>		<b>276 063</b>	<b>214 767</b>

Sandnes, 4 May 2023

Rune Syversen  
Chairman of the Board

Ingeborg Molden Hegstad  
Board member

Thomas S. Wrede-Holm  
Board member

Patrick Hegge Kartevoll  
Board member

Espen Gylvik  
CEO

## Statement of cash flows

NOK 1 000	Note	2022	2021
<b>Cash flows from operating activities</b>			
Profit (loss) before tax		5 279	-13 134
Option expense	4	1 388	46
Income tax paid	8	-17	-931
Depreciation, amortization and impairment	5.6	17 769	15 057
Write down of financial assets	7	8 502	0
Change in accounts receivable		-80 828	-8 388
Change in inventories		-11 396	-1 134
Change in accounts payable		39 244	11 864
Write down of intercompany receivables	7	1 851	0
Change in other accruals and prepayments		10 932	-30 589
<b>Net cash flow from operating activities</b>		<b>-7 277</b>	<b>-27 210</b>
<b>Cash flows from investment activities</b>			
Purchase of fixed assets	5.6	-26 821	-21 863
Change in long-term loans to subsidiaries		-2 276	0
<b>Net cash flow from investment activities</b>		<b>-29 097</b>	<b>-21 863</b>
<b>Cash flows from financing activities</b>			
Proceeds from capital increase		0	48 495
Repayment of long-term loans	10	-1 000	0
<b>Net cash flow from financing activities</b>		<b>-1 000</b>	<b>48 495</b>
<b>Net changes to cash and cash equivalents</b>		<b>-37 374</b>	<b>-579</b>
Cash and cash equivalents per 1.1.		43 968	44 546
<b>Cash and cash equivalents per 31.12.</b>	14	<b>6 594</b>	<b>43 968</b>

## Notes to the financial statements

### Note 1 – General accounting policies

#### **Basis for preparation**

The separate financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (NGAAP). The financial statements have been prepared on the going concern basis.

The functional currency of the company is NOK, and all amounts are presented in thousands of NOK (TNOK), unless otherwise clearly stated.

#### **Classification of items in the statement of financial position**

Assets intended for long-term ownership or use are classified as non-current assets. Assets associated with the normal operating cycle are classified as current assets. Receivables are classified as current assets if they fall due within one year. Analogue criteria are applied to liabilities. Non-current liabilities also includes next year's installments.

#### **Statement of cash flows**

The cash flow statement is prepared using the indirect method. Interest received and paid is presented as cash flows from operating activities. Cash and cash equivalents consist entirely of bank deposits.

## Note 2 – Revenues

### Significant accounting policies

Cyviz revenues consist of goods, installation services, software licences and service agreements. Revenues for goods are recognized at the time of delivery. Delivery is defined as the time when risk and control of the goods are transferred to the customer. Revenue for installation services are recognized when performed. Revenue for software licences and service agreements are accrued over the service agreement period.

Allocation of revenue and costs related to construction contracts are done by referring to the stage of completion of contract activity. Level of completion is calculated as incurred cost in percentage of expected total cost, where the total cost is reassessed on an ongoing basis.

### Revenues by geography

(amounts in NOK 1000)	2022	2021
Europe, Middle East and Africa (EMEA)	270 373	126 532
Americas	14 998	21 150
Other	5 934	38 077
<b>Total</b>	<b>291 306</b>	<b>185 759</b>



### Note 3 – Related parties

There were no transactions with related parties other than group entities in 2022.

#### Aggregated specification of transactions with group entities

(amounts in NOK 1000)	2022	2021
Cyviz LLC	40 456	16 722
Cyviz Ltd	10 267	5 264
<b>Total sale of goods and services</b>	<b>50 723</b>	<b>21 986</b>
Cyviz LLC	0	0
Cyviz Ltd	0	0
<b>Total purchase of goods and services</b>	<b>0</b>	<b>0</b>

Amounts above relating to sales includes management fees, presented as other operating income.

### Note 4 – Personnel expenses, remunerations

#### Significant accounting policies

Personnel costs are expensed as the employees earn the right to the payment of wages for hours worked. Payments to defined contribution pension are expensed over the period in which the employees earn the right to the deposit. Personnel costs related to research and development projects are capitalized to the extent that the conditions for this are met. Expenses relating to share option schemes for employees are accounted for in accordance with NRS 15A and based on measurement of the options at the grant date using the Black-Scholes model.

#### Pensions

The company has established a defined contribution scheme in accordance with the requirements of the Norwegian Act on Mandatory Occupational Pensions ("OTP") for its employees in Norway. Employees in other countries are covered by similar schemes in accordance with local requirements.

#### Capitalized development costs

Reference is made to note 5 for further information regarding research and development projects.

#### Specification of personnel costs

(amounts in NOK 1000)	2022	2021
Wages	79 292	62 654
Pension contributions	3 356	2 175
Social security tax	6 528	5 800
Capitalized development costs	-7 507	-8 039
Other personnel costs	525	2 192
<b>Total</b>	<b>82 194</b>	<b>64 782</b>

**Number of employees**

(average FTE for the period)	2022	2021
Norway	35	33
Other	48	48
<b>Total</b>	<b>83</b>	<b>81</b>

**Key management compensation**

(amounts in NOK 1000)	CEO	Board of
Salary	2 111	1 020
Bonus	1150	0
Other benefits	204	0
<b>Total</b>	<b>3 465</b>	<b>1 020</b>

There are no loans or financial guarantees granted to the Board of Directors or executive management.

**Share option program**

A share option program was established in October 2019 for the Company's management and employees with a maximum aggregate size corresponding to a number of 255 300 new shares in the Company. The share options vests with 3/5 on 1 May 2021, 1/5 on 1 May 2022 and 1/5 on 1 May 2023, contingent on employment at the vesting date. The options may be exercised in whole or in part within 45 days from the vesting date. The strike price for new shares under the program is NOK 26.70 per share.

A new share option program was established June 2022 with a number of 223 000. The share options vests with 1/3 on 14 Dec 2022, 1/3 on 14 Dec 2023 and 1/3 on 14 Dec 2024, contingent on employment at the vesting date. The options may be exercised in whole or in part within 45 days from the vesting date. The strike price for new shares under the program is NOK 21.75 per share.

**Share options outstanding**

(amounts in NOK 1000)	Number of options
Outstanding options 31. december 2020	204 300
New options granted	223 000
Exercised options	0
Forfeited options	-45 000
<b>Outstanding options 31. december 2021</b>	<b>382 300</b>

Option costs recognized as personnel expense amounts to TNOK 1 388 in 2022 (2021 : TNOK 46).

**Valuation assumptions for share options established in 2019**

	May 2021	May 2022	May 2023
Price of underlying share	20.00	20.00	20.00
Strike price	26.70	26.70	26.70
Average risk free interest rate	1.55 %	1.55 %	1.55 %
Expected term (years)	1.6	2.6	3.6
Volatility	30 %	30 %	30 %
<b>Fair value of the option at grant date (NOK)</b>	<b>0.93</b>	<b>1.79</b>	<b>2.61</b>

**Valuation assumptions for share options established in 2022**

	December 2023	December 2024	December 2025
Price of underlying share	34.70	34.70	34.70
Strike price	21.75	21.75	21.75
Average risk free interest rate	1.55 %	1.55 %	1.55 %
Expected term (years)	0.5	1.5	2.51
Volatility	30 %	30 %	30 %
<b>Fair value of the option at grant date (NOK)</b>	<b>13.14</b>	<b>13.87</b>	<b>14.70</b>

**Specification of auditors remuneration**

(amounts in NOK 1000)	2022	2021
Statutory audit fee	920	899
Technical compilation	75	75
Tax advisory services*	75	335
Other non-auditing services	15	15
<b>Total</b>	<b>1 085</b>	<b>1 324</b>

Reported amounts are exclusive of VAT.

\* Fees for Advokatfirmaet PricewaterhouseCoopers: TNOK 75.

## Note 5 – Intangible assets

### Significant accounting policies

Expenditures on research and development are recognized as assets to the extent that they are part of projects generating identifiable intangible assets, of which future economic benefits can be attributed. Expenses related to projects not meeting these criteria are charged to the income statement as they accrue. When there are indications of impairment, an estimate of value in use is calculated. An impairment loss is recognized in the income statement to the extent that carrying amount exceeds the value in use.

### Capitalized development costs

The company has capitalized TNOK 16 377 in connection with the development of its visualization technology in 2022. The work is mainly performed by Cyviz own employees in Sandnes, Norway and in the subsidiary Cyviz Ltd in Edinburgh, Scotland. Cyviz AS has all the commercial rights to the developed products. Annual depreciation is calculated and recognized in the income statement from the time when the products are fully developed and ready for commercial use.

### Specification of research and development expenses

(amounts in NOK 1000)	2022	2021
Visualization technology	18 603	17 826
Government grants	-2 226	-2 589
<b>Total research and development expenses</b>	<b>16 377</b>	<b>15 236</b>
Capitalized as intangible assets	16 377	15 236
<b>Charged to income statement</b>	<b>0</b>	<b>0</b>

### Specification of intangible assets

(amounts in NOK 1000)	Development	Licenses, patents etc.	Total
Cost 01.01.	121 395	17 566	138 962
Additions	16 377	6 316	22 693
<b>Cost 31.12.</b>	<b>137 772</b>	<b>23 882</b>	<b>161 655</b>
Accumulated depreciation 01.01.	89 338	3 611	92 949
Depreciations for the year	12 438	3 068	15 506
<b>Accumulated depreciation 31.12.</b>	<b>101 776</b>	<b>6 678</b>	<b>108 454</b>
<b>Book value 31.12.</b>	<b>35 996</b>	<b>17 204</b>	<b>53 201</b>
Economic useful life	5 years	5 years	
Depreciation schedule	Linear	Linear	

## Note 6 – Property, plant & equipment

### Significant accounting policies

Property, plant & equipment are recognized in the statement of financial position at cost less accumulated depreciation and impairment losses. The cost price of such assets is the purchase price including expenses directly attributable to the purchase of the asset. Expenditures incurred after the asset has been put into use, such as ongoing daily maintenance, are recognized as expenses in the period in which they were incurred, except for expenditures expected to generate future economic benefits that are recognized as a part of the asset. Leases for premises are treated as operating leases, with lease payments recognized as expense as they occur.

### Specification of property, plant & equipment

(amounts in NOK 1000)

Cost 01.01.	39 086
Additions	1 901
Disposals	0
<b>Cost 31.12.</b>	<b>40 987</b>

Accumulated depreciation 01.01.	35 381
Depreciations for the year	2 263
Disposals	0
<b>Accumulated depreciation 31.12.</b>	<b>37 644</b>

<b>Book value 31.12.</b>	<b>3 342</b>
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Economic useful life	3-10 years
Depreciation schedule	Linear

### Specification of leases for premises

(amounts in NOK 1000)

	Annual	Remaining
Offices in Norway	4 800	1-3 years
Offices in Middle East and Asia	5 050	1-2 years
<b>Total lease expense</b>	<b>9 850</b>	

## Note 7 – Investments in subsidiaries

### Significant accounting policies

Investments in subsidiaries are recognized using the cost method. The investments are valued at the acquisition cost unless a write-down of the investment has been necessary. Impairment losses are reversed when the basis for impairment is no longer present.

### Specification of subsidiaries

(amounts in NOK 1000)	Place of incorporation	Ownership	Carrying amount
Cyviz LLC	Arlington, Virginia, USA	100 %	296
Cyviz LIMITED	Edinburgh, UK	100 %	0
Cyviz Pte Ltd.	Singapore	100 %	0
Cyviz Pty Ltd.	Perth, Australia	100 %	0
Cyviz BV	Netherlands	100 %	0
<b>Total</b>			<b>296</b>

Voting share coincides with ownership share for all investments.

The investment in Cyviz LIMITED has been impaired by NOK 8,5 million.

Short term receivables from group entities have been impaired by NOK 1,85 million related to Cyviz LIMITED.

## Note 8 – Income tax

### Significant accounting policies

The income tax expense in the income statement includes the tax payable for the period and changes in deferred tax. Tax payable and deferred tax is calculated using tax rates and tax legislation that have been enacted at the end of the reporting period. Deferred tax is calculated on all temporary differences between tax base and amount recognized in the statement of financial position. In addition deferred tax is also calculated on tax loss carryforward at the end of the reporting period. Deferred tax assets are only recognized to the extent that it is probable that future taxable income will be generated against which it can be utilized. Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset them.

### Basis for recognition of deferred tax asset

Based on an overall assessment of the company's historical earnings and the outlook for future taxable profits, the deferred tax assets were derecognized in 2019. There are no significant factors in 2022 indicating any need to change this assessment at the present time.

### Specification of income tax expense

(amounts in NOK 1000)	2022	2021
Tax payable in Norway	0	0
Tax payable in other countries	17	931
Change in deferred tax	0	0
Tax relating to prior periods	0	0
<b>Income tax expense</b>	<b>17</b>	<b>931</b>

### Reconciliation of tax expense with tax calculated at nominal rate

(amounts in NOK 1000)	2022	2021
Result before tax	5 279	-13 134
Tax at nominal rate (22 %)	1 161	-2 889
Write down of financial assets	2 278	0
Government grants	-490	-570
Other permanent differences	389	1 277
Change in deferred tax not recognized	-3 320	3 114
<b>Income tax expense</b>	<b>17</b>	<b>931</b>

### Specification of deferred tax

(amounts in NOK 1000)	2022	2021	Change
Inventory	-132	0	-132
Receivables	-3 650	-4 268	618
Provisions	-1 051	-872	-179
Fixed assets	2 619	2 522	97
Net deferred tax on temporary differences	-2 214	-2 618	404
Tax loss carryforward	-30 201	-33 117	2 916
<b>Total deferred tax</b>	<b>-32 414</b>	<b>-35 735</b>	<b>3 320</b>
Deferred tax not recognized	-32 414	-35 735	3 320
<b>Deferred tax recognized</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Note 9 – Government grants****Significant accounting policies**

The company receives government grants in relation to its research and development activities. When such grants are received to carry out certain activities or compensate specific expenses, the grant is recognized in the income statement over the same period as the associated costs. Grants that compensate the group for the cost of an asset are deducted from the asset's acquisition cost when it is recognized in the statement of financial position.

**SkatteFUNN**

SkatteFUNN is granted by the Research Council of Norway and is received as a deduction in tax payable or a cash payment, to the extent there is no tax payable to deduct it from.

Cyviz AS has been granted SkatteFUNN for two projects related to its ongoing development activities. As these projects meet the criterias for recognition as assets, the grant is deducted from the acquisition cost. Refer to note 5 for further information about these development projects.

**Note 10 – Interest bearing loans****Significant accounting policies**

Non-current interest bearing loans are initially measured at face value, less admission costs, and subsequently measured at amortized cost. Differences between face value and carrying amount are amortized linearly over the period of maturity. As long as the company are complying with the loan terms and the agreed maturity reaches beyond twelve months, interest bearing loans are classified as non-current liabilities. Next year's payments are included in non-current liability, and not presented separately. In the event of a breach of the loan terms, that enable the lender to demand immediate repayment, the liability is reclassified to current liabilities.

**Overdraft facility**

Cyviz has established an overdraft facility with a limit of NOK 50 million. The main lending term is that the drawn amount shall not exceed sum of 60% of accounts receivables, 50% of inventory, and a base of NOK 2.5 million. In addition, the equity ratio shall be minimum 40% measured yearly.

As at year end 2022, the Group reported an equity ratio of 38%, which is slightly below the 40% requirement in the facility agreement. As at year end, the Group had not drawn on the facility, but has initiated positive dialogue with the lenders with respect to a waiver to ensure the availability of the facility if needed. As such, the management and Board of Directors are of the opinion that this matter will be resolved, and that the liquidity risk is considered low.

**Innovation Norway**

For the loan from Innovation Norway, an interest and installment exemption applied until November 2021 and November 2022, respectively. The loan is to be repaid over 7 years, with the first installment in August 2022.

**Specification of interest bearing loans**

(amounts in NOK 1000)	2022	2021
Innovation Norway	9 000	10 000
Bridge loan	0	0
<b>Total interest bearing loans</b>	<b>9 000</b>	<b>10 000</b>
Long-term	9 000	10 000
Short-term	0	0



**Specification of movements in interest bearing loans**

(amounts in NOK 1000)	<b>2022</b>	<b>2021</b>
Balance 01.01.	10 000	10 000
Cash flows from new loans	0	0
Cash flows from repayments (ex. interest)	-1 000	0
Cash flows from interest payments	0	0
Accrued interest	0	0
Converted to equity	0	0
<b>Balance 31.12.</b>	<b>9 000</b>	<b>10 000</b>

**Contractual payments on loans**

(amounts in NOK 1000)	<b>Book amount</b>	<b>Next year</b>	<b>Year 2-5</b>
Nominal amount inc. interest	9 000	1 902	7 922

**Carrying amount of assets pledged as security**

(amounts in NOK 1000)	<b>2022</b>	<b>2021</b>
Property, plant & equipment	3 342	3 704
Accounts receivable	129 839	49 010
Group receivables	43 047	41 889
Inventories	24 048	12 652
<b>Total</b>	<b>200 276</b>	<b>107 254</b>

## Note 11 – Receivables

**Significant accounting policies**

Accounts receivable and other receivables are recognized in the statement of financial position at face value, after deduction of expected loss. Provision for loss on receivables is estimated on the basis of an individual assessment of each receivable.

**Specification of receivables**

(amounts in NOK 1000)	2022	2021
Receivables at face value	17 220	14 944
Provision for expected credit losses	-14 070	-14 070
<b>Long term receivables from group entities</b>	<b>3 150</b>	<b>874</b>
Accounts receivable at face value	132 177	53 687
Provision for expected credit losses	-2 339	-4 677
<b>Accounts receivable</b>	<b>129 839</b>	<b>49 010</b>
Receivables at face value	57 297	56 139
Provision for expected credit losses	-14 250	-14 250
<b>Short term receivables from group entities</b>	<b>43 047</b>	<b>41 889</b>
SkatteFUNN (government grant)	2 226	2 589
Prepayments	7 696	4 196
Other	2 623	1 074
<b>Other receivables</b>	<b>12 546</b>	<b>7 859</b>

**Note 12 – Inventories****Significant accounting policies**

The inventory of purchased goods is recognized at the lower of purchase cost or market value.

**Specification of inventories**

(amounts in NOK 1000)	2022	2021
Acquisition cost	24 648	12 894
Provision for obsolescence	-600	-1 377
<b>Inventories</b>	<b>24 048</b>	<b>11 517</b>

**Note 13 – Financial instruments****Significant accounting policies**

The company uses currency forward contracts to hedge the currency risk relating to sales in USD. However, the company does not apply hedge accounting. Open agreements at the reporting date are recognized at fair value, based on MTM-report from DNB. Unrealized gains or losses are presented as other receivables or other current liabilities, respectively. Both the contractual payments and the movement in unrealized gains or losses are recognized in the income statement as net currency gains (losses).

**Open currency forward contracts the reporting date**

(amounts in NOK 1000)	Trade date	Maturity date	Carrying
No open currency contracts at the reporting date			0
<b>Unrealized gain (loss)</b>			<b>0</b>
Unrealized gain (loss) last year			-478

**Note 14 – Bank deposits and restricted cash****Significant accounting policies**

Cash and cash equivalents includes all cash, bank deposits and other liquid investments that can be immediately converted into cash with negligible exchange rate risk. To the extent that overdraft facilities are used, the amount drawn is presented as current borrowing in the statement of financial position.

**Restricted cash**

(amounts in NOK 1000)	2022	2021
Payroll tax account	2 378	2 016

## Note 15 – Share capital and shareholder information

## Share capital per 31.12.22

	Shares	Par value	Share capital
Ordinary shares	12 885 597	1.10	14 174

All shares have equal voting and dividend rights. Refer to note 18 for information regarding share issues after the reporting period.

In addition to the currently outstanding shares, the company also has 382 300 options outstanding (refer to note 4 for more information).

## Significant shareholders per 31.12.22

	Shares	Ownership
Investinor Direkte AS	4 911 267	38.1 %
Karbon Invest AS	1 919 367	14.9 %
Silvercoin Industries AS	563 211	4.4 %
Spinoza AS	464 173	3.6 %
Camaca AS	383 791	3.0 %
Sakk AS	302 921	2.4 %
DNB Markets Aksjehandel/-Analyse	275 240	2.1 %
Lin AS	217 278	1.7 %
Solan Capital AS	215 000	1.7 %
Muen Invest AS	213 279	1.7 %
K.A. Fem AS	200 000	1.6 %
Norport AS	194 399	1.5 %
Citibank, N.A.	121 488	0.9 %
J.P. Morgan Se	110 000	0.9 %
Godthåb Holding AS	108 695	0.8 %
Inma Invest AS	102 426	0.8 %
Cat Invest 1 AS	96 701	0.8 %
Cime AS	89 485	0.7 %
Nordnet Livsforsikring AS	89 025	0.7 %
Fredruseb	74 188	0.6 %
<b>Total (20 largest shareholders)</b>	<b>10 651 934</b>	<b>82.7 %</b>
Other shareholders	2 233 663	17.3 %
<b>Total</b>	<b>12 885 597</b>	<b>100.0 %</b>

Chairman of the Board Rune Syversen has an indirect ownership of 4%.

CEO Espen Kristian Gylvik has an indirect ownership of 0,3%.

## Shareholders associated with leading roles

	Shares	Options	Role
Espen Gylvik	89 485	51 800	CEO

## Note 16 – Equity

## Specification of equity

(amounts in NOK 1000)	Share capital	Share premium	Other paid-in equity	Other equity	Sum
Equity as per 31.12.2020	14 174	134 191	0	0	148 365
Share-based compensation	0	0	1 388	0	1 388
Net profit (loss)	0	0	0	5 262	5 262
<b>Equity as per 31.12.2021</b>	<b>14 174</b>	<b>134 191</b>	<b>1 388</b>	<b>5 262</b>	<b>155 015</b>

## Note 17 – Provisions and other current liabilities

## Significant accounting policies

Provisions and other current liabilities are mainly related to goods or services received, wages to employees or other expenses related to performed activities. Amounts that falls due within the next twelve months are classified as current liabilities and measured at nominal value. Provisions that falls due later than twelve months are classified as non-current and are discounted when the effect of this is considered material.

## Non-current provisions

Non-current provision relates to end-of-service gratuity earned by employees working in U.A.E and Kingdom of Saudi Arabia. The employee will generate a sum for payment for each year one is employed by the company in accordance with applicable laws in U.A.E and KSA. The obligation is settled through cash payment on termination of the employment. The schemes are regarded as unfunded defined benefit schemes measured at settlement value. Service cost, payments and remeasurements are recognized net as personnel expense.

## Note 18 – Events after the reporting period

The Russia-Ukraine conflict, which remains ongoing at the date of this report, has resulted in a rapidly evolving geo-political situation and introduced a new set of challenges. In order to mitigate the potential impact on the company's operation particularly in respect of potential interruptions of supply chains and cyber risk, Cyviz is monitoring international sanctions and trade control legislation closely and has enforced control mechanisms to manage the elevated security threats imposed to the industry.

## ABOUT CYVIZ

Cyviz is a global technology provider for comprehensive conference and control rooms as well as command and experience centers. Since 1998, we have created next level collaboration spaces, assuring inclusive meeting experiences for in person and remote attendance.

Cyviz serves global enterprises and governments with the highest requirements for usability, security, and quality. The cross-platform experience Cyviz delivers to manage and control systems and resources across the enterprise, makes Cyviz the preferred choice for customers with complex needs.

Find out more on [www.cyviz.com](http://www.cyviz.com) or visit one of our Cyviz Experience Centers in Atlanta, Benelux, Dubai, Houston, Jakarta, London, Oslo, Riyadh, Singapore, Stavanger, or Washington DC.

Cyviz is listed on Euronext Growth at the Oslo Stock Exchange (ticker: CYVIZ).

