



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 982 339 243
Organisasjonsform: Aksjeselskap
Foretaksnavn: XAIT AS
Forretningsadresse: Kanalsletta 4
4033 STAVANGER

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Mørselskap 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: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Ingunn Furre Haaland
Dato for fastsettelse av årsregnskapet: 31.05.2022

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, 22.03.2024



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	78 910 659	69 498 877
Annen driftsinntekt	20	3 504 420	2 493 563
Sum inntekter		82 415 079	71 992 440
Kostnader			
Varekostnad	3,16	16 477 722	7 053 127
Lønnskostnad	4	30 606 165	17 853 904
Avskrivning på varige driftsmidler og immaterielle eiendeler	6,7,8	21 343 142	13 608 060
Annen driftskostnad	5	21 373 829	16 228 247
Sum kostnader		89 800 858	54 743 338
Driftsresultat		-7 385 779	17 249 102
Finansinntekter og finanskostnader			
Annen renteinntekt		221	59 306
Annen finansinntekt		1 954 718	0
Sum finansinntekter		1 954 939	59 306
Annen rentekostnad		1 055 345	408 324
Annen finanskostnad		42 848	1 074 820
Sum finanskostnader		1 098 193	1 483 144
Netto finans		856 746	-1 423 838
Ordinært resultat før skattekostnad		-6 529 033	15 825 264
Skattekostnad på ordinært resultat		-2 283 748	3 270 598
Ordinært resultat etter skattekostnad		-4 245 285	12 554 666
Årsresultat		-4 245 285	12 554 666



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	6	56 564 611	41 221 135
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	6,16	16 380 492	1 218 370
Utsatt skattefordel	11	2 679 009	395 260
Sum immaterielle eiendeler		75 624 112	42 834 765
Varige driftsmidler			
Maskiner og anlegg	7	9 635 612	2 757 115
Sum varige driftsmidler		9 635 612	2 757 115
Finansielle anleggsmidler			
Investering i datterselskap	9	10 603 097	9 501 428
Lån til foretak i samme konsern	10	24 251 727	27 927 079
Andre fordringer		0	261 483
Sum finansielle anleggsmidler		34 854 824	37 689 990
Sum anleggsmidler		120 114 548	83 281 870
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	12	18 602 766	19 457 820
Andre fordringer	20	6 548 002	7 254 964
Sum fordringer		25 150 768	26 712 784
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	13	115 160 766	8 913 103
Sum bankinnskudd, kontanter og lignende		115 160 766	8 913 103
Sum omløpsmidler		140 311 534	35 625 887
SUM EIENDELER		260 426 082	118 907 757



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	14,15	2 217 590	1 982 910
Overkurs	15	43 476 245	39 910 205
Annen innskutt egenkapital	15	1 344 895	93 785
Sum innskutt egenkapital		47 038 730	41 986 900
Opptjent egenkapital			
Annen egenkapital	15	13 121 435	19 159 070
Sum opptjent egenkapital		13 121 435	19 159 070
Sum egenkapital		60 160 165	61 145 970
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	18	109 572 925	0
Utsatte statlige tilskudd	20	11 155 617	7 658 078
Leieforplikteser	8	8 349 150	408 864
Sum annen langsiktig gjeld		129 077 692	8 066 942
Sum langsiktig gjeld		129 077 692	8 066 942
Kortsiktig gjeld			
Leverandørgjeld		4 795 608	2 540 933
Betalbar skatt		0	4 570 913
Skyldige offentlige avgifter		5 393 651	3 077 856
Annen kortsiktig gjeld	10,19	23 071 815	5 960 974
Forskudd fra kunder	11	37 927 151	33 544 169
Sum kortsiktig gjeld		71 188 225	49 694 845
Sum gjeld		200 265 917	57 761 787
SUM EGENKAPITAL OG GJELD		260 426 082	118 907 757



Balanse

Beløp i: NOK	Note	2021	2020
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Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3	86 370 205	71 853 618
Annen driftsinntekt	3, 17	3 504 420	2 493 563
Sum inntekter		89 874 625	74 347 181
Kostnader			
Lønnskostnad	4	46 194 292	25 707 849
Avskrivning på varige driftsmidler og immaterielle eiendeler	7,8,10	21 391 225	13 811 423
Annen driftskostnad	5	28 056 550	22 199 477
Sum kostnader		95 642 067	61 718 749
Driftsresultat		-5 767 442	12 628 432
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		233	59 306
Annen finansinntekt		2 004 964	0
Sum finansinntekter		2 005 197	59 306
Annen rentekostnad		1 149 369	408 324
Annen finanskostnad		42 830	1 561 755
Sum finanskostnader		1 192 199	1 970 079
Netto finans		812 998	-1 910 773
Ordinært resultat før skattekostnad		-4 954 444	10 717 659
Skattekostnad på ordinært resultat	11	-2 496 760	3 270 598
Ordinært resultat etter skattekostnad		-2 457 684	7 447 061
Årsresultat		-2 457 684	7 447 061



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	7	56 185 509	41 221 135
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	7	16 380 492	10 460 010
Utsatt skattefordel	11	2 679 010	185 477
Sum immaterielle eiendeler		75 245 011	51 866 622
Varige driftsmidler			
Maskiner og anlegg	8	9 705 553	2 804 810
Sum varige driftsmidler		9 705 553	2 804 810
Finansielle anleggsmidler			
Andre fordringer			261 483
Sum finansielle anleggsmidler			261 483
Sum anleggsmidler		84 950 564	54 932 915
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	9	24 251 733	21 723 154
Andre fordringer	9,17	8 214 703	7 381 226
Sum fordringer		32 466 436	29 104 380
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	6	117 570 405	13 012 625
Sum bankinnskudd, kontanter og lignende		117 570 405	13 012 625
Sum omløpsmidler		150 036 841	42 117 005
SUM EIENDELER		234 987 405	97 049 920



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	15,16	2 217 590	1 982 910
Overkurs	15	43 476 245	39 910 205
Annen innskutt egenkapital	15	1 344 895	93 785
Sum innskutt egenkapital		47 038 730	41 986 900
Opptjent egenkapital			
Omvurderingsdifferanse	15	-1 926 161	259 665
Udekket tap	15	11 405 137	7 155 102
Sum opptjent egenkapital		-13 331 298	-6 895 437
Sum egenkapital		33 707 432	35 091 463
Gjeld			
Langsiktig gjeld			
Andre avsetninger for forpliktelser	17	11 772 182	8 240 388
Sum avsetninger for forpliktelser		11 772 182	8 240 388
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		109 572 924	408 865
Leieforpliktelser		8 349 149	
Sum annen langsiktig gjeld		117 922 073	408 865
Sum langsiktig gjeld		129 694 255	8 649 253
Kortsiktig gjeld			
Leverandørgjeld		5 225 599	2 664 830
Betalbar skatt			4 570 913
Skyldige offentlige avgifter		6 168 466	3 483 179
Forskudd fra kunder	12	46 018 943	33 544 168
Annen kortsiktig gjeld	14	14 172 710	9 046 114
Sum kortsiktig gjeld		71 585 718	53 309 204
Sum gjeld		201 279 973	61 958 457
SUM EGENKAPITAL OG GJELD		234 987 405	97 049 920



Konsernets balanse

Beløp i: NOK	Note	2021	2020
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To the General Meeting of Xait AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Xait AS, which comprise:

- the financial statements of the parent company Xait AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and indirect cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Xait AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement and indirect cash flow statement 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 Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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.

PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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

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

- is consistent with the financial statements and
- contains the information required by applicable 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 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 use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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>

Stavanger, 31 May 2022
PricewaterhouseCoopers AS

Roy Henrik Heggelund
State Authorised Public Accountant
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Heggelund, Roy Henrik	BANKID_MOBILE	2022-05-31 09:48

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- The electronic signatures. These are not visible in the document, but are electronically integrated.



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of the document.



Financial Statements

2021

Xait AS

Org.no.:982 339 243



XAIT AS

BOARD OF DIRECTORS REPORT 2021

About Xait

Xait was founded in 2000 and is a global software technology company providing enterprise customers with software for document co-authoring, automation, collaboration and intelligent pricing. Xait's mission is to help their clients win business by supporting their sales enablement efforts from quote to contract. The Xait Group is headquartered in Stavanger, Norway and has offices in the UK (Cheltenham and London), the US (Austin, Houston and Herndon) and France (Nantes and Paris).

Our cloud-based software XaitPorter is a complete all-in-one co-authoring solution enabling companies to create high-quality documents with contributions from many authors simultaneously. XaitPorter simplifies and streamlines document production, so that a company can maximize revenue from bids and proposals and other business-critical documents. Our second product, XaitCPQ, helps organizations win more deals at better margins, by making it easy to quickly configure correct price tables that are combinations of products, software and services.

In December 2021 we signed, and in January 2022 we completed the acquisition of Jack In The Box in France. Their product, Proposal Studio, which will be rebranded to XaitProposal and XaitRFI, have a slightly different focus than XaitPorter, both with regards to use case and document complexity. The acquisition is our largest to date in terms of Annual Recurring Revenue ("ARR"). That said, we truly believe that XaitProposal and XaitRFI will fit well with our other products, and with time, will offer good cross sell opportunities as well as other business synergies for the whole Xait Group. The transaction was financed with debt, as well as rolled over equity. Three of the main shareholders and employees in Jack In The Box SAS are now shareholders in Xait Holding AS.

In June 2021, Xait Inc also made an asset purchase from a US company called Privia LLC. All contents of the business, including all clients, employees and software was acquired. The purpose of the transaction is to migrate as many clients as possible to XaitPorter. The Privia software will stay live as long as we deem necessary to achieve this purpose. We are doing no further development of the Privia software. The transaction was financed with our own cash holdings.

Financial highlights of 2021

2021 was a very hectic year. We signed the acquisition of Privia in the US and Jack in the Box in France. On top of that we had organic growth in ARR of 22%/ 19% before/ after currency fluctuations. Our highest relative growth, came from our newly acquired operations in the UK from 2020, called XaitCPQ. XaitCPQ ARR more than doubled during the year. Organic and structural growth in ARR was more than 60% combined in 2021, including also the latest French acquisition.

As for the consolidated income statement, total income grew c. 21% to NOK 89.9 million in 2021. Most of this growth is attributed to the acquisition of BlueprintCPQ (now XaitCPQ) and Privia. Despite strong organic growth in ARR, much of this growth came very late in the year, and for this reason, having limited effect on the revenue (annualized revenue is periodized over the full 12 months).

The consolidated operating loss was NOK 5.8 million - a big change from 2020 when we had a profit of NOK 12.6 million. The reason for this is that we during 2020 slowed down our growth pace to better tackle the news of the Covid-19 pandemic. This is a clear proof that the SaaS model works - we know that our underlying profitability is very healthy, so this development was as expected. In 2021, growth investments came back up. This, along with substantial acquisition and restructuring related costs on all three recent deals affected our profits. All the loss in 2021 was consumed in Xait AS in Norway due to a change in the corporate transfer pricing arrangement, where subsidiaries abroad are categorized as limited risk distributors. This will always secure minimum and pre agreed profit margins abroad, but on the flip side, never result in super profits in the same subsidiaries. Xait AS will, as IP owner and management company, assume all super profits.



The significant growth in assets during the year relates mostly to the Ture acquisition loan that we established just before the end of the year. The transaction closed the following year, leaving large amounts of excess cash on the balance sheet on 31.12.2021. NOK 118 million in total. During the fall of 2021, we also raised NOK 3.8 million in capital towards new and existing employees in Xait. The purpose of the equity was, first and foremost, to allow for a more spread ownership in Xait among committed employees, not to strengthen liquidity. The new debt from Ture, the equity issuance, and the investment in Privia is also visible in the cash flow statement under cash flow from finance activities and investment activities, respectively.

The market is getting gradually more open to use alternative digital tools to make their sales processes more effective. It is difficult to make accurate financial projections, but we expect growth across all products and regions in 2022 also. As we saw during the pandemic, Xait can be affected by macro-economic trends and events. The long-term effects from the war in Ukraine could potentially also affect the growth rate and/or profitability in the Xait Group.

Going concern

The board of directors are satisfied with the developments throughout 2021 and views the future potential of the company as very attractive. The basis for going concern exists and the annual accounts for 2021 have been prepared based on this assumption.

Research and development activities

Xait is heavily engaged in R&D activities. These entail continuous development of all our products. Our ultimate ambition is to be a thought leader in the sales enablement space, and for this reason we continue to develop new features and modules that will help our customers win more business.

Financial risks

Xait is exposed to a range of financial risks, in particular currency risk. Now, we do not see the need to make use of any financial instruments to hedge this risk, but this will always be under evaluation as the business grows and develops.

Currency risk - Xait is exposed to foreign exchange rate fluctuations as many of our contracts are in USD, EUR and GBP. Most clients pay for our software services 12 months forward. Upon renewal, if there have been major fluctuations in the exchange rates, this could potentially affect the financial results of Xait. We do also have costs in the various currencies and consider this natural hedge to be sufficient for Xait for the time being. We also have a SEK loan to Ture in Sweden, but the SEK/NOK exchange rate has historically been very stable, so we do consider this risk to be limited.

Interest rate risk - Xait is exposed to interest rate risk. The SEK loan is affected by changes in the financial benchmark STIBOR. Xait is financially equipped to handle changes in STIBOR.

Liquidity risk - Xait is exposed to liquidity risk. This can be short term due to major changes in working capital, or long term if Xait was to suffer big losses in ARR. As the company is in a growth phase, we invest heavily in growth related costs that will pay off over a period in the future. If we must preserve cash/liquidity, one option is to cut spending in such growth-related costs and investments.

Financial risk - Xait is exposed to financial risk. However, no substantial changes in the valuation of assets are expected to occur because of the existing market conditions. The market is considered stable, despite the effects of Covid-19 and war in Ukraine. Xait has a healthy growth, internationally as well as in Norway.

Credit risk - Xait is exposed to credit risk. Historically, we have not experienced any problems with payments from our customers. Most of our clients are large and solid institutions, without any significant credit risk.



Work environment

The work environment is very good. We do employee surveys many times a year and the results are better than ever. We will continue to monitor the developments to ensure that appropriate actions are taken. No serious injuries occurred in 2021. In 2021, the sick leave in Xait AS was 1.5%.

Equal opportunities

Our employees consist of both men and women from a long range of different nationalities. The Xait Group employees are almost 30% female (23% in Xait AS), the Board of Directors consists of 4 men and 1 woman. The management team consists of 6 men and 2 women. Though we consider our gender balance to be adequate, we do always strive to better the gender balance on the team.

Environmental report

No aspects of Xait's operations materially impacts the environment, other than what one should expect from an IT company.

Board responsibility

Xait has a Directors and Officers insurance.

Stavanger, 31.05.2022

The board of Xait AS

Eivind Bergsmyr
Chairman of the board

Arnt Jørund Andreassen
Member of the board

Berit Lid Scharff
Member of the board

Erik Fjellvær Hagen
Member of the board

Bjarne Johnson
Member of the board

Eirik Gudmundsen
General Manager



INCOM E STATEM ENT

XAIT AS

OPERATING INCOM E AND OPERATING EXPENSES	Note	2021	2020
Revenue	2	78 910 659	69 498 877
Other income	20	3 504 420	2 493 563
Total income		82 415 079	71 992 440
Cost of sales	3, 16	16 477 722	7 053 127
Personnel costs	4	30 606 165	17 853 904
Depreciation and amortisation expenses	6, 7, 8	21 343 142	13 608 060
Other expenses	5	21 373 829	16 228 245
Total expenses		89 800 859	54 743 337
Operating profit/ (-loss)		-7 385 779	17 249 102
FINANCIAL INCOM E AND EXPENSES			
Other interest income		221	59 306
Other financial income		1 954 718	0
Other interest expenses		1 055 345	408 324
Other financial expenses		42 848	1 074 820
Net financial items		856 746	-1 423 838
Net profit/ (-loss) before tax		-6 529 034	15 825 264
Tax on ordinary result	11	-2 283 749	3 270 598
Net profit/ (-loss) after tax		-4 245 285	12 554 666
Net profit/ (-loss)		-4 245 285	12 554 666
ATTRIBUTABLE TO			
Other equity	15	0	12 554 666
Transferred from other equity	15	4 245 285	0
Total		-4 245 285	12 554 666

XAIT AS

SIDE 5



BALANCE SHEET

XAIT AS

ASSETS	Note	2021	2020
NON-CURRENT ASSETS			
INTANGIBLE ASSETS			
Research and development	6	56 564 611	41 221 135
Concessions, patents, licences and trademarks	6, 16	16 380 492	1 218 370
Deferred tax assets	11	2 679 009	395 260
Total intangible assets		75 624 113	42 834 765
PROPERTY, PLANT AND EQUIPMENT			
Property, Plant and Equipment	7	9 635 612	2 757 115
Total property, plant and equipment		9 635 612	2 757 115
NON-CURRENT FINANCIAL ASSETS			
Investments in subsidiaries	9	10 603 097	9 501 428
Loan to group companies	10	24 251 727	27 927 079
Other long-term receivables		0	261 483
Total non-current financial assets		34 854 824	37 689 990
Total non-current assets		120 114 548	83 281 870
CURRENT ASSETS			
DEBTORS			
Accounts receivables	12	18 602 766	19 457 820
Other short-term receivables	20	6 548 002	7 254 964
Total receivables		25 150 768	26 712 784
Cash and cash equivalents	13	115 160 766	8 913 103
Total current assets		140 311 534	35 625 887
Total assets		260 426 082	118 907 757

XAIT AS

PAGE 6



BALANCE SHEET

XAIT AS

EQUITY AND LIABILITIES	Note	2021	2020
PAID-IN CAPITAL			
Share capital	14, 15	2 217 590	1 982 910
Share premium	15	43 476 245	39 910 205
Other paid-up equity	15	1 344 895	93 785
Total paid-up equity		47 038 730	41 986 900
RETAINED EARNINGS			
Other equity	15	13 121 435	19 159 070
Total retained earnings		13 121 435	19 159 070
Total equity		60 160 165	61 145 970
LIABILITIES			
OTHER NON-CURRENT LIABILITIES			
Deferred government grants	20	11 155 617	7 658 078
Lease liabilities	8	8 349 149	408 865
Liabilities to financial institutions	18	109 572 925	0
Total non-current liabilities		129 077 692	8 066 942
Total long term debt		129 077 692	8 066 942
CURRENT LIABILITIES			
Trade payables		4 795 608	2 540 933
Advance payments from customers	17	37 927 152	33 544 169
Tax payable	11	0	4 570 913
Public duties payable		5 393 651	3 077 856
Other current liabilities	10, 19	23 071 815	5 960 974
Total current liabilities		71 188 226	49 694 844
Total liabilities		200 265 917	57 761 787
Total equity and liabilities		260 426 082	118 907 757

XAIT AS

PAGE 7



BALANCE SHEET

XAIT AS

Stavanger, 31.05.2022
The board of Xait AS

Eivind Bergsmyr
Chairman of the board

Arnt Jørund Andreassen
Member of the board

Berit Lid Scharff
Member of the board

Erik Fjellvær Hagen
Member of the board

Bjarne Johnson
Member of the board

Erik Gudmundsen
General Manager



INDIRECT CASH FLOW

XAIT AS	Note	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/loss before tax		-6 529 034
Taxation paid	11	-4 570 913
Ordinary depreciation and amortization	6	21 343 142
Change in accounts receivable	12	1 562 016
Change in accounts payable		2 254 676
Change in other accrual items and receivables	17, 19	17 434 575
Net cash flows from operating activities		31 494 463
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Purchase of tangible and intangible assets	6, 7	-31 730 354
Payments to buy shares and participations in other companies	9	-1 101 669
Net cash flows from investment activities		-32 832 023
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of new long-term liabilities	18	112 067 529
Cost for issuance of new long term liabilities		-2 494 603
Payment of lease liabilities		-469 239
Paid intercompany debt		-5 319 183
Proceeds from equity	15	3 800 720
Net cash flows from financing activities		107 585 224
Net change in cash and cash equivalents		106 247 663
Cash and cash equivalents at the start of the period		8 913 103
Cash and cash equivalents at the end of the period		115 160 766



XAIT AS

NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 1 Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

The company do not present comparable figures in cash flow statement. This is based on the accounting regulation §1-6-3. The company has also included the effect of employee share options in the ingoing balance as of 01.01.2021. The company has in previous years used the exception rule applicable for small entities.

USE OF ESTIMATES

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

FOREIGN CURRENCY TRANSLATION

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

REVENUE RECOGNITION

Revenues from the sale of goods are recognised in the income statement once delivery has taken place and most of the risk and return has been transferred.

Software as a service (SaaS) is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. Application platform as a service (aPaaS) is a cloud service that offers development and deployment environments for application services.

Revenues from the sale of services on projects are recognised in the income statement according to the project's level of completion provided the outcome of the transaction can be estimated reliably. Progress is measured as the number of hours spent compared to the total number of hours estimated. When the outcome of the transaction cannot be estimated reliably, only revenues equal to the project costs that have been incurred will be recognised as revenue. The total estimated loss on a contract will be recognised in the income statement during the period when it is identified that a project will generate a loss.

SaaS and aPaaS revenue is invoiced mainly annually. The total invoiced amount is distributed evenly over the entire period.

INCOME TAX

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22% percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

GOVERNMENT GRANTS

The company receives government grants in relation to research and development activities. When such grants are received to carry out certain activities or compensate specific expenses, the grant is recognised in the income statement over the same period as the associated costs. Grants that compensate the company for the cost of an asset are recognised as deferred government grants in the statement of



XAIT AS

NOTES TO THE FINANCIAL STATEMENTS FOR 2021

financial position and subsequently recognised as revenue over the useful life of the asset.

The government grants are recognised as a long term liability and charged through profit and loss through other government grants as revenue.

The deferral is based on the useful life of the asset of where the government grant is received. Cost reduction from government grants reduces the depreciation.

BALANCE SHEET CLASSIFICATION

Current assets and short-term liabilities consist of receivables and payables due within one year. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

RESEARCH AND DEVELOPMENT

Expenditures on research and development are capitalized to the extent that they are part of projects generating identifiable intangible assets, of which future economic benefits can be attributed. Expenses related to projects not meeting these criteria are charged to the income statement as they accrue.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is capitalized and depreciated linearly over the estimated useful life.

Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realisable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are discounted and used.

Leased assets are reflected in the balance sheet as assets if the leasing contract is considered a financial lease. Financial costs are calculated according to the present value method. The contractual obligation is recorded as a liability.

SUBSIDIARIES

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.



XAIT AS

NOTES TO THE FINANCIAL STATEMENTS FOR 2021

CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

EMPLOYEE OPTIONS

Options are accounted for at the time an employee is granted an option from the employer. The option is expensed as salary with an amount corresponding to fair value over the vesting period. The options have settlement in shares and is booked as change in other paid-in equity.

The fair value of options granted is recognised as an personnel expense, with a corresponding increase in equity over the vesting period.

The assessed fair value at grant date of options is independently determined using an adjusted form of the Black – Scholes model, that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies.



XAIT AS NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 2 Sales segments

Sales split by segment	2021	2020
SaaS	71 930 974	66 199 232
Consulting	191 371	296 205
aPaaS	2 284 050	2 897 188
Internal invoicing (Services)	4 006 032	0
Other	498 232	106 252
Sum	78 910 659	69 498 877

Xait's primary revenue source is Software as a Service revenue ("SaaS") coming from its software products XaitPorter and XaitCPQ. Xait is also a provider of Application Platform as a Service ("aPaaS"), meaning it offers its cloud service for development and deployment environments for client application services. Service revenue is primarily related to training, software configuration and template work performed for the Xait SaaS clients.

Sales by country (numbers in 1000)	2021
Norway	31 181
United States	17 939
France	7 028
United Kingdom	8 958
Switzerland	3 687
United Arab Emirates	3 237
Netherlands	1 807
Iraq	1 493
Austria	1 416
Sweden	781
Denmark	375
Belgium	331
Kazakhstan	211
Malaysia	200
Australia	197
Russian Federation	69
Sum	78 910

Note 3 Cost of Sales

	2021	2020
Cost of Sales	16 477 722	7 053 127

Costs of Sales is related to transfer pricing adjustment of internal transactions between Xait AS, Xait Inc and Xait Ltd. The following transactions are within the scope of transfer pricing adjustments: distribution of products, sales and marketing, R&D services, consultancy services and IP licences. An updated framework with specific margin used to support arm-length principle of internal transactions has been implemented during 2021.



XAIT AS NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 4 Wages and salaries

Wages	2021	2020
Wages	31 685 693	22 595 761
Social security costs	4 483 080	3 553 883
Defined contribution schemes (Pension)	1 898 713	695 260
Capitalized wage costs	-11 087 553	-9 521 271
Other benefits	3 562 848	530 271
Sum	30 542 781	17 853 904

Average number of employees: 34 21

Compensation of key management personell	Salary	Other remuneration
Managing Director	2 236 503	10 717
Board of Directors	600 000	0

PENSION

The company has established a defined contribution scheme in accordance with the requirements of the Norwegian Act on Mandatory Occupational Pensions ("OTP"). All employees of the entity are covered by the scheme.

EMPLOYEE OPTION PLAN:

During 2019 an employee option plan was granted the employees. The employee option plan is designed to provide long-term incentives for employees to deliver long-term shareholders returns. Under the plan, participants are granted options which vest based on period of three years. All vested Options must be exercised before 01.10.2024. When Exercisable, each option is convertible into one ordinary share. The exercise price of options is set based on a strike price (Option price).

Fair value per option at grant date:	94
Number of options	17 749
Total fair value per option at grant date	1 668 147
Fair value of options at grant date as of 01.01.2021 (vesting period completed before 2021)	695 061
Value 2021	556 049
Value of options at grant date as of 31.12.2021	1 251 110

The fair value of options at grant date the Xait AS employee option plan is recognised as an employee benefits expense, with a corresponding increase in equity over the vesting period. See note 12 equity.

CEO Erik Gudmundsen have an option agreement that entitles him 7987 options that can be converted into 7987 shares



XAIT AS NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 5 Auditor

Auditors' fee for 2021 kr 326 149.
Fees for other assurance engagements kr 0.

Note 6 R&D and Concessions, patents, licences and trademarks

	R&D	Concessions, patents, licences and trademarks	Sum
Cost at 01.01.	80 874 704	1 415 841	82 290 545
Additions	31 238 322	18 463 824	49 702 146
Disposal			0
Cost at 31.12.	112 113 026	19 879 665	131 992 691
Accumulated depreciation at 31.12	-55 548 415	-3 499 173	-59 047 588
Carrying amount at 31.12.	56 564 611	16 380 492	72 945 103
Depreciation for the year	15 894 846	3 301 701	19 196 547
Depreciation method	Linear	Linear	
Depreciation period	5 year	3- 5 year	

Xait AS performed an internal reorganisation in 2021. This included purchasing of IP rights from subsidiaries to Xait AS. The IP right related to Privia was bought from Xait Inc and the IP right related to CPQ was bought from Xait Ltd. Total amount paid for the IP rights is kr. 18 275 398

Note 7 Property, Plant and Equipment

	Property, plant and Equipment	Sum
Cost at 01.01.	19 026 656	19 026 656
Additions	9 025 092	9 025 092
Disposal	-3 259 883	-3 259 883
Cost at 31.12.	24 792 656	24 792 656
Accumulated depreciation at 01.01	-16 269 540	-16 269 540
Additions	-2 146 595	-2 146 595
Disposal	3 259 092	3 259 092
Accumulated depreciation 31.12	-15 157 043	-15 157 043
Carrying amount at 31.12.	9 635 612	9 635 612
Depreciation method	Linear	
Depreciation period	5 years	



XAIT AS NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 8 Financial Lease

Parts of the assets presented as property, plant and equipment above are financed through financial lease agreements.

Below is a summary over the leasing agreements that is included in the overview over the intangible assets.

	Data equipment / server equipment	Sum
Cost at 01.01.	2 412 006	2 412 006
Additions	8 721 486	8 721 486
Disposal	-2 090 629	-2 090 629
Cost at 31.12.	9 042 863	9 042 863
Accumulated depreciation at 01.01	-1 992 309	-1 992 309
Additions	-792 034	-792 034
Disposal	2 090 629	2 090 629
Accumulated depreciation at 31.12	-693 714	-693 714
Carrying amount at 31.12.	8 349 149	8 349 149

Depreciation method

Linear

Depreciation period

5 year

The financial lease related to Xait AS's lease of data and server equipment in two server rooms. (addition in 2021). An incremental borrowing rent of 3,08 % has been applied to estimate the leasing liability.

Remaining estimated payments for financial lease agreements.	1 year	2-5 year	Total
Undiscounted lease liabilities	1 876 956	7 038 584	8 915 540
Discounted lease liabilities	1 855 792	6 478 714	8 334 506
Expenses related to lease agreement defined as operational:			Yearly expense
Office lease			4 592 451
Total			4 592 451



XAIT AS NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 9 Investment in Subsidiaries

Company	Office	Ownership	Booked value as of 31.12
Xait Inc	USA	100%	6 000
Xait Ltd	UK	100%	9 493 499
Xait France SAS	France	100%	1 073 598
Xait CPQ AS	Norway	100%	30 000
Sum			10 603 097

Per 31.12.2021 the company has four subsidiaries, Xait Inc, Xait Ltd, Xait France SAS and Xait CPQ AS.

Xait Inc:

The subsidiary Xait Inc was founded in 2007 and is set up to market and sell Xait solutions in the US market on behalf of Xait AS. Xait Inc will carry limited market risk as a distributor for Xait AS. The carrying amount of the shares is NOK 6 000. In addition, there is a long-term receivable with a nominal amount of NOK 30 246 285. The receivable from the subsidiary has not been written down in 2021 based on an assessment of the company's debt service capacity. In previous years, this receivable has been written down in total NOK 7 390 922 so that the book value of the receivable at the end of 2021 was NOK 24 202 515.

Xait Ltd:

Xait AS acquired Blueprint CPQ (now: Xait Ltd) in December 2020 for NOK 9.4 million. Xait Ltd is, with its product Xait CPQ, a provider of CPQ software worldwide, and with Xait's collaborative software solution Xait Porter, this strengthens Xait's position within the Sales enablement space. Xait Ltd has its main offices in United Kingdom - London and Cheltenham. There is a short term debt to Xait Ltd, marked as other current liabilities of the amount of 12 122 477 NOK.

Xait France Sas:

Xait France Sas was incorporated 03.12.2021. This company is located in France and the main purpose of the company is to hold investment in subsidiary company Jack in the Box. The acquisition of Jack in the Box was completed in 2022. Jack in the Box's product, Proposal Studio, complements Xait's existing product portfolio with a different industry and product focus. Jack in the Box has more than 150 clients, most of which are in France. They have a strong presence in a range of industries, such as Energy & Renewables, Construction, Business Services, Bank/ Finance, etc.

The SPA for the Xait France's purchase of Group Jack In The Box is signed the 23.12.2021, and there is a commitment to fulfil the agreement in 2022.

Xait CPQ AS:

Xait CPQ AS was incorporated 16.12.2021. This company is located in Stavanger, Norway. The company will hold the IP rights for CPQ, which was transferred from Xait Ltd to Xait AS in 2021 and further to Xait CPQ AS in 2022. See note 21 for further information regarding the transfer of IP rights.



XAIT AS
NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 10 Balances with group companies

Long term receivables	2021	2020
Xait Inc	24 202 515	27 927 079
CPQ AS	30 000	0
Xait France SAS	19 212	0
Sum	24 251 727	27 927 079

Short term liabilities	2021	2020
Xait Ltd	12 122 477	0

For the group receivables there is an accumulated write-down of NOK 7 390 921. Following an assessment of the subsidiaries future revenues and serviceability, it has been decided not to make an impairment loss for 2021. There is taken into account an unrealized currency gain of NOK 1 347 151 for the group receivables.

The Loan to Xait Inc carries no interest cost.



XAIT AS NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 11 Tax

This year's tax expense	2021	2020
Entered tax on ordinary profit/loss:		
Payable tax	0	4 443 914
Correction of taxes previous years	0	219
Changes in deferred tax assets	-2 283 749	-1 173 535
Tax expense on ordinary profit/ loss	-2 283 749	3 270 598
Taxable income:		
Ordinary result before tax	-6 529 034	15 825 264
Permanent differences	-2 576 842	-2 255 638
Changes in temporary differences	-5 435 427	7 207 248
Taxable income	-14 541 303	20 776 874
Payable tax in the balance:		
Payable tax on this year's result	0	4 570 913
Total payable tax in the balance	0	4 570 913

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

	2021	2020	Difference
Tangible assets	2 942 389	-539 714	-3 482 103
Long-term receivables and liabilities in foreign currency	1 347 151	- 1 196 384	-2 543 535
Lease agreements brought to the balance	49 573	60 455	10 882
Allocations and more	-8 357 407	-7 778 078	579 328
Total	-4 018 294	-9 453 721	-5 435 428
Accumulated loss to be brought forward	-14 541 303	0	14 541 303
Not included in the deferred tax calculation	6 382 285	7 658 078	1 275 793
Basis for deferred tax assets	-12 177 311	-1 795 643	10 381 668
Deferred tax assets (22 %)	-2 679 009	-395 260	2 283 749

Note 12 Account receivable

Accounts receivable are valued at face value, written down with expected losses on receivables.

	2021	2020
Account receivable	18 602 766	19 457 820

Accounts receivables are valued at cash. There is no accrual for write-down for expected losses on receivables in 2021.



XAIT AS NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 13 Restricted bank deposits

	2021	2020
Restricted bank deposits	1 309 873	1 335 154

In addition to restricted bank deposits the company has a tax guarantee amounting to NOK 1 000 000.

Restricted cash related to the agreed purchase price for the shares in Jack In The Box is of EUR 10,125,900.

Note 14 Shareholders

THE SHARE CAPITAL IN XAIT AS AS OF:

	Total	Face value	Entered
Ordinary shares	221 759	10,0	2 217 590
Total number of shares	221 759		2 217 590

OWNER STRUCTURE:

Shareholders in % as of 31.12:

	Ordinære	Owner interest	Share of votes
Xait Holding AS	209 004	94,2	94,2
Other <2%	12 755	5,8	5,8
Total number of shares	221 759	100,0	100,0

In 2021, Xait started a process to reorganise its ownership structure. The general assembly of Xait AS approved the transfer of 94,2 % of the shares from existing shareholders to Xait Holding AS 23.12.2021. The formal registration of the transfer was completed 18.01.2022.

When the reorganisation is finished, the ownership structure in Xait Holding AS will remain the same as in Xait AS before the reorganisation.

The Parent Company has only ordinary shares.

The leader of the board, Eivind Bergsmyr owns a small percentage of 0,8% shares indirectly through ownership in Viking Venture.

Boardmember Erik Fjellvær Hagen owns a small percentage of 1,0% shares indirectly through ownership in Viking Venture.

Boardmember Arnt Jørund Andreassen owns 100 % of Slave Holding and owns 4,6 % of the shares in Xait AS.

Boardmember Berit Lid owns 50% of Onyvamos and owns 0,1 % of the shares in Xait AS. CEO in Xait, Erik Gudmundsen owns through Gudmundsen AS 0,9 % of the shares in Xait AS.

Boardmember Bjarne Johnsen owns through Starholmen AS 0,1 % of the shares in Xait AS.



XAIT AS NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 15 Equity

	Share capital	Share premium	Other paid up equity	Other capital	Total equity
As of 01.01.2020	1 924 920	35 328 995	93 785	6 604 404	43 952 104
Not registered Capital Increase	57 990	4 581 210			4 639 200
Profit for the period				12 554 666	12 554 666
As of 31.12.2020	1 982 910	39 910 205	93 785	19 159 070	61 145 970
Correction of ingoing balance	210 000	-210 000			0
Value of Option			695 061	-695 061	0
Social security effect of the options				-1 097 290	-1 097 290
As of 01.01.2021	2 192 910	39 700 205	788 846	17 366 719	60 048 680
Not registered capital increase	24 680	3 776 040			3 800 720
Value of option			556 049		556 049
Profit for the period				-4 245 285	-4 245 285
As of 31.12.2021	2 217 590	43 476 245	1 344 895	13 121 435	60 160 165

The capital increase was registered as of 05.01.2022.

The fair value of options granted under the Xait AS employee option plan is recognised as an employee benefits expense, with a corresponding increase in equity over the vesting period. The options were granted late in 2019, and the effect was not recognised in 2019 and 2020, as Xait was defined under the accounting rules for small companies. In 2021 Xait AS is not defined as a small company, and the accounting effect of the options previous years has been adjusted in the equity opening balances. The current year option value change has been accounted for as increase in other paid equity. See note 3 Wages and salaries.

IB figures contain reclassification of share premium to the share capital of the amount of 210 000 NOK that was incorrectly classified in 2019 and 2020.



XAIT AS

NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 16 Transactions with subsidiaries

The transactions with subsidiaries relates to Transfer Pricing invoicing and loans. Cost of Sales(TP) breaks down to licences, margins and expenses that have been reinvoyced from subsidiaries.

The transaction between Xait Ltd and Xait AS relates to loan associated with the IP acquisition (8 853 845 NOK) and internal invoicing.

Arm's length pricing is used for all transactions.

Sales	2021	2020
Xait Ltd	4 117 676	0
Xait Inc	9 578 825	7 053 127
Sum	13 696 501	7 053 127

Purchases entered as cost in the P&L	2021	2020
Xait Ltd	7 680 024	0
Xait Inc	8 789 249	6 258 903
Sum	16 469 273	6 258 903

Purchases capitalized in the balance sheet	2021	2020
Xait Ltd	12 182 023	0
Xait Inc	10 259 326	6 258 903
XaitCPQ AS	30 000	0
Xait France SAS	10 219	0
Sum	22 481 568	6 258 903



XAIT AS NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 17 Advances from Customers

Per. 31.12.2021, advances from customers are NOK 37 927 152 (NOK 33 424 169 in 2020). The company invoices the customers in advance for system access licenses. As the licenses apply over longer periods, they have been accrued for.

Note 18 Long term debt

	2021	2020
Debt to credit institutions	109 572 925	0

In 2021 the company signed a new loan frame agreement of up to SEK 750 million to finance the purchase of Jack in the Box in France. An amount of SEK 115 million (NOK 112 million) is drawn in 2021. There are no instalments to be paid until 2026.

The company has to meet the agreed ratio of total debt to pro forma annual recurring revenue and hold a minimum liquidity to be compliant with the loan covenants and the Company was in compliance with its covenants as of year end.

An amount of 2,5 mill of loan transaction costs are net against the withdrawn amount in the balance sheet and will be periodised through the loan period.

The collateral of the loan to Ture Invest AB is the shares of the following subsidiaries. Xait AS with value of NOK 2 217 590, Xait CPQ AS with value of NOK 30 000 and Xait Ltd with the value of 24 650 GBP.

Note 19 Other current liabilities

	2021	2020
Due salary/ holiday pay	3 004 617	2 605 225
Other accrued cost	1 350 549	-198 956
Allocation of board fees	300 000	600 000
Deposit bonus	6 294 172	996 796
Short term debt to related parties (Xait Ltd)	12 122 477	1 957 909
Total	23 071 815	5 960 974

Short term debt to related parties are mainly related to the acquisition / investment of the subsidiaries. There is accrued for the IP of Xait CPQ in total of MNOK 8,8. Additionally the acquisition of Xait Ltd in 2020 was in total of MNOK 9,5, of which MNOK 4,3 is paid out. Of the remaining amount, MNOK 3,2 was converted to share capital in 2020 and additionally MNOK 1,0 was paid in 2021. The accrued amount in 2021 of MNOK 0,9 was paid in early 2022. There is also accrued for MNOK 2,3 of liability to Xait Ltd in Short term debt to related parties.

The accrual for bonus is based on share of long- term sales.



XAIT AS NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 20 Government Grants

Government grants:

Xait AS has received government grants for their research and development activities in 2021. The company has received grants related to SkatteFUNN and Research Council of Norway ("Norsk Forskningsråd"). Xait AS has applied the gross method for accounting. Government grants are recognized as other revenue in the income statement in line with the amortisation of the connected intangible assets. Intangible assets are amortised over a period of 5 years. Earned grants not recognised are presented as deferred government grants. The difference between earned grants and received payout of grants is presented as short-term receivables. As of 31.12.2021 there was short-term receivable related to government grants of NOK 2 609 665. Deferred government grants as of 31.12.2021 are as follows:

	2021	2020
SkatteFUNN	6 382 285	6 058 078
Norges Forskningsråd	4 773 333	1 600 000
Total	11 155 618	7 658 078

Skattefunn project 1

Xait AS has one SkatteFUNN project related to development of their application platform. The aim of the project is to expand Xait AS business model to include application platform as a service (often referred to as "aPaas"). Xait AS has earned an amount of NOK 2 018 047 in government grants related to this project in 2021. Previous years the company has received a total amount of NOK 3 130 175 related to this project. The project period is from 2019 to 2020, but has been extended for 1 year because of COVID.

Skattefunn project 2

Xait AS has one SkatteFUNN project related to development of document processing and machine learning algorithms. The aim of the project is to develop a document processing and development software which includes a number of different inductive learning methods which can be implemented in the different phases of document processing. Xait AS has earned an amount of NOK 591 618 in government grants related to this project in 2021. Previous years Xait AS has received NOK 2 153 334 in SkatteFUNN grants related to this project. The project period is from 2018 to 2020, but has been extended for 1 year because of COVID.

Research Council of Norway project

Xait AS has been granted a research and development subsidy of maximum 10 800 000 NOK for a total cost of 27 000 000 NOK related to this project. The subsidy will cover 40 % of expected project costs, with a maximum cap on cost each year. The project is called Enhancing quality and efficiency in the RFP to Production Lifecycle and aims to develop technology to facilitate the usage of Machine Learning algorithms in the writing of business proposals, making the process more efficient and producing higher quality outputs. Total cost per. 31.12.2021 is NOK 34 170 670. Xait AS has earned a total grant of NOK 6 000 000 related to this project. The project period is from 2020 until 2023.



XAIT AS **NOTES TO THE FINANCIAL STATEMENTS FOR 2021**

Note 21 Subsequent Events

At the time of the reporting of the financial statements, the geo-political situation was challenging. Management has evaluated the potential impacts of the war in Ukraine and have concluded that there is no material impact on the financial statements for 2021. We only have one small Russian client which we have terminated as a result of international sanctions.

In January of 2022, we concluded the acquisition of Jack In The Box in France. This transaction will have significant impacts on the financial statements for 2022.

In January 2022, we also concluded the transfer of the CPQ IP rights from Xait AS to a separate IP company called XaitCPQ AS. The IP rights of XaitPorter will remain in Xait AS.

In April 2022, we concluded a de-merger and merger of Xait Minority AS into Xait Holding AS. This means that all private shareholders in Xait AS have moved their ownership into Xait Holding AS. Xait Minority AS was only used for this purpose and was discontinued as part of the merger with Xait Holding AS. The ownership in Xait Holding AS remains the same as it was in Xait AS.



Financial Statements

2021

Xait AS (group)

Org.no.:982 339 243



Xait AS(group)

Board of directors report 2021

About The Parent company

The Parent company was founded in 2000 and is a global software technology company providing enterprise customers with software for document co-authoring, automation, collaboration and intelligent pricing. The Parent company mission is to help their clients win business by supporting their sales enablement efforts from quote to contract. The Parent company is headquartered in Stavanger, Norway and has offices in the UK (Cheltenham and London), the US (Austin, Houston and Herndon) and France (Nantes and Paris).

Our cloud-based software XaitPorter is a complete all-in-one co-authoring solution enabling companies to create high-quality documents with contributions from many authors simultaneously. XaitPorter simplifies and streamlines document production, so that a company can maximize revenue from bids and proposals and other business-critical documents. Our second product, XaitCPQ, helps organizations win more deals at better margins, by making it easy to quickly configure correct price tables that are combinations of products, software and services.

In December 2021 we signed, and in January 2022 we completed the acquisition of Jack In The Box in France. Their product, Proposal Studio, which will be rebranded to XaitProposal and XaitRFI, have a slightly different focus than XaitPorter, both with regards to use case and document complexity. The acquisition is our largest to date in terms of Annual Recurring Revenue ("ARR"). That said, we truly believe that XaitProposal and XaitRFI will fit well with our other products, and with time, will offer good cross sell opportunities as well as other business synergies for the whole Xait Group. The transaction was financed with debt, as well as rolled over equity. Three of the main shareholders and employees in Jack In The Box SAS are now shareholders in Xait Holding AS.

In June 2021, Xait Inc also made an asset purchase from a US company called Privia LLC. All contents of the business, including all clients, employees and software was acquired. The purpose of the transaction is to migrate as many clients as possible to XaitPorter. The Privia software will stay live as long as we deem necessary to achieve this purpose. We are doing no further development of the Privia software. The transaction was financed with our own cash holdings.

Financial highlights of 2021

2021 was a very hectic year. We signed the acquisition of Privia in the US and Jack in the Box in France. On top of that we had organic growth in ARR of 22%/ 19% before/ after currency fluctuations. Our highest relative growth, came from our newly acquired operations in the UK from 2020, called XaitCPQ. XaitCPQ ARR more than doubled during the year. Organic and structural growth in ARR was more than 60% combined in 2021, including also the latest French acquisition.

As for the consolidated income statement, total income grew c. 21% to NOK 89.9 million in 2021. Most of this growth is attributed to the acquisition of BlueprintCPQ (now XaitCPQ) and Privia. Despite strong organic growth in ARR, much of this growth came very late in the year, and for this reason, having limited effect on the revenue (annualized revenue is periodized over the full 12 months).

The consolidated operating loss was NOK 5.8 million - a big change from 2020 when we had a profit of NOK 12.6 million. The reason for this is that we during 2020 slowed down our growth pace to better tackle the news of the Covid-19 pandemic. This is a clear proof that the SaaS model works - we know that our underlying profitability is very healthy, so this development was as expected. In 2021, growth investments came back up. This, along with substantial acquisition and restructuring related costs on all three recent deals affected our profits. All the loss in 2021 was consumed in the parent company in Norway due to a change in the corporate transfer pricing arrangement, where subsidiaries abroad are categorized as limited risk distributors. This will always secure minimum and pre agreed profit margins abroad, but on the flip side, never result in super profits in the same subsidiaries. The Parent company will, as IP owner and management company, assume all super profits.



The significant growth in assets during the year relates mostly to the Ture acquisition loan that we established just before the end of the year. The transaction closed the following year, leaving large amounts of excess cash on the balance sheet on 31.12.2021. NOK 118 million in total. During the fall of 2021, we also raised NOK 3.8 million in capital towards new and existing employees in the Parent company. The purpose of the equity was, first and foremost, to allow for a more spread ownership in Xait among committed employees, not to strengthen liquidity. The new debt from Ture, the equity issuance, and the investment in Privia is also visible in the cash flow statement under cash flow from finance activities and investment activities, respectively.

The market is getting gradually more open to use alternative digital tools to make their sales processes more effective. It is difficult to make accurate financial projections, but we expect growth across all products and regions in 2022 also. As we saw during the pandemic, Xait can be affected by macro-economic trends and events. The long-term effects from the war in Ukraine could potentially also affect the growth rate and/or profitability in the Xait Group.

Going concern

The board of directors are satisfied with the developments throughout 2021 and views the future potential of the company as very attractive. The basis for going concern exists and the annual accounts for 2021 have been prepared based on this assumption.

Research and development activities

Xait is heavily engaged in R&D activities. These entail continuous development of all our products. Our ultimate ambition is to be a thought leader in the sales enablement space, and for this reason we continue to develop new features and modules that will help our customers win more business.

Financial risks

Xait is exposed to a range of financial risks, in particular currency risk. Now, we do not see the need to make use of any financial instruments to hedge this risk, but this will always be under evaluation as the business grows and develops.

Currency risk - the group is exposed to foreign exchange rate fluctuations as many of our contracts are in USD, EUR and GBP. Most clients pay for our software services 12 months forward. Upon renewal, if there have been major fluctuations in the exchange rates, this could potentially affect the financial results of the Parent company. We do also have costs in the various currencies and consider this natural hedge to be sufficient for the Parent company for the time being. We also have a SEK loan to Ture in Sweden, but the SEK/NOK exchange rate has historically been very stable, so we do consider this risk to be limited.

Interest rate risk - The group is exposed to interest rate risk. The SEK loan is affected by changes in the financial benchmark STIBOR. The Parent company is financially equipped to handle changes in STIBOR.

Liquidity risk - The group is exposed to liquidity risk. This can be short term due to major changes in working capital, or long term if the Parent company was to suffer big losses in ARR. As the company is in a growth phase, we invest heavily in growth related costs that will pay off over a period in the future. If we must preserve cash/liquidity, one option is to cut spending in such growth-related costs and investments.

Financial risk - The group is exposed to financial risk. However, no substantial changes in the valuation of assets are expected to occur because of the existing market conditions. The market is considered stable, despite the effects of Covid-19 and war in Ukraine. Xait has a healthy growth, internationally as well as in Norway.

Credit risk - The group is exposed to credit risk. Historically, we have not experienced any problems with payments from our customers. Most of our clients are large and solid institutions, without any significant credit risk.



Work environment

The work environment is very good. We do employee surveys many times a year and the results are better than ever. We will continue to monitor the developments to ensure that appropriate actions are taken. No serious injuries occurred in 2021. In 2021, the sick leave in the Parent company was 1.5%.

Equal opportunities

Our employees consist of both men and women from a long range of different nationalities. The Xait Group employees are almost 30% female (23% in the Parent company), the Board of Directors consists of 4 men and 1 woman. The management team consists of 6 men and 2 women. Though we consider our gender balance to be adequate, we do always strive to better the gender balance on the team.

Environmental report

No aspects of the group operations materially impacts the environment, other than what one should expect from an IT company.

Board responsibility

The Parent company has a Directors and Officers insurance.

Stavanger, 31.05.2022
The board of Xait AS (group)

Eivind Bergsmyr
Chairman of the board

Arnt Jørund Andreassen
Member of the board

Berit Lid Scharff
Member of the board

Erik Fjellvær Hagen
Member of the board

Bjarne Johnson
Member of the board

Eirik Gudmundsen
General Manager



INCOM E STATEM ENT

XAIT AS (GROUP)

OPERATING INCOM E AND OPERATING EXPENSES	Note	2021	2020
Revenue	3	86 370 205	71 853 618
Other income	3, 17	3 504 420	2 493 563
Total income		89 874 625	74 347 181
Employee benefits expense	4	46 194 292	25 707 849
Depreciation and amortisation expenses	7, 8, 10	21 391 225	13 811 423
Other expenses	5	28 056 551	22 199 477
Total expenses		95 642 067	61 718 749
Operating profit/ (-loss)		-5 767 442	12 628 432
FINANCIAL INCOM E AND EXPENSES			
Other interest income		233	59 306
Other financial income		2 004 964	0
Other interest expenses		-1 149 368	-408 324
Other financial expenses		-42 830	-1 561 755
Net financial items		812 998	-1 910 773
Net profit/ (-loss) before tax		-4 954 444	10 717 659
Income tax expense	11	-2 496 760	3 270 598
Net profit/ (-loss) after tax		-2 457 684	7 447 061
Net profit/ (-loss)		-2 457 684	7 447 061
ATTRIBUTABLE TO			
Transferred from other equity	15	2 457 684	-7 447 061
Total		-2 457 684	7 447 061

XAIT AS (GROUP)

SIDE 5



BALANCE SHEET

XAIT AS (GROUP)

ASSETS	Note	2021	2020
NON-CURRENT ASSETS			
INTANGIBLE ASSETS			
Research and development	7	56 185 509	41 221 135
Concessions, patents, licences, trademarks	7	16 380 492	10 460 010
Deferred tax assets	11	2 679 009	185 477
Total intangible assets		75 245 011	51 866 622
PROPERTY, PLANT AND EQUIPMENT			
Equipment and other movables	8	9 705 553	2 804 810
Total property, plant and equipment		9 705 553	2 804 810
NON-CURRENT FINANCIAL ASSETS			
Other long-term receivables		0	261 483
Total non-current financial assets		0	261 483
Total non-current assets		84 950 564	54 932 915
CURRENT ASSETS			
DEBTORS			
Accounts receivables	9	24 251 733	21 723 154
Other short-term receivables	9, 17	8 214 703	7 381 226
Total receivables		32 466 436	29 104 380
Cash and cash equivalents	6	117 570 405	13 012 625
Total current assets		150 036 841	42 117 005
Total assets		234 987 405	97 049 920

XAIT AS (GROUP)

PAGE 6



BALANCE SHEET

XAIT AS (GROUP)

EQUITY AND LIABILITIES	Note	2021	2020
PAID-IN CAPITAL			
Share capital	15, 16	2 217 590	1 982 910
Share premium	15	43 476 245	39 910 205
Other paid-up equity	15	1 344 895	93 785
Total paid-up equity		47 038 730	41 986 900
RETAINED EARNINGS			
Reserve for valuation variances	15	-1 926 161	259 665
Other equity	15	-11 405 136	-7 155 102
Total retained earnings		-13 331 297	-6 895 437
Total equity		33 707 432	35 091 463
LIABILITIES			
PROVISIONS FOR OBLIGATIONS			
Deferred government grants	17	11 155 617	7 658 078
Other provisions		616 565	582 310
Total provisions		11 772 182	8 240 388
OTHER NON-CURRENT LIABILITIES			
Lease liabilities	10	8 349 149	0
Liabilities to financial institutions	13	109 572 924	408 865
Total non-current liabilities		117 922 073	408 865
CURRENT LIABILITIES			
Trade payables		5 225 599	2 664 830
Tax payable	11	0	4 570 913
Public duties payable		6 168 466	3 483 179
Advance payments from customers	12	46 018 942	33 544 169
Other current liabilities	14	14 172 710	9 046 114
Total current liabilities		71 585 718	53 309 204
Total liabilities		201 279 972	61 958 457
Total equity and liabilities		234 987 405	97 049 920

XAIT AS (GROUP)

PAGE 7



BALANCE SHEET

XAIT AS (GROUP)
Stavanger, 31.05.2022
The board of Xait AS (group)

Eivind Bergsmyr

Eivind Bergsmyr
Chairman of the board

Arnt Jørund Andreassen

Arnt Jørund Andreassen
Member of the board

Berit Lid Scharff

Berit Lid Scharff
Member of the board

Erik Fjellvær Hagen

Erik Fjellvær Hagen
Member of the board

Bjarne Johnson

Bjarne Johnson
Member of the board

Eirik Gudmundsen

Eirik Gudmundsen
General Manager



INDIRECT CASH FLOW

XAIT AS (GROUP)

	Note	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/loss before tax		-4 954 444
Taxation paid	11	-4 570 913
Ordinary depreciation and amortization	7, 8	21 391 225
Change in accounts receivable	9	-2 528 579
Change in accounts payable		2 560 769
Change in other accrual items and receivables	12	23 294 020
Net cash flows from operating activities		35 192 078
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Purchase of tangible and intangible assets	7, 8	-43 129 842
Net cash flows from investment activities		-43 129 842
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of new long-term liabilities	13	111 658 666
Cost for issuance of new long term liabilities		-2 494 603
Payment of lease liabilities		-469 239
Proceeds from equity	15	3 800 720
Net cash flows from financing activities		112 495 544
Net change in cash and cash equivalents		104 557 780
Cash and cash equivalents at the start of the period		13 012 625
Cash and cash equivalents at the end of the period		117 570 405



XAIT AS (GROUP) NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 1 Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

The Group do not present comparable figures in cash flow statement. This is based on the accounting regulation §1-6-3. The company has also included the effect of employee share options in the ingoing balance as of 01.01.2021. The company has in previous years used the exception rule applicable for small entities.

BASIS FOR CONSOLIDATION

The Group's consolidated financial statements comprise Xait AS and companies in which Xait AS has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50% of the shares in the company and can exercise control over the company. Transactions between group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary. The purchase method is applied when accounting for business combinations. Companies which have been bought during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

USE OF ESTIMATES

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway

FOREIGN CURRENCY TRANSLATION

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

REVENUE RECOGNITION

Revenues from the sale of goods are recognised in the income statement once delivery has taken place and most of the risk and return has been transferred.

Software as a service (SaaS) is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. Application platform as a service (aPaaS) is a cloud service that offers development and deployment environments for application services.

Revenues from the sale of services on projects are recognised in the income statement according to the project's level of completion provided the outcome of the transaction can be estimated reliably. Progress is measured as the number of hours spent compared to the total number of hours estimated. When the outcome of the transaction cannot be estimated reliably, only revenues equal to the project costs that have been incurred will be recognised as revenue. The total estimated loss on a contract will be recognised in the income statement during the period when it is identified that a project will generate a loss.

SaaS and aPaaS revenue is invoiced mainly annually. The total invoiced amount is distributed evenly over the entire period.

INCOME TAX

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22% percent of temporary differences and the tax effect of tax losses carried forward.



XAIT AS (GROUP)

NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

GOVERNMENT GRANTS

The Group receives government grants in relation to research and development activities. When such grants are received to carry out certain activities or compensate specific expenses, the grant is recognised in the income statement over the same period as the associated costs. Grants that compensate the Group for the cost of an asset are recognised as deferred government grants in the statement of financial position and subsequently recognised as revenue over the useful life of the asset.

The government grants are recognised as a long term liability and charged through profit and loss through other government grants as revenue.

The deferral is based on the useful life of the asset of where the government grant is received. Cost reduction from government grants reduces the depreciation.

BALANCE SHEET CLASSIFICATION

Current assets and short-term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities. Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

RESEARCH AND DEVELOPMENT

Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. Otherwise, the costs are expensed as incurred. Capitalized development costs is amortized linearly over its useful life. Research costs are expensed as incurred.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is capitalized and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realisable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are discounted and used.

Leased assets are reflected in the balance sheet as assets if the leasing contract is considered a financial lease. Financial costs are calculated according to the present value method. The contractual obligation is recorded as a liability.

ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.



XAIT AS (GROUP)

NOTES TO THE FINANCIAL STATEMENTS FOR 2021

EMPLOYEE OPTIONS

Options are accounted for at the time an employee is granted an option from the employer. The option is expensed as salary with an amount corresponding to fair value. The options have settlement in shares and is booked as change in other paid-in equity.

The fair value of options granted is recognised as an personnel expense, with a corresponding increase in equity over the vesting period.

The assessed fair value at grant date of options is independently determined using an adjusted form of the Black- Scholes model which includes a Monte Carlo simulation model, that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies.



XAIT AS (GROUP)
NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 2 Business combination

Purchase of assets

The group purchased the assets in Privia LLC in 2021. Privia LLC develops and offers proposal management software to assist clients with document management, review and workflow solutions. The price of the assets was MNOK 8,4. The assets were purchased by Xait Inc. The ownership of customer relationships was thereafter transferred to the parent company, Xait AS. The inter company transfer is not paid as of year end.

Identifiable assets and liabilities in connection with acquisitions:	USD	NOK
Current assets	72 154	636 355
Customer relationships	1 193 098	10 315 287
Fixed assets	3 524	31 080
Current liabilities	-288 763	-2 546 717
Net identified assets and liabilities	980 013	8 436 005

Foundation of a new company

Xait France SAS:

Xait France Sas was incorporated 03.12 2021. This company is located in France and the main purpose of the company is to hold investment in subsidiary company Jack in the Box. The acquisition of Jack in the Box was completed in 2022. Jack in The Box's product, Proposal Studio, complements Xait's existing product portfolio with a different industry and product focus. Jack in the Box has more than 150 clients, most of which are in France. They have a strong presence in a range of industries, such as Energy & Renewables, Construction, Business Services, Bank/ Finance, etc.



XAIT AS (GROUP)

NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 3 Sales segments

Sales split by segment	2021	2020
SaaS	78 189 958	66 199 232
Consulting	5 397 817	296 205
aPaaS	2 284 050	2 897 188
Other	4 002 800	4 954 556
Sum	89 874 625	74 347 181

Parent company primary revenue source is Software as a Service revenue ("SaaS") coming from its software products Xait Porter and Xait CPQ. Xait is also a provider of Application Platform as a Service ("aPaaS"), meaning it offers its cloud service for development and deployment environments for client application services. Service revenue is primarily related to training, software configuration and template work performed for the Xait SaaS clients.

Sales by country (amounts in NOK 1000)	2021
Norway	27 631 925
United States	27 037 802
France	7 027 722
United Kingdom	13 077 191
Switzerland	3 686 765
United Arab Emirates	3 236 656
Netherlands	1 807 387
Iraq	1 493 212
Austria	1 416 467
Sweden	1 170 842
Canada	658 696
Denmark	399 540
Belgium	331 165
New Zealand	222 094
Kazakhstan	211 042
Malaysia	200 245
Australia	196 613
Russian Federation	69 261
Sum	89 874 625



XAIT AS (GROUP) NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 4 Wages and salaries

Wages	2021	2020
Wages	48 120 288	30 996 471
Social security costs	5 131 727	3 407 007
Defined contribution schemes (Pension)	2 259 985	695 260
Capitalized wage costs	-11 087 553	-9 521 271
Other benefits	1 769 845	130 382
Sum	46 194 292	25 707 849

Average number of employees: 58 33

Compensation of key management personell	Salary	Other remuneration
Managing Director	2 236 503	10 717
Board of Directors	600 000	0

PENSION

Parent company has established a defined contribution scheme in accordance with the requirements of the Norwegian Act on Mandatory Occupational Pensions ("OTP"). All employees of the parent entity are covered by the scheme.

EMPLOYEE OPTION PLAN:

During 2019 an employee option plan was granted the employees in the Parent company. The employee option plan is designed to provide long-term incentives for employees to deliver long-term shareholders returns. Under the plan, participants are granted options which vest based on period of three years. All vested Options must be exercised before 01.10.2024. When Exercisable, each option is convertible into one ordinary share. The exercise price of options is set based on a strike price (Option price).

Fair value per option at grant date:	94
Number of options	17 749
Total fair value of option at grant date	1 668 147
Fair value of option at grant date as of 01.01.2021 (vesting period completed before 2021)	695 061
Value 2021	556 049
Fair value of option at grant date as of 31.12.2021	1 251 110

The fair value of options granted under the Parent company employee option plan is recognised as an employee benefits expense, with a corresponding increase in equity over the vesting period. See note 12 equity.

CEO Eirik Gudmundsen have an option agreement that entitles him 7987 options that can be converted into 7987 shares



XAIT AS (GROUP)
NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 5 Auditor

Auditors' fee for 2021 kr 326 149.
Fees for other assurance engagements kr 0.

Note 6 Restricted bank deposits

	2021	2020
Restricted bank deposits	1 309 873	1 335 154

In addition to restricted bank deposits the Parent company has a tax guarantee amounting to NOK 1 000 000.

Restricted cash related to the agreed purchase price for the shares in Jack In The Box is of EUR 10,125,900.

Note 7 R&D and Concessions, patents, licences and trademarks

	R&D	Concessions	Sum
Cost at 01.01.	80 874 704	10 782 601	91 657 305
Additions	30 859 221	11 967 015	42 826 236
Disposal			0
Cost at 31.12.	111 733 925	22 749 616	134 483 541
Accumulated depreciation at 31.12	-55 548 416	-6 369 124	-61 917 540
Carrying amount at 31.12.	56 185 509	16 380 492	72 566 001
Depreciation for the year	15 894 846	2 557 750	18 452 596
Depreciation method	Linear	Linear	
Depreciation period	5 year	3- 5 year	



XAIT AS (GROUP)
NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 8 Property, plant and equipment

	Operating equipment, furnitures and fittings	Sum
Cost at 01.01.	19 675 391	19 675 391
Additions	9 025 092	9 025 092
Disposal	-3 259 883	-3 259 883
Cost at 31.12.	25 440 600	25 440 600
Accumulated depreciation at 01.01	-16 848 335	-16 848 335
Additions	-2 146 595	-2 146 595
Disposal	3 259 883	3 259 883
Accumulated depreciation at 31.12	-15 735 047	-15 735 047
Carrying amount at 31.12.	9 705 553	9 705 553
Depreciation method	Linear	
Depreciation period	3-10 years	

Note 9 Accounts receivable

Accounts receivable are valued at face value, written down with expected losses on receivables.

	2021	2020
Accounts receivable at face value	24 251 733	21 723 154
Total	24 251 733	21 723 154

Accounts receivables are valued at cash. There is no accrual for write-down for expected losses on receivables in 2021.

Other short term receivables

	2021	2020
Tax subsidy (Skattefunn)	2 609 665	2 266 560
Other prepaid cost	5 605 038	5 114 666
Total	8 214 703	7 381 226



XAIT AS (GROUP)
NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 10 Financial lease

Parts of the assets presented as property, plant and equipment above are financed through financial lease agreements.

Below is a summary over the leasing agreements that is included in the overview over the intangible assets.

	Data equipment/ server equipment	Sum
Cost at 01.01.	2 412 006	2 412 006
Additions	8 721 486	8 721 486
Disposal	-2 090 629	-2 090 629
Cost at 31.12.	9 042 863	9 042 863
Accumulated depreciation at 01.01	-1 992 309	-1 992 309
Additions	-792 034	-792 034
Disposal	2 090 629	2 090 629
Accumulated depreciation at 31.12	-693 714	-693 714
Carrying amount at 31.12.	8 349 149	8 349 149
Depreciation method	Linear	
Depreciation period	5 year	

The financial lease related to the Parent company's lease of data and server equipment in two server rooms. (addition in 2021). An incremental borrowing rent of 3,08 % has been applied to estimate the leasing liability.

Remaining estimated payments for financial lease agreements.	1 year	2-5 year	Total
Undiscounted lease liabilities	1 876 956	7 038 584	8 915 540
Discounted lease liabilities	1 855 792	6 478 714	8 334 506
Expenses related to lease agreement defined as operational:			Yearly expense
Office lease			5 528 410
Total			5 528 410



XAIT AS (GROUP) NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 11 Tax

This year's tax expense	2021	2020
Entered tax on ordinary profit/loss:		
Payable tax	-213 011	4 570 912
Tax payable previous years		-126 780
Too much/little allocated previous years		0
Changes in deferred tax assets	-2 283 749	-1173 754
Tax expense on ordinary profit/ loss	-2 496 760	3 270 378
Taxable income:		
Ordinary result before tax	-4 954 444	10 717 659
Permanent differences	-2 576 842	-2 255 638
Changes in temporary differences	-5 435 427	7 207 248
Taxable income	-12 966 713	15 669 269
Payable tax in the balance:		
Payable tax on this year's result	0	4 570 912
Total payable tax in the balance	0	4 570 912

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

	2021	2020	Difference
Tangible assets	2 942 389	1 033 727	-1 908 662
Long term debts	1 347 151	- 1605 249	-2 952 400
Short term debts	0	- 7 778 078	-7 778 078
Lease agreements brought to the balance	49 573	0	-49 573
Allocations and more	-8 357 407	0	8 357 407
Total	-4 018 294	-8 349 600	-4 331 306
Accumulated loss to be brought forward	-14 541 303	0	14 541 303
Not included in the deferred tax calculation	6 382 285	7 658 058	1 275 773
Basis for deferred tax assets	-12 177 311	-691 542	11 485 770
Deferred tax assets (22 %)	-2 679 009	-185 477	2 283 749

Note 12 Advances from Customers

Per. 31.12.2021, advances from customers are NOK 46 018 942 (NOK 33 544 168 in 2020). The company invoices in advance system access licenses. As the licenses apply over longer periods, they have been accrued for.



XAIT AS (GROUP) NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 13 Long term debt

	2021	2020
Debt to credit institutions	109 572 924	408 865

In 2021 the Parent company signed a new loan frame agreement of up to SEK 750 million to finance the purchase of Jack in the Box in France. An amount of SEK 115 million (NOK 112 million) is drawn in 2021. There are no instalments to be paid until 2026.

The Parent company has to meet the agreed ratio of total debt to pro forma annual recurring revenue and hold a minimum liquidity to be compliant with the loan covenants and the Company was in compliance with its covenants as of year end.

An amount of 2,5 mill of loan transaction costs are net against the withdrawn amount in the balance sheet and will be periodised through the loan period.

The collateral of the loan to Ture Invest AB is the shares of the following subsidiaries. The Parent company with value of NOK 2 217 590, XaitCPQ AS with value of NOK 30 000 and Xait Ltd with the value of 24 650 GBP.

Note 14 Other current liabilities

	2021	2020
Due salary/ holiday pay	3 017 658	3 209 286
Other accrued cost	3 416 892	0
Allocation of board fees	300 000	0
Deposit bonus	6 294 172	996 796
Provision for other liabilities	1 143 989	4 840 032
Total	14 172 710	9 046 114

Provisions for other liabilities are related to the acquisition / investment of the subsidiary Xait Ltd in 2020. The acquisition was of a total of kr. 9 495 428, of which NOK 4 342 319 is paid out. Of the remaining amount, NOK 3 195 200 was converted to share capital in 2020 and additionally NOK 1 008 036 was paid in 2021. The last NOK 949 873 was paid in early 2022. The accrual for bonus is based on share of long term sales.



XAIT AS (GROUP)
NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 15 Equity

	Share capital	Share premium	Other paid up equity	Other capital	Total equity
As of 01.01.2020	1 924 920	35 328 995	93 785	-15 712 970	21 634 730
Capital Increase	57 990	4 581 210			4 639 200
Translation differences others				1 370 472	1 370 472
Profit for the period				7 447 061	7 447 061
Pr. 31.12.2020	1 982 910	39 910 205	93 785	-6 895 437	35 091 463
Correction of ingoing balance	210 000	-210 000			0
Value of option			695 061	-695 061	0
Social security effect of the options				-1 097 290	-1 097 290
As of 01.01.2021	2 192 910	39 700 205	788 846	-8 687 788	33 994 173
Not registered capital increase	24 680	3 776 040			3 800 720
Value of option			556 049		556 049
Translation differences others				-2 185 826	-2 185 826
Profit for the period				-2 457 684	-2 457 684
Pr. 31.12.2021	2 217 590	43 476 245	1 344 895	-13 331 298	33 707 432

Note 16 Shareholders

THE SHARE CAPITAL IN XAIT GROUP AS OF 31.12 CONSISTS OF:

	Total	Face value	Entered
Ordinary shares	221 759	10,0	2 217 590
Total	221 759		2 217 590

OWNER STRUCTURE:

Shareholders in % as of 31.12:

	Ordinære	Owner interest	Share of votes
Xait Holding AS	209 004	94,2	94,2
Other <2%	12 755	5,8	5,8
Total number of shares	221 759	100,0	100,0

In 2021, the Parent Company started a process to reorganise its ownership structure. The general assembly of the Parent Company approved the transfer of 94,2 % of the shares from existing shareholders to Xait Holding AS 23.12.2021. The formal registration of the transfer was completed 18.01.2022.

When the reorganisation is finished, the ownership structure in Xait Holding AS will remain the same as in the Parent Company before the reorganisation.

The leader of the board, Eivind Bergsmyr owns a small percentage of 0,8% shares indirectly through ownership in Viking Venture.

Boardmember Erik Fjellvær Hagen owns a small percentage of 1,0% shares indirectly through ownership in Viking Venture.

Boardmember Arnt Jørund Andreassen owns 100 % of Slave Holding and owns 4,6 % of the shares in the Parent company.

Boardmember Berit Lid owns 50% of Onyvamos and owns 0,1 % of the shares in the Parent company. CEO in the Parent company, Erik Gudmundsen owns through Gudmundsen AS 0,9 % of the shares in the Parent company.

Boardmember Bjarne Johnsen owns through Starholmen AS 0,1 % of the shares in the Parent company.



XAIT AS (GROUP)

NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 17 Government Grants

Government grants:

The Parent company has received government grants for their research and development activities in 2021. The Parent company has received grants related to SkatteFUNN and Research Council of Norway ("Norsk Forskningsråd"). The Parent company has applied the gross method for accounting. Government grants are recognized as other revenue in the income statement in line with the amortisation of the connected intangible assets. Intangible assets are amortised over a period of 5 years. Earned grants not recognised are presented as deferred government grants. The difference between earned grants and received payout of grants is presented as short-term receivables. As of 31.12.2021 there was short-term receivable related to government grants of NOK 2 609 665. Deferred government grants as of 31.12.2021 are as follows:

	2021	2020
SkatteFUNN	6 382 285	6 058 078
Norges Forskningsråd	4 773 333	1 600 000
Total	11 155 618	7 658 078

Skattefunn project 1

The Parent company has one SkatteFUNN project related to development of their application platform. The aim of the project is to expand the business model to include application platform as a service (often referred to as "aPaas"). The Parent company has earned an amount of NOK 2 018 047 in government grants related to this project in 2021. Previous years the Parent company has received a total amount of NOK 3 130 175 related to this project. The project period is from 2019 to 2020, but has been extended for 1 year because of COVID.

Skattefunn project 2

The Parent company has one SkatteFUNN project related to development of document processing and machine learning algorithms. The aim of the project is to develop a document processing and development software which includes a number of different inductive learning methods which can be implemented in the different phases of document processing. The Parent company has earned an amount of NOK 591 618 in government grants related to this project in 2021. Previous years the Parent company has received NOK 2 153 334 in SkatteFUNN grants related to this project. The project period is from 2018 to 2020, but has been extended for 1 year because of COVID.

Research Council of Norway project

The Parent company has been granted a research and development subsidy of maximum 10 800 000 NOK for a total cost of 27 000 000 NOK related to this project. The subsidy will cover 40 % of expected project costs, with a maximum cap on cost each year. The project is called Enhancing quality and efficiency in the RFP to Production Lifecycle and aims to develop technology to facilitate the usage of Machine Learning algorithms in the writing of business proposals, making the process more efficient and producing higher quality outputs. Total cost per. 31.12.2021 is NOK 34 170 670. The Parent company has earned a total grant of NOK 6 000 000 related to this project. The project period is from 2020 until 2023.



XAIT AS (GROUP)
NOTES TO THE FINANCIAL STATEMENTS FOR 2021

Note 18 Subsequent Events

At the time of the reporting of the financial statements, the geo-political situation was challenging. Management has evaluated the potential impacts of the war in Ukraine and have concluded that there is no material impact on the financial statements for 2021. We only have one small Russian client which we have terminated as a result of international sanctions.

In January of 2022, we concluded the acquisition of Jack In The Box in France. This transaction will have significant impacts on the financial statements for 2022.

In January 2022, we also concluded the transfer of the CPQ IP rights from Xait AS to a separate IP company called XaitCPQ AS. The IP rights of XaitPorter will remain in Xait AS.

In April 2022, we concluded a de-merger and merger of Xait Minority AS into Xait Holding AS. This means that all private shareholders in Xait AS have moved their ownership into Xait Holding AS. Xait Minority AS was only used for this purpose and was discontinued as part of the merger with Xait Holding AS. The ownership in Xait Holding AS remains the same as it was in Xait AS.



Skatteetaten

Vår dato
07.12.2021

Din/Deres dato
18.11.2021

Saksbehandler
Lars Waalorp

800 80 000
Skatteetaten.no

Din/Deres referanse
AR455683995

Telefon
90833418

Org.nr
974761076

Vår referanse
2021/6579535

Postadresse
Postboks 9200 Grønland
0134 OSLO

XAIT AS
Kanalsletta 4
4033 STAVANGER

Att. Frank Skavland

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Xait AS, org.nr. 982 339 243

Vi viser til deres brev av 18. november 2021 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Xait AS.

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

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

Bakgrunn

Xait AS er hovedsakelig eid av norske profesjonelle eiere. Selskapet er et globalt software-teknologiselskap, og selskapet er morselskap i et konsern med datterselskaper i USA og Storbritannia. Engelsk og norsk er selskapets arbeidsspråk.

Skattekontorets vurdering

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

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

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



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

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

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

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.