Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Baard Farmen Andresen
Dato for fastsettelse av årsregnskapet:	21.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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

Brønnøysundregistrene, 19.06.2023

Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	15	863 999 981	628 983 743
Annen driftsinntekt	15	1 289 398	1 565 806
Sum inntekter		**865 289 379**	**630 549 549**
Kostnader			
Varekostnad	14	594 060 400	281 394 475
Lønnskostnad	9,10,12	78 596 753	56 249 144
Avskrivning på varige driftsmidler og immaterielle eiendeler	1,2	16 851 586	14 685 728
Annen driftskostnad	12	358 231 892	373 134 295
Sum kostnader		**1 047 740 631**	**725 463 642**
Driftsresultat		**-182 451 252**	**-94 914 093**
Finansinntekter og finanskostnader			
Annen renteinntekt		25 905	224 597
Annen finansinntekt		434 447	3 658 260
Sum finansinntekter		**460 352**	**3 882 857**
Annen rentekostnad		257 685	336 348
Sum finanskostnader		**257 685**	**336 348**
Netto finans	13	**202 667**	**3 546 509**
Ordinært resultat før skattekostnad		**-182 248 585**	**-91 367 584**
Skattekostnad på ordinært resultat	11	-39 651 649	-19 298 848
Ordinært resultat etter skattekostnad		**-142 596 936**	**-72 068 736**
Årsresultat		**-142 596 936**	**-72 068 736**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-142 596 936	-72 068 736
Sum overføringer og disponeringer	8	**-142 596 936**	**-72 068 736**

Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	1	50 003 548	43 078 840
Utsatt skattefordel	11	139 488 108	99 836 459
Sum immaterielle eiendeler		**189 491 656**	**142 915 299**
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	2	786 569	425 062
Sum varige driftsmidler		**786 569**	**425 062**
Finansielle anleggsmidler			
Investering i datterselskap	3	18 662 005	16 606 673
Andre fordringer	5	3 143 249	317 765
Sum finansielle anleggsmidler		**21 805 254**	**16 924 438**
Sum anleggsmidler		**212 083 479**	**160 264 799**
Omløpsmidler			
Varer			
Varer	14	4 480 718	1 444 777
Sum varer		**4 480 718**	**1 444 777**
Fordringer			
Kundefordringer		34 347 041	31 764 968
Andre fordringer	4,5	29 138 424	4 443 290
Sum fordringer		**63 485 465**	**36 208 258**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	6	47 327 686	142 178 028
Sum bankinnskudd, kontanter og lignende		**47 327 686**	**142 178 028**
Sum omløpsmidler		**115 293 869**	**179 831 063**
SUM EIENDELER		**327 377 348**	**340 095 862**

Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	7,8	86 927 148	85 271 393
Overkurs	8	399 905 352	361 039 607
Annen innskutt egenkapital	8	53 259 536	48 106 255
Sum innskutt egenkapital		**540 092 036**	**494 417 255**
Opptjent egenkapital			
Annen egenkapital		-483 033 883	-366 436 946
Sum opptjent egenkapital		**-483 033 883**	**-366 436 946**
Sum egenkapital		**57 058 153**	**127 980 309**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld	4	171 002 884	107 666 010
Skyldige offentlige avgifter		51 065 968	48 085 261
Annen kortsiktig gjeld	4	48 250 343	56 364 282
Sum kortsiktig gjeld		**270 319 195**	**212 115 553**
Sum gjeld		**270 319 195**	**212 115 553**
SUM EGENKAPITAL OG GJELD		**327 377 348**	**340 095 862**

Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	4	872 877 394	632 876 008
Annen driftsinntekt	4	1 298 619	1 741 970
Sum inntekter		**874 176 013**	**634 617 978**
Kostnader			
Varekostnad	13	494 274 032	304 009 547
Lønnskostnad	5	171 900 521	118 044 766
Avskrivning på varige driftsmidler og immaterielle eiendeler	11,12	16 875 042	14 725 382
Avskrivning bruksrettighet	7	4 071 361	
Annen driftskostnad	6	365 806 678	285 278 370
Annen inntekt (-) / tap	8	171 991	-3 747 527
Sum kostnader		**1 053 099 625**	**718 310 538**
Driftsresultat		**-178 923 612**	**-83 692 560**
Finansinntekter og finanskostnader			
Annen finansinntekt		31 831	226 140
Sum finansinntekter		**31 831**	**226 140**
Annen finanskostnad		773 418	337 054
Valutainntekt (-) / valutatap		-113 461	802 560
Sum finanskostnader		**659 957**	**1 139 614**
Netto finans	9	**-628 126**	**-913 474**
Ordinært resultat før skattekostnad		**-179 551 738**	**-84 606 034**
Skattekostnad på ordinært resultat	10	-45 026 355	-17 525 451
Ordinært resultat etter skattekostnad		**-134 525 383**	**-67 080 583**
Årsresultat		**-134 525 383**	**-67 080 583**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-134 525 383	-67 080 583
Sum overføringer og disponeringer		**-134 525 383**	**-67 080 583**

Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020

Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	11	50 003 548	43 078 840
Utsatt skattefordel	10	155 375 823	99 976 626
Sum immaterielle eiendeler		**205 379 371**	**143 055 466**
Varige driftsmidler			
Bruksrett kontorlokaler	7	19 543 243	
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	12	850 164	467 760
Sum varige driftsmidler		**20 393 407**	**467 760**
Finansielle anleggsmidler			
Andre fordringer	14	3 681 260	707 807
Sum finansielle anleggsmidler		**3 681 260**	**707 807**
Sum anleggsmidler		**229 454 038**	**144 231 033**
Omløpsmidler			
Varer			
Varer	13	7 365 438	1 742 323
Sum varer		**7 365 438**	**1 742 323**
Fordringer			
Kundefordringer	14	37 008 096	21 671 605
Andre fordringer	14	30 394 468	17 460 466
Konsernfordringer		128 232	0
Sum fordringer		**67 530 796**	**39 132 071**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	15	80 987 898	168 293 782
Sum bankinnskudd, kontanter og lignende		**80 987 898**	**168 293 782**
Sum omløpsmidler		**155 884 132**	**209 168 176**
SUM EIENDELER		**385 338 170**	**353 399 209**

Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	16	86 927 148	85 271 393
Overkurs	16	399 905 352	361 039 607
Annen innskutt egenkapital	16	61 397 124	48 106 255
Sum innskutt egenkapital		**548 229 624**	**494 417 255**
Opptjent egenkapital			
Annen egenkapital		-463 770 632	-354 740 654
Sum opptjent egenkapital		**-463 770 632**	**-354 740 654**
Sum egenkapital		**84 458 992**	**139 676 601**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig leieforpliktelse	7	9 297 997	0
Sum annen langsiktig gjeld		**9 297 997**	**0**
Sum langsiktig gjeld		**9 297 997**	**0**
Kortsiktig gjeld			
Leverandørgjeld		130 378 571	99 076 302
Betalbar skatt	10	1 698 418	768 597
Skyldige offentlige avgifter		63 456 029	50 011 855
Kortsiktig konserngjeld		12 713 148	0
Annen kortsiktig gjeld	18	72 573 937	63 865 854
Kortsiktig leieforpliktelse	7	10 761 078	0
Sum kortsiktig gjeld		**291 581 181**	**213 722 608**
Sum gjeld		**300 879 178**	**213 722 608**
SUM EGENKAPITAL OG GJELD		**385 338 170**	**353 399 209**

Skattedirektoratet

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

GELATO GROUP AS
Postboks 164
1325 LYSAKER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

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

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

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

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

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

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

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

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60

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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer

To the General Meeting of Gelato ASA

Independent Auditor's Report

Opinion

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

- the financial statements of the parent company Gelato ASA (the Company), which comprise the balance sheet as at 31 December 2021, the statement of profit or loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Gelato ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the statement of profit or loss, statement of equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

Other Information

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

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of

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

Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

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

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Oslo, 18 May 2022
PricewaterhouseCoopers AS

Hallvard Helgetun
State Authorised Public Accountant
(This document is signed electronically)

Securely signed with Brevio

Revisjonsberetning

Signers:

Name	***Method***	***Date***
Helgetun, Hallvard	BANKID_MOBILE	2022-05-18 16:57

This document package contains:

- *Closing page (this page)*
- *The original document(s)*
- *The electronic signatures. These are not visible in the document, but are electronically integrated.*

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Admincontrol

List of Signatures

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Gelato ASA - Board of Director_s Report 2021 for signing.pdf

Name	Method	Signed at
John Hepburn	One-Time-Password	2022-05-23 17:20 GMT+02
Klas Erik Johansson	BANKID	2022-05-23 11:06 GMT+02
Nicole Vanderbilt	One-Time-Password	2022-05-19 18:23 GMT+02
Henrik Müller-Hansen	One-Time-Password	2022-05-19 17:49 GMT+02

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External reference: 42B1AF0A0582493D8BA4F4BDD2F809A8

BOARD OF DIRECTOR'S REPORT 2021
Gelato ASA
(org. no.: 991 753 591)

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

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

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

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

Parent: The company's total equity as per 31.12.2021 is 57 058 153 NOK.

Group: The group's total equity as per 31.12.2021 is 84 458 992 NOK.

Please find more information about Covid-19 impact in 2021 and 2022 in the section about Future development.

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

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

Sick leave in the Group during 2021 was 493 working days in total.

The company directly employed an average of 40 FTE during 2021.

The group employed an average of 135 FTE during 2021.

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

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

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

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

Gelato is a participant member of the UN Global Compact. Gelato has reported its Sustainability progress for 2021 on its website on the 22nd April 2022.

EQUALITY

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

Parent: As of 31.12.2021, the company`s gender distribution of the employees in the company is 58% female and 42% male.

Group: As of 31.12.2021, the group`s gender distribution of the employees in the group is 39% female and 61% male.

FUTURE DEVELOPMENT

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

Optimalprint

Optimalprint is our B2C cards and consumer photo products business for families across the world – the most trustworthy online print shop for families. In 2021 we continued to grow our product selection into new product types including apparel, wall art, photobooks and personalized gifts. We also launched Optimalprint Plus, a premium membership scheme offering customers free shipping, exclusive discounts and extended guarantee in exchange of an annual upfront fee.

Gelato API

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

In 2021, our API division had significant achievements increasing the global production network, product catalog and customer portfolio. Gelato's global network has extended to local production into Greece, Poland, Malaysia, and South Africa and added 54 new production partners. Our product catalog was expanded adding new options of apparel and mugs, and launching brushed aluminum, foam, wood and archival posters in the wall-art category as well as adding more than 90 different frames and hanger types.

We invested in customer experience launching "Gelato Plus", a premium membership program that offers to our customers access to a wide range of software's and personalized marketing tools for enhanced customer experience in their own online stores.

In 2022 we continue our focus on increasing our presence in North America and Asia and launching more product categories while expanding our network and user base.

Gelato Globe

Gelato Globe is our on-demand corporate printing service for global companies, enabling brand control and personalization with significant cost and environmental benefits. Gelato Globe offers local printing for global companies with efficient delivery to nearly 200 countries worldwide.

Covid-19 impact in 2021 and 2022:

Gelato network has demonstrated depth and resilience during covid outbreak. Our customers experienced limited supply disruption and the revenue metrics increased significantly in 2021 when compared to 2019 and 2020. We believe our resilience is supported by the quality of our innovative product catalog, our global presence and our ability to support local creators to become global entrepreneurs.

Our business performance for print products used by customers in relation to in person meetings and events have been impaired by imposed lockdowns in 2020 and 2021. We expect that the advanced vaccination in western world and the hybrid work environment contributes for an enhanced performance for these product types in 2022.

RISK FACTORS

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

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

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

The board of directors, managing directors and officers of Gelato ASA and OP Invest AS are covered by a D&O insurance limiting the aggregate liability for financial losses to NOK50,000,000.

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

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

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

Liquidity risk: As of 31.12.2021, cash and cash equivalents of the company equaled 47 327 686 NOK. The company has no external or interest-bearing debt and a limited number of short-term liabilities. The liquidity position of the company is solid. The company will receive necessary funding or capital increase from the parent company when needed.

RESEARCH AND DEVELOPMENT

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

FINANCIAL SUMMARY

Parent:

Total revenues were 865 289 379 NOK in 2021 (2020: 630 549 549), with an EBITDA of -165 599 666 NOK in 2021 (2020: -80 228 365 NOK).

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

Net income for the period was -142 596 935 NOK (2020: -72 068 737 NOK).

Change in deferred tax accounted on the balance sheet was 39 651 649 NOK in 2021 (2020: 19 298 848).

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

Total equity per 31.12.2021 was 57 058 153 NOK, compared to 127 980 309 NOK per 31.12.2020. The company's equity ratio was 17.42% (2020: 37.6%).

Total equity and liabilities per 31.12.2021 were 327 377 348 NOK, up from 340 095 862 NOK per 31.12.2020.

Group:

Total revenues were 874 176 013 NOK in 2021 (2020: 634 617 978), with an EBITDA of -157 977 209 NOK in 2021 (2020: -68 967 178 NOK).

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

Net losses for the period was -134 525 383 NOK (2020: -67 080 584 NOK).

Change in deferred tax accounted on the balance sheet was 55 399 197 NOK in 2021 (2020: 19 298 848).

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

Total equity per 31.12.2021 was 84 458 992 NOK, compared to 139 676 601 NOK per 31.12.2020. The company's equity ratio was 21.91% (2020: 39.52%).

Total equity and liabilities per 31.12.2021 were 385 338 170 NOK, up from 353 399 209 NOK per 31.12.2020.

It is the Board's opinion that the annual accounts provide a true and fair view of the Company's activities in 2021.

NET INCOME AND DISTRIBUTIONS

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

Transferred from other equity	-142 596 936 NOK
Total distributed	**-142 596 936 NOK**

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

Transferred from other equity	-134 525 383 NOK
Total distributed	**-134 525 383 NOK**

Oslo, 18/05/2022

Nicole Marie Vanderbilt
Board member

John Keith Hepburn
Chairman of the board

Klas Erik Johansson
Board member

Henrik Müller-Hansen
CEO

Admincontrol

List of Signatures

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Gelato ASA 31 December 2021 (standalone) _Ready to sign.pdf

Name	Method	Signed at
John Hepburn	One-Time-Password	2022-05-23 17:25 GMT+02
Klas Erik Johansson	BANKID	2022-05-23 11:07 GMT+02
Nicole Vanderbilt	One-Time-Password	2022-05-19 18:24 GMT+02
Henrik Müller-Hansen	One-Time-Password	2022-05-19 17:49 GMT+02

Gelato ASA

FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

Gelato ASA

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

	Note	2021	2020
Sales revenue	15	863,999,981	628,983,743
Other revenue	15	1,289,398	1,565,806
Total revenues		**865,289,379**	**630,549,549**
Cost of goods	14	594,060,400	281,394,475
Payroll expenses	9, 10, 12	78,596,753	56,249,144
Other operating expenses	12	358,231,892	373,134,295
Losses before interest, taxes, depreciation, amortization (EBITDA)		**(165,599,666)**	**(80,228,365)**
Depreciation, amortization	1,2	16,851,586	14,685,728
Net operating income		**(182,451,252)**	**(94,914,093)**
Financial items			
Other financial income		25,905	224,597
Other financial expenses		257,685	336,348
Currency effects (gains)/losses - net		(434,447)	(3,658,260)
Net financial items	13	**202,667**	**3,546,509**
Losses before tax		**(182,248,585)**	**(91,367,584)**
Income tax	11	(39,651,649)	(19,298,848)
Net income for the year is distributed as follows Transferred from (-)/ to other equity		**(142,596,936)**	**(72,068,736)**
Total distributed	8	(142,596,936)	(72,068,736)

Gelato ASA

Balance sheet
in NOK

Assets	Note	31.12.2021	31.12.2020
Non-current assets			
Intangible assets	1	50,003,548	43,078,840
Deferred tax asset	11	139,488,108	99,836,459
		189,491,656	142,915,299
Property, plant & equipment	2	786,569	425,062
Investments in subsidiaries	3	18,662,005	16,606,673
Other non-current receivables	5	3,143,249	317,765
Total non-current asset		**212,083,479**	**160,264,799**
Current assets			
Inventories	14	4,480,718	1,444,777
Trade receivables		34,347,041	31,764,968
Other short-term receivables	4,5	29,138,424	4,443,290
Cash and cash equivalents	6	47,327,686	142,178,028
Total current asset		**115,293,869**	**179,831,063**
Total assets		**327,377,348**	**340,095,862**
Equity and liabilities			
Share capital	7,8	86,927,148	85,271,393
Share premium	8	399,905,352	361,039,607
Additional paid-in capital	8	53,259,536	48,106,255
Total paid-in capital		540,092,036	494,417,255
Other equity		(483,033,883)	(366,436,946)
Total equity		**57,058,153**	**127,980,309**
Current liabilities			
Trade payables	4	171,002,884	107,666,010
VAT, social security & other taxes		51,065,968	48,085,261
Other current liabilities	4	48,250,343	56,364,282
Total current liabilities		**270,319,195**	**212,115,553**
Total liabilities		**270,319,195**	**212,115,553**
Total equity and liabilities		**327,377,348**	**340,095,862**

Oslo , 18 May 2022
The board of Gelato ASA

Nicole Marie Vanderbilt	John Keith Hepburn	Klas Erik Johansson
Board member	*Chairman of the board*	*Board member*

Henrik Müller-Hansen
CEO

Gelato ASA

Statement of cash flows
in NOK

	Note	2021	2020
Cash flows from operating activities			
Losses before income tax		(182,248,585)	(91,367,585)
Depreciation, amortisation	**1,2**	16,851,586	14,685,728
Share based payments		3,130,185	5,169,017
Change in inventories	**14**	(3,035,941)	(1,361,810)
Change in trade receivables		(2,582,073)	(17,433,309)
Change in trade payables		63,336,874	36,696,473
Change in other accruals		(29,828,366)	33,960,736
Net cash inflow (outflow) from operating activities		**(134,376,320)**	**(19,650,750)**
Cash flows from investing activities			
Payments for purchases of non-current assets	**2**	(686,104)	(129,148)
Payment for purchases of intangible assets and capitalized development cost	**1**	(23,451,696)	(19,136,018)
Proceed from other receivables		(2,825,484)	1,210,722
Net cash inflow (outflow) from investing activities		**(26,963,284)**	**(18,054,444)**
Cash flows from financing activities			
Investment in subsidiaries		(32,238)	-
Proceeds from capital increase	**8**	66,521,500	40,000,000
Net cash inflow (outflow) from financing activities		**66,489,262**	**40,000,000**
Net increase (decrease) in cash and cash equivalents		(94,850,342)	2,294,806
Cash at beginning of period		142,178,028	139,883,222
Cash and cash equivalents at end of period		**47,327,686**	**142,178,028**

All figures in NOK

Accounting principles

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

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

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

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

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

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

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

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

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

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

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

All figures in NOK

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

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

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

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

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

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

Pensions
The company has a defined contribution plan.

With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognized as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

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

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

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

All figures in NOK

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

Deferred tax is reflected at nominal value.

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

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

All figures in NOK

Note 1 Intangible assets

2021	Web-domain	Software	Total
Cost 01.01	2,777,134	102,901,650	**105,678,784**
Accumulated amortization	1,365,435	61,234,509	62,599,944
At 01.01	1,411,699	41,667,141	**43,078,840**
Additions	-	23,451,696	23,451,696
This years amortization	277,716	16,249,272	16,526,988
At 31.12	**1,133,983**	**48,869,565**	**50,003,548**
Cost 31.12	2,777,134	126,353,346	129,130,480
Accumulated amortization	1,643,151	77,483,781	79,126,932
At 31.12	**1,133,983**	**48,869,565**	**50,003,548**
Amortization in the year	277,716	16,249,272	16,526,988
Amortization plan (straight line)	10 years	5 years	

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

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

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

Note 2 Property, plant and equipment

2021	Furniture, fittings and equipment
Cost 01.01	2,670,082
Additions	686,105
Cost per 31.12	**3,356,187**
Accumulated depreciation 01.01	2,245,021
This year's depreciation	324,597
Accumulated depreciation 31.12	**2,569,618**
At 31.12	**786,569**
Depreciation plan (straight line)	3 years
Annual rental of non-financial assets	
Rent for office premises	2,201,451
Rent for office premises – residual term	29 months

All figures in NOK

Note 3 Investments in subsidiaries

Subsidiaries	Location	Ownership/ voting right	Equity 31.12.2021	Net income 2021	Balance sheet value 2021
Gelato Sweden AB	Stockholm	100%	12,063,487	1,991	8,762,768
Gelato Estonia Oü	Tallinn	100%	1,452,802	338,831	21,786
Gelato Brasil Distribuicao de Materiais Impressos LTDA	São Paulo	100%	2,758,526	686,475	428,985
Gelato Chile SpA	Santiago	100%	855,141	79,276	173,040
Gelato information and techonology (Shanghai) Ltd.	Shanghai	100%	1,188,880	133,953	408,557
Gelato Print Services India Private Limited	Mumbai	100%	1,217,496	159,785	375,048
Limited Liability Company Gelato Rus	Moscow	99%	1,070,191	86,285	444,708
Gelato Group UK Ltd	London	100%	44,609,646	28,073	7,880,069
Gelato International AS	Oslo	100%	(3,050)	(13,065)	52,000
Gelato Japan LLC	Tokyo	100%	296,707	151,146	82,807
Gelato Tech Espana SLU	Madrid	100%	51,378	20,413	32,237
					18,662,005

Note 4 Balance with group companies

	2021	2020
Other receivables	370,734	223,413
Total receivables	370,734	223,413
Trade payables	46,549,698	13,142,681
Other current liabilities	-	165,303
Total liabilities	46,549,698	13,307,984

Note 5 Receivables and liabilities

	2021	2020
Non-current receivables for payment later than one year	3,143,249	317,765
Non-current liabilities due for payment later than 5 years	-	-

Note 6 Restricted bank deposits

	2021	2020
Restricted bank deposits	2,373,654	2,172,737

Nordea has mortgage in certain monetary claims up to NOK 1 993 722.
The book value of receivables (non-current and current) is NOK 37,249,555.

All figures in NOK

Note 7 Shareholders' equity and share information

The share capital of NOK86,927,148 is comprised of 8,278,776 shares of NOK 10,5. The company has one shareholder.

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

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

Note 8 Shareholders' equity

Equity changes in the year	Share capital	Share premium	Additional paid in capital	Other equity	Total equity
Equity 01.01.	**85,271,393**	**361,039,607**	**48,106,255**	**(366,436,947)**	**127,980,308**
Capital increase	1,655,755	64,865,745	-	-	66,521,500
Share capital reduction	-	(26,000,000)	-	26,000,000	-
Effects due to Share-based payments*	-	-	5,153,281	-	5,153,281
Net income for the year	-	-	-	(142,596,936)	(142,596,936)
Equity 31.12.	**86,927,148**	**399,905,352**	**53,259,536**	**(483,033,883)**	**57,058,153**

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

Note 9 Share-based payments

In 2021 and before, certain employees have been offered options to buy shares in Gelato AS currently owned by Basset AS. Options typically vested annually over three years after a 6 month waiting period.

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

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

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

	Number of options		Weighted Average Exercise Price (NOK)		Weighted Average Remaining Life	
	2021	2020	2021	2020	2021	2020
Outstanding at Beginning of Year	**1,657,195**	**1,806,414**	**74.00**	**68,98**	**4.00**	**4,48**
Exercisable at the End of the Year	982,630	1,168,800	76.70	71,70	3.22	3,39
Granted During the Year	381,229	291,973	160.76	80,98	6.46	6,28
Exercised During the Year	157,410	231,401	48.56	48,98	0.96	0,00
Canceled during the Year	59,905	189,927	80.98	80,98	0.00	0,00
Canceled during the Year (Expired)	12,162	19,864	75.05	78,08	0.00	0,00
Outstanding at the End of the Year	**1,581,712**	**1,657,195**	**97.3**	**74,00**	**4.24**	**4,00**
Options Vested During the Year	223,624	362,608	79.8	76,43	4.16	4,15
Vested at end of Year	982,630	1,168,800	76.7	71,70	3.22	3,39
Shares Expected to Vest	529,099	488,395	130.1	79,60	5.87	5,43
Vested and Expected to Vest	1,511,729	1,657,195	95.4	74,00	4.15	4,00

All figures in NOK

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

Exercise prices	Options Outstanding		Weighted Average Remaining Contractual Life		Shares Exercisable	
	2021	2020	2021	2020	2021	2020
NOK 13,72	64,047	131,198	1.33	2,35	57,380	120,531
NOK 73,77	47,535	379,694	2.53	2,52	47,535	379,694
NOK 80,98	1,305,618	1,146,303	4.10	4,68	877,715	668,575
NOK 265,85	164,512	-	6.90	-	-	-

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

Share based payments compensated to key management are as follows:

Name	Role	Number of options granted
Rebecca Razulis	SVP Network	77,653
Yvonne Rivera	Head of HR	31,669
Jose I. Herrero	CFO	128,422

Note 10 Pensions

Mandatory occupational pension
The company is obliged to have an occupational pension scheme according to the act relating to mandatory occupational pensions and has established a pension scheme that meets the requirements of the Act. The company has a contributory scheme that covers all employees. Total pension expenses in 2021 was NOK 1,199,112.

All figures in NOK

Note 11 Taxes

Calculation of deferred tax/deferred tax asset

Temporary differences	**2021**	**2020**
Fixed assets (tangible and intangible)	26,279	(29,228)
Accounts receivable	(130,000)	(86,136)
Deferred revenue from government grants (Skattefunn)	(584,561)	(1,706,041)
Other accruals	(12,141,312)	(826,489)
Net temporary differences	(12,829,593)	(2,647,894)
Tax losses carried forward	(621,791,821)	(452,860,233)
Basis for deferred tax	**(634,621,415)**	**(455,508,127)**
Deferred tax (22 %)	(139,616,711)	(100,211,788)
Deferred tax asset not shown in the balance sheet	128,603	375,329
Tax credit from tax paid abroad	-	-
Deferred tax in the balance sheet	**(139,488,108)**	**(99,836,459)**

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

Basis for income tax expense, changes in deferred tax and tax payable	**2021**	**2020**
Income before tax	(182,248,585)	(91,367,584)
Permanent differences	3,135,298	5,204,898
Basis for the tax expense for the year	**(179,113,287)**	**(86,162,686)**
Change in temporary differences	10,181,700	(2,156,151)
Basis for payable taxes in the income statement	**(168,931,587)**	**(88,318,837)**
Change in tax losses carried forward	168,931,587	88,318,837
Basis for tax payable in the profit and loss accounts	-	-
Taxable income (basis payable tax in the balance sheet)	-	-
Components of the income tax		
Payable tax on this year's result	-	-
Total payable tax	-	-
Change in deferred tax	39,651,649	19,298,848
Paid income tax abroad	-	-
Income tax	**39,651,649**	**19,298,848**
Reconciliation of income tax		
Income before tax	(182,248,585)	(91,367,584)
Calculated tax 22 %	(40,094,688)	(20,100,868)
Income tax	(39,651,649)	(19,298,848)
Difference	443,040	802,020
The difference consist of:		
22 % of permanent differences	689,765	1,145,078
Paid income tax abroad	-	-
22 % of basis for deferred tax asset not shown in the balance sheet	(246,726)	(343,057)
Sum explained differences	443,040	802,020
Payable taxes in the balance sheet		
Payable tax in the tax charge	-	-
Paid income tax abroad	-	-
Payable tax in the balance sheet	-	-

All figures in NOK

Note 12 Payroll expenses

Specification of employee benefit expenses	2021	2020
Salaries/wages	52,974,043	44,597,339
Social security fees	18,455,808	6,212,239
Share options granted to employees	5,153,281	5,169,017
Pension expenses	1,199,112	901,487
Other remuneration	814,509	(630,938)
	78,596,753	**56,249,144**

The number of FTE's in the accounting year has been	63	47

Share based payments have been issued to employees. See note 9 for further information.

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

General Manager remuneration	Chief Executive officer	Board
Salaries/board fee	2,622,926	-
Social security fees	374,781	-
Pension expenses	23,434	-
Other remuneration	11,664	-

Expensed audit fee (excl. VAT)

	2021	2020
Statutory audit (incl. technical assistance with financial statements)	514,817	407,882
Tax advisory fee (incl. technical assistance with tax return)	167,516	20,000
Other assistance	-	46,000
Total audit fees	**682,333**	**473,882**

Note 13 Specification of financial income and expenses

	2021	2020
Interest income		
- Other financial income	25,905	224,597
Currency gains (agio)	25,312,597	22,799,358
Finance income	**25,338,502**	**23,023,955**
Interest expense:		
- Other interest expense		
- Other financial costs	257,685	336,348
Currency losses (disagio)	24,878,150	19,141,098
Finance costs	**25,135,835**	**19,477,446**
Net financial items	**202,667**	**3,546,509**

Note 14 Inventories

	2021	2020
Frames	4,207,856	1,444,777
Packaging	272,862	-
Obsolescence	-	-
Total	4,480,718	1,444,777

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

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All figures in NOK

Note 15 Sales revenue

	2021	2020
Revenue from contract with customers		
Revenue from services	23,894,207	7,388,483
Revenue from products	840,105,774	621,595,260
Other revenue		
Government grant (Skattefunn)	1,289,398	1,565,806
Total	**865,289,379**	**630,549,549**

	2021	2020
EMEA	601,909,443	518,231,032
Americas	196,530,130	78,714,732
Asia Pacific	65,262,947	31,796,271
Africa	297,461	241,708
Total	**863,999,981**	**628,983,743**

Note 16 Related-party transactions

Remuneration to executives is disclosed in note 12, and balance with group companies is disclosed in note 4.

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

Related parties	Type transactions	Total
Cost of services		
Gelato Sweden AB	Service fee (NOK)	24,243,091
Gelato Estonia	Service fee (NOK)	7,240,076
Gelato Brazil	Service fee (NOK)	9,905,778
Gelato Chile	Service fee (NOK)	1,858,960
Gelato China	Service fee (NOK)	3,316,688
Gelato India	Service fee (NOK)	2,345,375
Gelato Russia	Service fee (NOK)	9,043,092
Gelato UK	Service fee (NOK)	44,545,440
Gelato USA	Service fee (NOK)	120,494,242
Gelato Japan	Service fee (NOK)	4,870,022
Gelato Spain	Service fee (NOK)	1,167,167
Revenue		
Gelato USA	Intellectual property fee (NOK)	17,867,827

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List of Signatures

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Gelato ASA 31 December 2021 (group) _Ready to sign.pdf

Name	Method	Signed at
John Hepburn	One-Time-Password	2022-05-23 17:23 GMT+02
Klas Erik Johansson	BANKID	2022-05-23 11:08 GMT+02
Nicole Vanderbilt	One-Time-Password	2022-05-19 18:24 GMT+02
Henrik Müller-Hansen	One-Time-Password	2022-05-19 17:47 GMT+02

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Gelato ASA

Group Consolidated Financial Statements

Financial Statements for the Year ended 31 December 2021

Gelato ASA

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

	Note	2021	2020
Sales revenue	**4**	872,877,394	632,876,008
Other revenue	**4**	1,298,619	1,741,970
Total revenues		**874,176,013**	**634,617,978**
Cost of goods	**13**	494,274,032	304,009,547
Payroll expenses	**5**	171,900,521	118,044,766
Other operating expenses	**6**	365,806,678	285,278,370
Other (gains)/losses - net	**8**	171,991	(3,747,527)
Losses before interest, taxes, depreciation, amortization (EBITDA)		**(157,977,209)**	**(68,967,178)**
Depreciation, amortization	**11,12**	16,875,042	14,725,382
Amortization of right-of-use assets	**7**	4,071,361	-
Net operating income		**(178,923,612)**	**(83,692,561)**
Financial items			
Other financial income		31,831	226,140
Other financial expenses		773,418	337,054
Currency effects (gains)/losses - net		(113,461)	802,560
Net financial items	**9**	**(628,126)**	**(913,474)**
Losses before tax		**(179,551,738)**	**(84,606,035)**
Income tax	**10**	45,026,355	17,525,451
Net losses		**(134,525,383)**	**(67,080,584)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(504,595)	348,852
Other comprehensive income for the year, net of tax		(504,595)	348,852
Total comprehensive income for the year		(135,029,978)	(66,731,732)

Gelato ASA

Consolidated balance sheet
in NOK

Assets	Note	31.12.2021	31.12.2020
Non-current assets			
Intangible assets	11	50,003,548	43,078,840
Deferred tax asset	10	155,375,823	99,976,626
Property, plant & equipment	12	850,164	467,760
Right-of-use assets	7	19,543,243	-
Other non-current receivables	14	3,681,260	707,807
Total non-current asset		**229,454,038**	**144,231,033**
Current assets			
Intercompany receivables		128,232	-
Inventories	13	7,365,438	1,742,323
Other current receivables	14	30,394,468	17,460,466
Trade receivables	14	37,008,096	21,671,605
Cash and cash equivalents	15	80,987,898	168,293,782
Total current asset		**155,884,132**	**209,168,176**
Total assets		**385,338,170**	**353,399,209**
Equity and liabilities			
Share capital	16	86,927,148	85,271,393
Share premium	16	399,905,352	361,039,607
Additional paid-in capital	16	61,397,124	48,106,255
Other equity		(463,770,632)	(354,740,654)
Total equity		**84,458,992**	**139,676,601**
Non-current liabilities			
Long-term lease liability	7	9,297,997	-
Total non-current liabilities		**9,297,997**	-
Current liabilities			
Intercompany loans		12,713,148	-
Short-term lease liability	7	10,761,078	-
Income tax obligation	10	1,698,418	768,597
Other current liabilities	18	72,573,937	63,865,854
VAT, social security & other taxes		63,456,029	50,011,855
Trade payables		130,378,571	99,076,302
Total current liabilities		**291,581,181**	**213,722,608**
Total liabilities		**300,879,178**	**213,722,608**
Total equity and liabilities		**385,338,170**	**353,399,209**

Oslo, 18 May 2022
BoD in Gelato ASA

Nicole Marie Vanderbilt	John Keith Hepburn	Klas Erik Johansson
Board member	*Chairman of the board*	*Board member*

Henrik Müller-Hansen
CEO

Gelato ASA

Consolidated statement of equity

in NOK	Note	Shareholders equity	Share premium	Additional paid-in capital	Retained earnings*	Total equity
Equity 31.12.2019 / 1.1.2020		**83,533,000**	**322,778,000**	**40,664,883**	**(288,008,922)**	**158,966,961**
Profit for the year					(67,080,584)	(67,080,584)
Other comprehensive income (foreign currency rate changes)					348,852	348,852
Total comprehensive income for the year		-	-	-	**(66,731,732)**	**(66,731,732)**
Employee share schemes – value of employee services	**17**			7,441,372		7,441,372
Capital increase 1.10.2020	**16**	1,738,393	38,261,607			40,000,000
Transactions with owners in their capacity as owners		**1,738,393**	**38,261,607**	**7,441,372**	-	**47,441,372**
Equity 31.12.2020		**85,271,393**	**361,039,607**	**48,106,255**	**(354,740,654)**	**139,676,601**
Profit for the year					(134,525,383)	(134,525,383)
Other comprehensive income (foreign currency rate changes)					(504,595)	(504,595)
Total comprehensive income for the year		-	-	-	**(135,029,978)**	**(135,029,978)**
Employee share schemes – value of employee services	**17**			5,153,281		5,153,281
Deferred tax from employee share schemes	**17**			8,137,588		8,137,588
Capital increase	**16**	1,655,755	64,865,745			66,521,500
Share capital reduction	**16**		(26,000,000)		26,000,000	-
Transactions with owners in their capacity as owners		**1,655,755**	**38,865,745**	**13,290,869**	**26,000,000**	**79,812,369**
Equity 31.12.2021		**86,927,148**	**399,905,352**	**61,397,124**	**(463,770,632)**	**84,458,992**

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

Gelato ASA

Consolidated statement of cash flows
in NOK

	Note	2021	2020
Cash flows from operating activities			
Profit before income tax		(179,551,738)	(84,606,035)
Taxes paid	**10**	(1,600,480)	(449,107)
Depreciation, amortisation	**11,12**	16,875,042	14,725,382
Amortization of right-of-use assets	**7**	4,071,361	-
Share based payments		5,153,281	7,441,372
Change in intercompany payables/receivables	**19**	12,981,862	-
Change in inventories	**13**	(5,623,115)	(1,501,304)
Change in trade receivables	**14**	(15,336,491)	(5,148,813)
Change in trade payables		31,302,269	45,172,749
Change in other accruals		6,266,216	21,352,871
Net cash inflow (outflow) from operating activities		**(125,461,793)**	**(3,012,885)**
Cash flows from investing activities			
Receipt / (-) Payments for purchases of non-current assets		-	1,115,862
Payments for purchases of fixed assets	**12**	(852,108)	(509,377)
Payment for purchases of intangible assets and capitalized development cost	**11**	(23,451,696)	(18,765,176)
Net cash inflow (outflow) from investing activities		**(24,303,804)**	**(18,158,691)**
Cash flows from financing activities			
Proceeds from capital increase	**16**	66,521,500	40,000,000
Payment of leases		(4,061,787)	-
Net cash inflow (outflow) from financing activities		**62,459,713**	**40,000,000**
Net increase (decrease) in cash and cash equivalents		(87,305,884)	18,828,424
Cash at beginning of period	**15**	168,293,782	149,465,359
Cash and cash equivalents at end of period	**15**	**80,987,898**	**168,293,783**

Gelato ASA - Group consolidated Financial Statements 2021

1 General information

Gelato ASA is a privately held company domiciled in Norway that focuses on investments within software services for the global printing-on-demand industry – enabling the delivery of local printing services for customers all over the world.
Gelato ASA was transformed into a public limited company (ASA) as of 8 June 2021. Previously, Gelato ASA was named Gelato AS. The company's principal offices are located at Dronning Eufemias, Gate 8, Oslo, Norway. The consolidated financial statements of the Group for the year ended December 31, 2021 comprise the Company and its subsidiaries.
The financial statements were authorized for issue by the Directors on 18 May 2022.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

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

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

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

2.1.1 Changes in accounting policy and disclosures

New standards adopted by the Group
The Group has adopted all new and amended standards as of 31 December 2021 with no material impact on the financial statements for 2021.

Amendments to IAS 12
In May 2021, the IASB approved amendments to IAS 12 removing the exemption for recognition of deferred tax assets and liabilities arising from the initial recognition of right-of-use assets and lease liabilities. The amendments apply to annual reporting periods beginning on or after 1 January 2023.

If The Group has selected to apply the changes in 2021, The Group would have an additional deferred tax asset of NOK4,701,359, an additional deferred tax liability of NOK4,701,359 at initial recognition and a deferred tax gain of NOK142,549 in the result of 2021.

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

2.2 Consolidation

The Group consists of the following companies as of 31.12.2021:

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

a) Subsidiaries

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

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

b) Disposal of subsidiaries

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

2.3 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

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

c) Group Companies

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

(a) assets and liabilities for each consolidated balance sheet presented are translated at the closing rate at the date of that consolidated balance sheet.

(b) income and expenses for each consolidated statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

(c) all resulting exchange differences are recognized in other comprehensive income.

2.4 Property, plant and equipment

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

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

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

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

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

2.5 Intangible assets

Software

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

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

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

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

2.6 Impairment of non-financial assets

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

2.7 Financial assets

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

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

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

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

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

2.8 Financial Liabilities

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

a) Financial liabilities at fair value through profit or loss
Derivatives, including embedded derivatives that are liabilities are measured at FVOPL unless they aredesignated as a hedge accounting instrument. Derivatives designated as cash flow hedge accounting instruments are shown at fair value in the balance sheet and at fair value over OCI.

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

2.9 Inventories

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

2.10 Trade receivables and contract assets

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

Gelato ASA - Group consolidated Financial Statements 2021

2.11 Cash

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

2.12 Shareholders equity, share premium and additional paid in capital

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

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

2.13 Trade payables

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

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

2.14 Current and deferred income tax

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

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

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

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

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

2.15 Employee benefits

The Group operates a defined contribution pension plan.

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

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

2.16 Share-based payments

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

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

2.17 Provisions

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

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

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

2.18 Revenue recognition

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

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

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

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

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

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

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

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

2.19 Interest income

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

2.20 Leases

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

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

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

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

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

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

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

2.21 Government grants

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

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

3 Estimates and judgements

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

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

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

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

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

4 Revenue and other income

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

	2021	**2020**
Revenue from contract with customers		
Revenue from services	8,296,494	9,086,045
Revenue from products	864,580,900	623,789,963
Other revenue		
Government grant (Skattefunn)	1,298,619	1,741,970
Total	**874,176,013**	**634,617,978**

Other revenue
Relates to accrual of government grant via Skattefunn.

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

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

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

	2021	**2020**
EMEA	601,944,829	518,443,914
Asia Pacific	65,767,280	32,657,728
Americas	204,867,923	81,526,304
Africa	297,362	248,062
Total	**872,877,394**	**632,876,008**

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

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5 Employee benefit expense

Specification of employee benefit expenses	**2021**	**2020**
Salaries/wages	114,164,477	95,028,032
Social security fees	45,327,391	12,884,924
Share options granted to employees	5,159,851	7,441,372
Pension expenses	2,729,489	2,406,285
Other remuneration	4,519,313	284,153
	171,900,521	**118,044,766**

Average number of employees	135	104

Chief Executive officer (CEO) remuneration	**2021**	**2020**
Salaries/board fee	2,622,926	1,609,477
Social security fees	374,781	231,965
Pension expenses	23,434	24,072
Other remuneration	11,664	11,571

Board of directors remuneration	**2021**	**2020**
Salaries/board fee	-	-
Social security fees	-	-
Pension expenses	-	-
Other remuneration	-	-

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

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

6 Other operating expense

	2021	**2020**
External services	60,896,448	49,237,798
Marketing and sales expenses	260,005,139	211,416,322
Other expenses	44,905,091	24,624,249
Other operating expenses	**365,806,678**	**285,278,370**

Expensed audit fee (excl. VAT)	**2021**	**2020**
Statutory audit (incl. technical assistance with financial statements)	626,179	562,521
Tax advisory fee (incl. technical assistance with tax return)	167,516	56,228
Other assistance	-	60,939
Total audit fees	**793,695**	**679,688**

7 Leases

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

As of December 31, 2021, The Group weighted-average discount rate for leases is 5.5% per year and weighted-average remaining term of 24 months.

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

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

Right-of-use assets movement:

	Office leases
As of 1 January 2021	-
Additions	22,627,393
Amortisation	(4,071,361)
Foreign exchange differences	987,211
As of 31 December 2021	19,543,243

During 2021, The Group expenses with low value and short-term leases amounted to NOK2,604,656 thousands (NOK6,117,424 in 2020). As of December 31, 2021, The Group was contractually committed to NOK1,593,784 for short-term leases.

8 Other (gains)/losses – net

	2021	2020
Net foreign exchange from operating activities:		
- Foreign exchange gains	24,915,683	24,011,977
- Foreign exchange losses	25,087,674	20,264,451
	171,991	**(3,747,527)**

9 Finance income and costs

	2021	2020
Interest income:		
- Interest income on short-term bank deposits	31,439	226,140
- Other financial income	392	
Finance income	**31,831**	**226,140**
Interest expense:		
- Other interest expense	770,520	337,054
- Other financial costs	2,898	
Finance costs	**773,418**	**337,054**
Currency effects (gains)/losses - net	**(113,461)**	**802,560**
Net financial items	**(628,126)**	**(913,474)**

10 Taxes

Temporary differences	**2021**	**2020**
Fixed and intangible assets	(1,346,164)	(22,656)
Accounts receivable	(130,000)	(87,686)
Deferred revenue from government grants (Skattefunn)	(584,561)	(1,736,745)
Deferred taxes from employee share scheme	(94,189,337)	(944,489)
Net temporary differences	(96,250,061)	(2,791,576)
Tax losses carried forward	**(621,791,821)**	**(461,021,138)**
Basis for deferred tax	**(718,041,883)**	**(463,812,714)**
Deferred tax		
Deferred tax asset	(155,504,426)	(100,197,835)
Deferred tax asset not recognized in the balance sheet	128,603	221,209
Deferred tax in the balance sheet	**(155,375,823)**	**(99,976,626)**

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

11 Intangible assets

2020	**Web-domain**	**Software**	**Total**
Cost 01.01	2,777,134	83,765,633	**86,542,767**
Additions	-	18,765,176	**18,765,176**
Cost pr. 31.12.	2,777,134	102,530,809	**105,307,943**
Accumulated amortization 01.01	1,087,719	47,235,799	**48,323,518**
Accumulated amortization 31.12	1,365,435	60,863,668	**62,229,103**
At 31.12	1,411,699	41,667,141	**43,078,840**

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2021	Web-domain	Software	Total
Cost 01.01	2,777,134	102,530,809	**105,307,943**
Accumulated amortization	1,365,435	60,863,668	62,229,103
At 01.01	1,411,699	41,667,141	**43,078,840**
Additions	-	23,451,696	23,451,696
This years amortization	277,716	16,249,272	16,526,988
At 31.12	**1,133,983**	**48,869,565**	**50,003,548**
Cost 31.12	2,777,134	125,982,505	128,759,639
Accumulated amortization	1,643,151	77,112,940	78,756,091
At 31.12	**1,133,983**	**48,869,565**	**50,003,548**
Amortization plan (straight line)	10 years	5 years	

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

12 Property, plant and equipment

2020	Furniture, fittings and equipment
Cost 01.01	**2,669,470**
Additions	509,377
Cost pr. 31.12.	**3,178,847**
Accumulated amortization 01.01	1,891,290
Accumulated amortization 31.12	2,711,087
At 31.12	**467,760**
This year depreciation	**819,797**

2021	Furniture, fittings and equipment
Cost 01.01	3,178,847
Additions	852,108
Cost per 31.12	**4,030,955**
Accumulated depreciation 01.01	2,711,087
This years depreciation	348,054
Foreign exchange	121,650
Accumulated depreciation 31.12	**3,180,791**
At 31.12	**850,164**

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13 Inventories

	2021	2020
Frames	4,207,856	1,742,323
Packaging	1,240,248	-
Prepayments	1,917,334	-
Total	7,365,438	1,742,323

	2021	2020
Inventory valued at purchase cost	7,365,438	1,742,323
Total	**7,365,438**	**1,742,323**

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

	2021	2020
Cost of goods sold	494,274,032	304,009,547

14 Trade receivables and other receivables

	2021	2020
Trade receivables (gross)	37,138,096	21,771,602
Provision for impairment of trade receivables	130,000	99,997
Trade receivables	**37,008,096**	**21,671,605**

	2021	2020
Prepayments	7,335,739	3,234,349
Accrued Revenue	17,853,075	12,046,652
Other current receivables	5,205,654	2,179,465
Other current receivables	**30,394,468**	**17,460,466**

	2021	2020
Deposit office premises	2,351,906	707,807
Other non-current receivables	1,329,354	-
Other non-current receivables	**3,681,260**	**707,807**

15 Cash

	2021	2020
Cash at bank and in hand	75,196,244	165,098,636
Short-term bank deposits (restricted bank deposits)	5,791,654	3,195,146
Total	**80,987,898**	**168,293,782**

Nordea has collateral in certain monetary claims up to EUR 190,000 in Gelato AS.

16 Shareholders equity and shareholders information

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

	Number of shares 31.12.2021	Nominal value 31.12.2021	Number of shares 31.12.2020	Nominal value 31.12.2020
Shares	8,278,776	86,927,148	8,278,776	85,271,393

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

2021

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

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

2020

On 18 November 2020, The Group carried out a capital increase through the issuance of 168,776 new shares, each with a nominal value of NOK 10.30. The new shares were issued at a subscription price of NOK 237.00052 per share, in total NOK 40,000,000.

17 Share-based payments

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

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

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

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

	2021	2020	2021	2020	2021	2020
Outstanding at Beginning of Year	**1,657,195**	**1,806,414**	**74.11**	**68,98**	**4.31**	**4,48**
Exercisable at the End of the Year	982,630	1,168,800	76.70	71,70	3.22	3,39
Granted During the Year	381,229	291,973	160.76	80,98	6.46	6,28
Exercised During the Year	157,410	231,401	48.56	48,98	0.96	0,00
Cancelled during the Year	59,905	24,260	80.98	80,98	0.00	0,00
Cancelled during the Year (Expired)	12,162	26,812	75.05	78,08	0.00	0,00
Outstanding at the End of the Year	**1,511,729**	**1,657,195**	**97.3**	**74,00**	**4.24**	**4,00**
Options Vested During the Year	223,624	362,608	79.8	76,43	4.16	4,15
Vested at end of Year	982,630	1,168,800	76.7	71,70	3.22	3,39
Shares Expected to Vest	529,099	488,395	130.1	79,60	5.87	5,43
Vested and Expected to Vest	1,511,729	1,657,195	95.4	74,00	4.15	4,00

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

Exercise prices	Options Outstanding		Weighted Average Remaining Contractual Life		Shares Exercisable	
	2021	2020	2021	2020	2021	2020
NOK 13,72	64,047	131,198	1.33	2,35	57,380	120,531
NOK 73,77	47,535	379,694	2.53	2,52	47,535	379,694
NOK 80,98	1,305,618	1,146,303	4.10	4,68	877,715	668,575
NOK265,85	164,512	-	6.90	-	-	-

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

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

Share based payments compensated to key management are as follows:

Name	Role	Number of options granted
Rebecca Razulis	SVP Network	77,653
Yvonne Rivera	Head of HR	31,669
Jose I. Herrero	CFO	128,422

18 Other current liabilities

	2021	2020
Other current payables	17,454,162	6,529,074
Accrued expenses	46,380,088	47,417,713
Deferred revenue from government grants (Skattefunn)	584,561	1,706,041
Contract liabilities	8,155,126	8,213,018
Current payables related parties	-	8
Other current liabilities	**72,573,937**	**63,865,854**

19 Related parties

Gelato Norway is a parent company and has direct control of twelve different companies in Norway, Sweden, Estonia, Brazil, Chile, China, India, Russia, UK, Japan and US. Directly-owned subsidiaries are presented in note 2 to OP Invest AS's consolidated financial statements.

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

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

The Group`s employee benefit expensed to related parties were disclosed on note 5. In addition, The Group and its related parties incurred on loan transactions and the closing balance as follows as of 31.12.2021:

Intercompany receivable	31.12.2021	31.12.2020
Flow Transactions	128,232	-
Total	**128,232**	-

Intercompany payables	31.12.2021	31.12.2020
OP Invest AS	12,713,148	-
Flow transactions	-	165,303
Total	**12,713,148**	**165,303**

20 Financial instruments

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

Currency risk
Both revenues and operating expenses are exposed to foreign exchange rate fluctuations. 91% of the revenues in 2021 (86 % in 2020) were received in foreign currencies.

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

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

Numbers in NOK (million)	**2021**	**2020**
EUR	27.4	20.6
GBP	12.9	8.9
USD	13.9	4.3

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

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

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

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

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

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

	2021	**2020**
Not overdue	31,020,080	18,578,098
Overdue less than 1 month	2,523,670	2,493,306
Overdue 1-2 months	2,830,287	588,907
Overdue more than 2 months	764,059	111,291
Total trade receivables (gross)	**37,138,096**	**21,771,602**

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

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

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

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

Accounts receivable and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the

group. Provisions for losses are considered to cover the actual losses that are expected in relation to accounts receivables and contract assets.

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

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

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

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

Financial assets at amortized cost	At 31.12.2021	At 31.12.2020
Trade receivables	37,008,096	21,671,605
Other receivables excluding pre-payments	5,205,654	2,179,465
Cash	80,987,898	168,293,782
Total	123,201,648	192,144,852

Financial liabilities at amortized cost	At 31.12.2021	At 31.12.2020
Trade payables	130,378,571	99,076,302
Other payables excluding non-financial liabilities	72,573,937	63,865,854
Lease liabilities (short and long term)	20,059,075	-
Total	223,011,583	162,942,156

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

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

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

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

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

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