ANNUAL REPORT 2023

Duett


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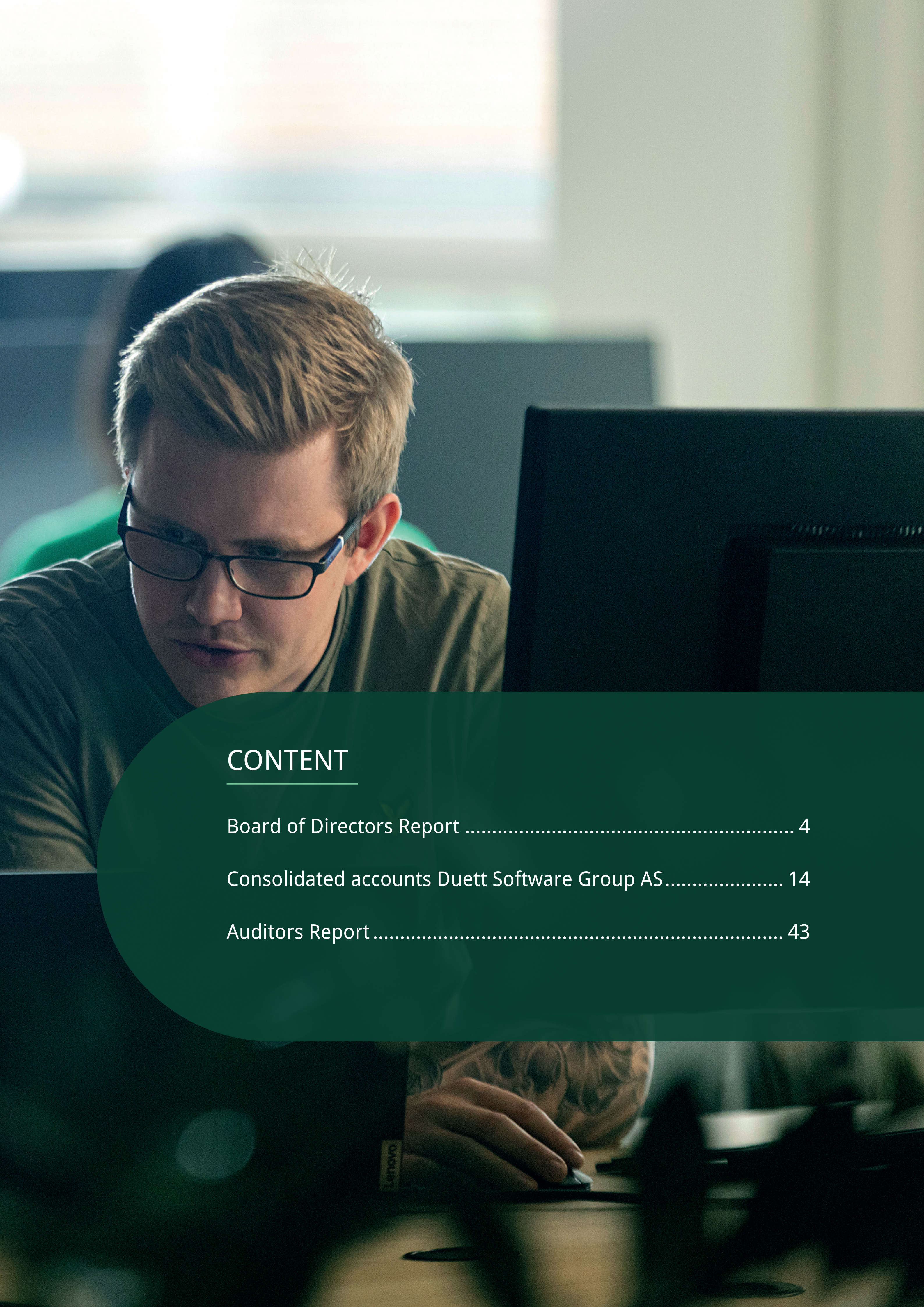


CONTENT

Board of Directors Report

BACKGROUND AND OPERATIONS

Duett Software Group AS (the "Company") is the owner of Duett AS and Taskline AS in Norway and Skyhost Aps in Denmark (together the "Subsidiaries"). The Company and its Subsidiaries comprise the "Duett Software Group" or "the Group". Duett Software Group AS is owned by Duo Holdings AS. Duo Holdings AS is owned by AKKR as majority owner together with management and employees of Duett AS and Skyhost.

STRATEGY

The Group's main strategy is to develop and offer software and hosting in the Norwegian and Danish markets. Duett AS operates in Norway and is a provider of software and hosting services to accounting offices and their customers. Skyhost Aps operates in the Danish market and is a provider of task management, fleet management and time registration software to municipalities, contractors and leasing companies.

Duett Software Group AS acquired Skyhost Aps on 16 April 2021. The acquisition rationale for Skyhost was to increase the Groups breadth of software offerings, expand the Group's presence in a new region and cross-sell Skyhost's functionality to customers of Duett AS in Norway.

Duett Software Group AS acquired Taskline AS on 16 June 2023. The acquisition rationale for Taskline was to increase the Groups breadth of software offerings for accounting agencies.

In both the Norwegian and Danish markets, we offer modern solutions based on future-oriented technology which is developed in-house. The uniqueness of the solutions, value-added functionality, deep industry expertise and excellent customer service have differentiated Duett Software Group from other players in the market. The strategy of the Group is to continue to leverage these assets with both our existing products and new initiatives to further increase the Group's market share.

Social responsibility details

ENVIRONMENT

The Group is committed to ensuring that its operations are safe and do not harm either its employees or the natural environment.

The Group also strives to provide all employees with a healthy and safe working environment. Quality, health, safety and the environment are integral aspects of the Group's activities, and systems are in place to monitor and follow up any accidents or incidents. The nature of the business involves a low risk of pollution of the external environment. The most critical input factor with regard to the environment is electricity.

ANTI-CORRUPTION AND BRIBERY

Looking ahead, we will continue to refine our anti-corruption framework to address emerging challenges. Our goal is to instill a culture of integrity that permeates every level of the organization.

THE COMPANY

Human rights, equal opportunities and anti discrimination is described in the section of Equality report.

Corporate governance details

CORPORATE GOVERNANCE

The Board of Directors and management are committed to promoting good corporate governance. The Group believes that good corporate governance builds trust among shareholders, customers and other stakeholders, and thus supports maximum value creation over time.
Management and the organization regularly adapt to ensure the Group is equipped to effectively manage all of its obligations to bond holders, customers, employees, authorities and other stakeholders.

DIALOGUE BETWEEN THE COMPANY AND ITS STAKEHOLDERS

The communication between the company and shareholders primarily takes place at the Company's Annual General Meeting and via company announcements.

THE GENERAL MEETING AND THE BOARD OF DIRECTORS

The General Meeting has the final authority over the Company. The Board of Directors ensures that shareholders are given detailed information and an adequate basis for the decisions to be made by the General Meeting. The General Meeting elects the Board of Directors, which currently consists of four members.

The Board of Directors of Duett Software Group is the same in 2023 compared to 2022. The Board members are:

Chairman of the Board:
Adam Dawid Malinowski (b. 1986)
Board member:
Bjørnar Håkensmoen (b. 1969)
Board member:
Maurice Andre Hernandez (b. 1981)
Board member:
Rachel Lee Spasser (b. 1967)

Duett Software Group has Board insurance with a coverage of NOK 50 million.

AMENDMENT OF ARTICLES OF ASSOCIATION

Resolutions to amend the Articles of Association must be approved by at least 2/3 of the votes cast as well as at least 2/3 of the voting share capital represented at the General Meeting.

BOARD RESPONSIBILLITIES

The Board of Directors main tasks include participating in, developing, and adopting the Group's strategy, performing the relevant control functions and serving as an advisory body for the executive management. The Board reviews and adopts the Group's plans and budgets. Items of major strategic or financial importance to the Group are also administered by the Board. The Board is responsible for hiring the CEO, defining the CEO's job description and setting the CEO's compensation. The Board periodically reviews the Group's policies and procedures to ensure that the Group is managed in accordance with good corporate governance principles, and that it acts in an ethical manner.

SOCIAL RESPONSIBILITY

The company's Board of Directors and management have implemented guidelines for values and ethics. The goal is to create a corporate culture that contributes to good business standards. Raising awareness of the guidelines has been the company's main focus in this area. The Group has not had any known violations of the policy.

The Board of Directors receives regular financial reports on the Group's business and financial status.

FINANCIAL REPORTING

The Board of Directors receives regular financial reports on the Group's business and financial status.

NOTIFICATION OF MEETINGS AND DISCUSSION OF ITEMS

The Board schedules regular meetings each year. Ordinarily, the Board meets four times a year. Additional meetings may be convened on an ad hoc basis.

All Board members receive regular information about the Group's operational and financial status in advance of the scheduled Board meetings. The Board members also regularly receive operations reports and participate in strategy reviews. The Group's business plan, strategy and risks are regularly reviewed and evaluated by the Board. The Board Members are free to consult the Group's senior executives as needed. Ordinarily, the Chairman of the Board proposes the agenda for each Board meeting. In addition to the Board Members, Board meetings are attended by the executive management. Other participants are summoned as needed. The Board approves decisions of particular importance to the Group including the strategies and strategic plans, the approval of significant investments, and the approval of business acquisitions and disposals.

CONFLICTS OF INTEREST

In a situation involving a member of the Board personally, this member will recluse him or herself from the discussions and voting on the issue.

THE BOARD'S SELF-EVALUATION

The Board's composition, competencies, working methods and interaction are discussed on an ongoing basis and evaluated formally on an annual basis. The composition of the Board is considered appropriate in terms of professional experience and relevant expertise to perform its tasks. The Board of Directors continuously assesses whether the competencies and expertise of members need to be updated.

THE TRANSPARENCY ACT

The report is published on www.duett.no.

EMPLOYEES, MANAGEMENT AND THE BOARD OF DIRECTORS

By the end of 2023 Duett Software Group had 129 employees (125 FTE) 26% of the employees were women. Duett AS had 114 employees (112 FTE), represented by 84 men and 30 women, and SkyHost ApS had 15 Employees (14 FTE), represented by 11 men and 4 women. Although Duett AS had certain new hires in 2023, the number of overall FTEs has not increased due to voluntary and involuntary employee turnover. The expectation is that the number FTE's will increase in 2024 as the company makes key investments to drive future growth and product capabilities.

Duett Software Group AS has worked continuously through 2023 to ensure a common corporate culture across the Group. The company practices a policy of equal treatment of employees and promotes a positive working environment, seeing this as key to being an attractive employer. No accidents or injuries were registered in 2023. The sickness absence rate for 2023 was 5,78% for Duett AS. Currently, sick leave data is not tracked at SkyHost ApS.
To ensure that our employees reach their full potential we encourage personal development and learning by providing continuous training and education.

EQUALITY REPORT

It is a fundamental human right to be treated equally, with dignity, respect and consideration, and to be entitled to take part on an equal basis with others in working life. We work actively, purposefully and systematically to promote equality and prevent discrimination on the basis of gender, pregnancy, maternity or adoption leave, caregiving duties, ethnicity, religion, beliefs, disability, sexual orientation, or gender identity.

The topic of gender equality and discrimination work is a focus area for the working environment committee in the company.

The work on gender equality includes recruitment, pay and working conditions, promotions, development opportunities, facilitation and the possibility of combining work and family life.

In connection with the recruitment of staff, candidates are selected on the basis of the qualification principle and all announcements are free of discriminatory variables.

The CHRO and the CEO have reviewed all the companies' guidelines in the various personnel policy areas. This is also followed up by HR throughout the year.

ANALYSIS

To ensure our efforts to promote equality and prevent discrimination, analyses are carried out at least four times a year. This is in connection with year-end, annual salary adjustments and reports to our owners.
Four employee surveys have been conducted. Three smaller surveys and one main survey.
To further strengthen the analysis work, a new HRIS solution was procured and implemented in January 2023. This HR system gives us better capacity to make data-driven analyses, assessments and decisions that support our equality work.

WHISTLEBLOWER

The employees have the opportunity to carry out anonymous whistleblowing via our HR system which satisfies the legal requirements. The employees also have access to information on how they can whistleblower externally in a responsible manner if they wish to do so.

EMPLOYMENT CONDITIONS

We have a clear policy for our employees to be offered permanent full-time positions. In 2023, we had one temporary employee and only 5 % of the employees had a part-time position. The part-time positions are voluntary. Our employees also have access to comprehensive health insurance that ensures our employees good mental and physical health care services. In the autumn of 2022, we started to provide a new low-threshold service within mental health care.

GENDER BALANCE

As with other tech companies, the share of women in our company is too low. The total gender balance in the company was 26,72 % female and 73,28 % males. Although we strive to create a good gender balance, female candidates seldom appear in our recruitment processes for technical positions.
We are focused on improving the gender balance at our company. For instance, in 2023 we hired a female Chief Marketing Office.

The Board of Duett Software Group consists of three men and one woman.

SALARY BALANCE

Our Salary Policy stipulates that the determination and adjustment of pay must consider the following aspects:

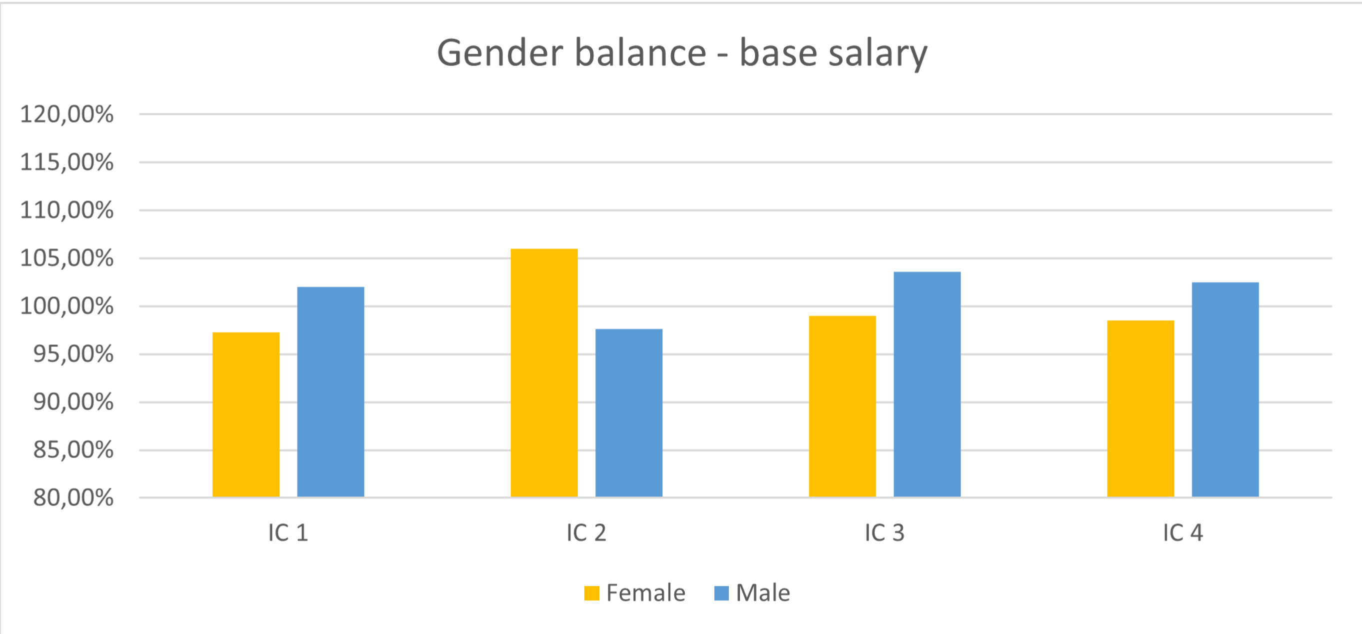
1. The company's financial situation
2. Competition in the recruitment market
3. The qualification of the employee or candidate
4. The employee's performance
5. Feedback from the employee

In order to carry out an objective analysis of the gender balance in terms of pay, the positions are classified based on four levels (Individual Contributor 1-4). The IC levels are based on the their functional area in the company and type of competence.

The diagram below shows the gender's average salary in percentage relation to the average salary for the IC area. 100% corresponds to the average salary regardless of gender.The management team is excluded due to few leaders on the different management levels.

GOING-CONCERN ASSUMPTIONS

The Board of Directors confirms that the assumption of a going-concern is met and that the annual financial statements have been prepared in accordance with this assumption.



The graph is showing the gender balance based upon base salary

Financial results

Duett Software Group AS is the holding company for the Group and is owned by Duo Holdings AS. Duo Holdings AS has presented consolidated accounts in accordance with Norwegian GAAP and for all practical purposes, the consolidated accounts for Duo Holdings AS are considered identical to the consolidated accounts for Duett Software Group AS. The main difference consists of bank deposits in Duo Holding AS. The figures in brackets on the subsequent pages pertain to the previous year.

2023

REVENUE

Total revenues for 2023 increased by 23.7% to NOK 327.0 million (NOK 264.3 million).

OPERATING EXPENSES

The total operating expenses amounted to NOK 336.3 million (NOK 289.2 million).
The salary and personnel expenses for 2023 were NOK 112.1 million (NOK 84.1 million) which is up 33.3% compared to 2022. Measured as a percentage of total revenues for the whole Group, salary and personnel expenses is stable with 31.8% in 2022 and 34.3% in 2023.
Depreciation and amortization decreased from NOK 100.8 million in 2022 to NOK 68.7 million in 2023.
Other operating expenses increased from NOK 29.6 million in 2022 to NOK 56.8 million in 2023.

NET FINANCE

Net finance for 2023 was negative NOK 48.2 million (NOK 37.7 million). Net finance for both years were primarily interest expenses, the increase in which was primarily due to higher interest rates.

PROFIT AND LOSS AND INCOME TAXES

Loss before tax was NOK 57.5 million in 2023 compared to a loss before tax of NOK 62.6 million in 2022.

Income tax was a net benefit of NOK 4.1 million in 2023 compared to NOK 8.2 million in 2022. Loss after tax was NOK 53.4 million compared to NOK 54.4 million in 2022.

CASH FLOW

Cash flow from operating activities
Duett Group had a positive cash flow of NOK 66.3 million in the period between January and December 2023 compared to NOK 56.7 million in 2022.
Net cash flow from investments was NOK -29.2 million (NOK -24.6 million)
Duett Group capitalized a total of NOK 16.8 million of employee expenses and consultancy related to product development in 2023, compared to NOK 22.6 million in 2022.

Net cash flow from financing activities in 2023 was NOK -58.4 million (NOK -47.2 million)
Total cash and cash equivalents available at the end of 2023 was NOK 39.0 million (NOK 58.8 million).

FINANCIAL POSITION

At the end of December 2023, Duett Software Group AS total assets amounted to NOK 874.0 million (NOK 899.5 million). Non-current assets amounted to NOK 795.3 million (NOK 816.1 million). Current assets amounted to a total value of NOK 78.8 million (NOK 83.4 million) of which NOK 39.0 million (NOK 58.8 million) is cash and cash equivalents. Accounts receivables amounted to NOK 20.5 million (NOK 14.5 million).

At the end of December 2023, Duett Group's non-current liabilities amounted to NOK 564.6 million (NOK 572.8 million). Of this, leasing obligations represented NOK 11.4 million (NOK 15.5 million) and were calculated in accordance with IFRS 16.

Current liabilities at the end of 2023 was NOK 96.4 million (NOK 72.0 million). Accounts payables amounted to NOK 25.1 million (NOK 11.8 million). Leases amounted to NOK 8.9 million (NOK 10.5 million). Prepaid revenue amounted to NOK 14.3 million (NOK 11.7 million). Other current liabilities at the end of 2023 totaled NOK 34.0 million (NOK 22.9 million).

EQUITY

Total equity amounted to NOK 213.1 million (NOK 254.7 million). The equity ratio is 24.4% (28.3%). See consolidated statement of changes in equity for details.

HOLDING COMPANY

The company had an operating revenue of NOK 16.4 million (NOK 31.4 million), which for both years are Group contributions from subsidiaries. The operating profit for the year was NOK 11.0 million (NOK 28.2 million). Net financial items were negative by NOK 45.3 million (NOK 33.1 million), while the profit before tax was NOK -34.2 million (NOK -4.9 million) and profit after tax was NOK -35.4 million (NOK -8.9 million).

DIVIDEND

The company is in an expansion phase where investments in products, services and the team are prioritized and the Board therefore proposes that no dividends be paid for 2023.

RISK

The Group's regular business activities involve exposure to different types of risk. The Group handles such risks proactively and the Board regularly analyzes its operations and potential risk factors and takes steps to reduce risk exposure. The Group has quality systems implemented in line with the requirements that apply to the business. Financial risk factors are discussed in Note 3. The Board of Directors receives regular reports on financial results from the Group. The Board considers that risk management and internal control of the Group is adequate in terms of the size and nature of the business. According to the law, annual meetings are held with the external auditor.

RESEARCH AND DEVELOPMENT

The company is developing its own software. The company develops financial systems with functionality adapted to different industries. The main industries are agriculture, real estate, contractors and craftsmen.

Continuous development is crucial to ensuring competitiveness in the future and thereby the basis of existence for the business. The carrying value of software developed by the company was NOK 42.4 million at the end of 2023 (NOK 46.2 in 2022), which is the book value of internally-developed software from the balance sheet in the company accounts. See note 12 for detailed information about capitalized and total costs for development.

OUTLOOK

This forward-looking statement reflects our current view of the outlook based on how we view today's operating results. The outlook is subject to risk and uncertainty as the views expressed relate to future events and circumstances.

The Group plans to continue its growth through organic growth initiatives, cross-selling and geographic expansion opportunities in both Duett AS and Skyhost ApS.

We will continue to focus on developing our own innovative solutions that will modernize the way the accounting industry performs its services. We will also, through both proprietary solutions and partnerships, further develop the range of services that accountants can offer their customers in all industries. In terms of mergers and aquisitions, we will continue to pursue interesting opportunities to strengthen our geographic presence and expand our offerings.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REVENUE

have increased to 327.0 in 2023 vs 264.3 in 2022

NOK 327.0 MILLIONS

RESEARCH AND DEVELOPMENT

We are increasing the number of employees in the development department to continue to improve the Company's products and enhance functionality

Tynset, April 23, 2024

Adam Malinowski	Maurice Hernandez
Adam David Malinowsky	*Maurice Andre Hernandez*
Chairman of the board	*Board member*
Rachel Spasser	Erik Harrell
Rachel Lee Spasser	*Erik Carson Harrell*
Board member	*CEO*

Declaration by the Board of Directors

We confirm that, to the best of our knowledge, the financial statements for the period from 1 January to 31 December 2023 have been prepared in accordance with applicable standards and give a true and fair view of the Group's assets, liabilities, financial position and results of operations. We confirm that the Board of Directors report provides a true and fair view of the development and performance of the business and the position of the group, together with a description of the key risks and uncertainty factors that they are facing.

Tynset, April 23, 2024
The Board of Directors of Duett Software Group AS

Adam Malinowski

Adam David Malinowsky
Chairman of the board

Maurice Hernandez

Maurice Andre Hernandez
Board member

Rachel Spasser

Rachel Lee Spasser
Board member

Erik Harrell

Erik Carson Harrell
CEO

Profit and loss

Consolidated statement of profit and loss	Notes	2023	2022
Revenue	5	327 045 485	264 323 704
Materials, software and services	13	98 768 466	74 720 266
Salary and personell costs	6	112 123 781	84 131 275
Other operating expenses	7,8	56 819 631	29 564 171
Depreciation and amortizations	11,12	68 652 172	100 827 931
Operating expenses		**336 364 050**	**289 243 642**
Operating profit/loss(-)		**-9 318 565**	**-24 919 938**
Finance income	9	2 219 033	1 010 019
Finance expenses	9	50 454 563	38 721 185
Net finance		**-48 235 530**	**-37 711 166**
Profit/loss(-) before tax		**-57 554 095**	**-62 631 105**
Income tax expenses	10	-4 329 507	-8 219 220
Profit/loss(-) after tax		**-53 224 588**	**-54 411 885**
Attributable to:			
Equity holders of the parent company		-53 224 588	-54 411 885
Consolidated statement of other comprehensive income			
Net profit/(loss) after tax		**-53 224 588**	**-54 411 885**
Items that will not be reclassified to profit and loss			
Foreign currency translation differences - foreign operations		11 623 174	8 582 296
Other comprehensive income for the period, net of tax		**11 623 174**	**8 582 296**
Total comprehensive income for the period		**-41 601 413**	**-45 829 589**
Attributable to:			
Equity holders of the parent company		-41 601 413	-45 829 589

Financial position

Consolidated statement of financial position (Amounts in NOK)	Notes	31 December 2023	31 December 2022	31 December 2021
ASSETS				
Non-current assets				
Property and equipment	11	15 663 708	16 059 616	16 203 819
Intangible assets	12	324 532 255	346 648 079	408 811 246
Goodwill	12	435 621 303	429 461 301	424 906 555
Right of use assets	8	19 459 311	23 879 318	26 978 774
Receivables	16	0	0	0
Other investments		0	2 501	2 501
Total non-current assets		**795 276 578**	**816 050 815**	**876 902 894**
Current assets				
Inventory		1 477 132	1 482 607	1 865 154
Accounts receivables	15	20 531 741	14 460 781	15 204 740
Other receivables and prepayments	16	17 737 384	8 635 781	5 268 732
Cash and deposits	14	39 018 911	58 844 134	73 048 920
Total current assets		**78 765 168**	**83 423 303**	**95 387 546**
TOTAL ASSETS		**874 041 745**	**899 474 119**	**972 290 441**

EQUITY AND LIABILITIES	Notes	31 December 2023	31 December 2022	31 December 2021
Equity				
Share capital	19	3 493 200	3 493 200	3 493 200
Other paid in capital		368 770 887	368 770 887	368 770 887
Total paid in capital		**372 264 087**	**372 264 087**	**372 264 087**
Other equity and exchange differences				
Other equity and exchange differences		-159 194 060	-117 592 647	-71 763 058
Total other equity		**-159 194 060**	**-117 592 647**	**-71 763 058**
Total equity		**213 070 027**	**254 671 440**	**300 501 029**
Non-current liabilities				
Bonds	17	493 722 702	490 998 806	488 560 062
Lease liabilities	8	11 404 183	15 461 501	19 717 947
Deferred tax	10	59 486 996	66 369 115	80 178 317
Total non-current liabilities		**564 613 881**	**572 829 422**	**588 456 326**
Current liabilities				
Credit facility	14	0	0	0
Accounts payables		25 086 552	11 763 137	12 179 632
Lease liabilities	8	8 929 805	10 460 740	9 969 760
VAT and other public taxes		13 106 410	10 532 271	13 648 154
Current tax payable	10	945 700	4 581 237	3 078 761
Prepaid revenue	5	14 313 443	11 709 220	24 289 113
Other current liabilities	18	33 975 929	22 926 653	20 167 665
Total current liabilities		**96 357 838**	**71 973 257**	**83 333 086**
TOTAL EQUITY AND LIABILITIES		**874 041 745**	**899 474 119**	**972 290 441**

Tynset, April 23, 2024

Adam Malinowski

Adam David Malinowsky
Chairman of the board

Maurice Hernandez

Maurice Andre Hernandez
Board member

Rachel Spasser

Rachel Lee Spasser
Board member

Erik Harrell

Erik Carson Harrell
CEO

Cashflow

Consolidated statement of cashflows (Amounts in NOK)	Notes	2023	2022
Operating activities			
Profit/loss(-) before tax		-57 554 095	-62 631 105
Taxes paid		-4 581 237	-5 245 972
Depreciation and amortization		68 348 280	101 351 375
Net finance		48 235 531	37 711 166
Change in:			
Trade receivables		-7 214 877	985 932
Inventory		104 469	476 801
Trade payables		13 748 963	-441 951
Prepaid revenue		1 870 308	-12 983 210
Other net working capital		3 324 688	-2 500 335
Cashflow operating activities		**66 282 030**	**56 722 700**
Investing activities			
Capitalized development costs	12	-16 783 849	-22 591 385
Purchase of tangible assets		-2 323 369	-1 999 666
Purchase of intangible assets	22	-10 075 816	0
Casflow investing activities		**-29 183 034**	**-24 591 051**
Financing activities			
Bonds	17	0	0
Expenses related to establishment of bond		0	0
Repayment of debt	17	0	0
Payment of lease	8	-12 112 918	-10 225 724
Paid interest		-46 274 578	-36 953 009
Other financing activities		0	0
Cashflow financing activities		**-58 387 496**	**-47 178 733**
Net change in cash and cash equivalents		**-21 288 499**	**-15 047 084**
Cash and cash equivalents at the beginning of period		58 844 134	73 048 920
Foreign currency translation differences for cash and cash equivalents		1 463 277	842 298
Cash and cash equivalents at end of period		**39 018 911**	**58 844 134**

Equity

Consolidated statement of changes in equity
(Amounts in NOK)

	Note	Share capital	Other paid in capital	Exchange differences	Other equity	Total Equity
Opening balance on 1 January 2022		**3 493 200**	**368 770 887**	**-102 131**	**-71 660 927**	**300 501 029**
New equity		0	0	0		0
Total comprehensive income for the period		0	0	8 582 296	-54 411 885	-45 829 589
Closing balance on 31 December 2022		**3 493 200**	**368 770 887**	**8 480 165**	**-126 072 812**	**254 671 440**
New equity		0	0	0	0	0
Total comprehensive income for the period		0	0	11 623 174	-53 224 588	-41 601 413
Closing balance on 31 December 2023		**3 493 200**	**368 770 887**	**20 103 399**	**-179 297 399**	**213 070 027**

NOTE 1

Corporate information

The Parent Company Duett Software Group AS with Norwegian business organization number 923 311 459, is a corporation domiciled in Norway with its head office in Tynset, Norway. The consolidated financial statements include the company and its subsidiaries (together referred to as the "Group"). The board of directors authorised for issue the consolidated financial statements on 20 April 2024, to be approved by the general meeting .

Duett Software Group AS is the owner of Duett AS and Taskline AS in Norway and Skyhost Aps in Denmark. Duett Software Group AS is owned by Duo Holdings AS. Duo Holdings AS is owned by Accel-KKR together with management and employees of Duett and Skyhost.

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

NOTE 2

Summary of significant Accounting Principles

2.1 BASIS FOR PREPARATION

The consolidated financial statement for Duett Software Group AS have been prepared in accordance with International Financial Reporting Standards and relevant interpretations as adopted by the EU ("IFRS") and the Norwegian Accounting Act. The consolidated financial statement is based on the IFRS mandatory accounting standards effective 31 December 2023.

The consolidated financial statements are presented in Norwegian kroner (NOK). NOK is the functional currency of the parent company.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries. Control is established when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Business combinations are accounted for by using the acquisition method. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

There is a presumption that if the Group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the entity.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.3 BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition accounting method. Acquisition-related costs incurred are expensed and included in operating expenses. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair values at the acquisition date and deferred tax assets and liabilities are recognized at nominal value.

Goodwill arising on acquisition is recognized as an asset measured at the excess of the sum of the consideration transferred, the fair value of any previously held equity interests and the amount of any non-controlling interests in the acquired asset over the net amounts of the identifiable assets acquired and the liabilities assumed.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in the consolidated statement of profit and loss as financial income or expense. If the contingent consideration is classified as equity, it will not be remeasured, and subsequent settlement will be accounted for within equity.

If the business combination is achieved in stages, the fair value of the Group's previously held equity interest in the acquired asset is remeasured to fair value at the acquisition date through the consolidated statement of profit and loss.

2.4 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer. The Group recognizes revenue when it transfers control of a good or service to a customer. Intercompany sales are eliminated.

Consulting services

The Group provides implementation and integration services under consulting contracts with customers. These services are mostly determined to be separate performance obligations. Most contracts have a variable pricing structure where the Group agrees to implement and integrate software for a fixed hourly rate agreed upon in the contract. Revenue is recognized as the service is delivered over time. Invoicing is done every month. The payment term is 10 days.

Software as a service (SaaS)

Software is provided over time to an end customer from a Data Center managed by The Group. The obligations in the SaaS contract are to offer cloud-based access to the software (owned by the Group), maintenance of the utility of the software, including rights to updates and future releases. The revenue is based on a fixed price per client plus a variable price based on how many transactions the different clients have. The revenue is recognized in the period the clients have access and for transaction revenue in the period in which the transaction took place. The performance obligation is to stand-ready to provide access to the software (which is continuously maintained and updated). Unspecified support is a separate performance obligation and is invoiced separately based on price per hour. Invoicing is done every month with pre-invoicing of the fixed price and post-invoicing of transactions. SaaS contracts have a notice period of 3 months, with no minimum purchase obligation. The payment term is 10 days.

Hosting services

Hosting services help customers host and operate their IT environments from the cloud. Hosting services are delivered to customers on framework contracts with a duration of 1-5 years, where revenue is calculated based on price per user with no minimum purchase obligation. Additional work above the agreed level is considered normal consulting services. The Group delivers an integrated set of services as defined in the hosting service agreement. The customer receives and consumes the benefits from the hosting services as the Group performs under the contract. The performance obligation is therefore satisfied over time and revenue is recognized straight-line. The contracts are pre-invoiced quarterly. The payment term is 10 days.

Revenue from other services

The Group to a limited extent provides maintenance services, support services and application management services under separate contracts, for a fixed fee. Revenue is recognized as the service is performed. Invoicing is done every month. The payment term is 10 days.

Revenue from sale of hardware

Revenue recognition takes place at the time control is transferred to the buyer, which is the time of delivery.

Deferred revenue

Deferred revenue is a consequence of pre-invoicing the hosting services quarterly.

2.5 GOVERNMENT GRANTS

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attaching to the grants and that the grant will be received. When the grants are related to items in the profit and loss statement, the grants are recognized therein. The grant is then recognized in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

2.6 EMPLOYEE BENEFITS

The Group's pension obligations vary between countries depending on the local legislation and different pension systems. The Group only has defined contribution retirement benefit plans. Defined contribution retirement benefit plans are retirement plans where the company's payment obligations are limited to the fixed contributions. The retirement benefits for the individual employee is dependent on the contributions paid to the retirement plan or an insurance company by the employer, and the return of capital invested in the retirement fund. Consequently, it is the employee that holds the risk of return (that the return will be lower than expected) and the risk of the investment (the risk that the invested pension provision will not be sufficient to cover expected retirement compensation in the future). The obligations of the Company related to payments of defined contribution retirement plans are expensed in the statement of profit and loss as they are earned by the employee for services conducted on behalf of the employer during the period.

2.7 RESEARCH AND DEVELOPMENT COSTS

Expenditures on research and development costs that do not meet the criteria for capitalization are expensed as incurred. An intangible asset arising from development is recognized only when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, management has committed itself to complete the asset, the technical feasibility of completing the asset has been demonstrated and the cost can be measured reliably. The software business in the group is related to development and sale of access to the software as a service. In Duett we work according to flexible methods and all product development takes place in iterations of 2-4 weeks, defined as a Sprint. Development activities eligible for capitalization are identified and coded as a specific N-Sprint. This assessment is made by the Product Owner (PO) and in consultation with the Chief Product Officer. Ongoing and periodic efforts required to maintain the product are classified as V-sprinters and represent activities that cannot be capitalized. When tasks in a Sprint are defined, the timekeeping system is updated with the current Sprint code for the employees who will work with these tasks and register hours according to this activity. After the end of the Sprint and after the timekeeping has been completed, the development manager checks the registered hours against the relevant N-Sprint and this is compiled and reported to the person responsible for accounting and the Chief Financial Officer.

The cost of the internally generated self-developed software comprise cost of employee benefits and consultancy arising from the generation of the asset.

The development is done according to the scrum methodology, which means that there is a continuous development and launch.

The assets are amortized over their expected useful life once the assets are available for use.

2.8 INCOME TAXES

Income taxes consists of current tax and deferred tax. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to calculate the sums are those that are enacted or substantively enacted by the end of the reporting period.
Deferred income tax asset and liability is recognized using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill.
A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available for which unused tax losses and unused tax credits can be utilized. A deferred tax asset arising from unused tax losses or tax credit is only recognized to the extent that the entity has sufficient taxable temporary differences or if there is other compelling evidence supporting the utilization of the tax losses and tax credits, including the impact of time restrictions by local tax authorities. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. Deferred income tax assets and deferred income tax liabilities are offset when a legally enforceable right exists to set off tax assets against income tax liabilities and the deferred income taxes relate to the same taxable entity or taxation authority.

2.9 PROPERTY AND EQUIPMENT

Property and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Minor repairs and regular maintenance costs are expensed in the period in which they occur. The expected useful life and residual value, which are used in the depreciation calculation of tangible assets, are reviewed, and if necessary, adjusted annually. The depreciation methods and periods used by the group are disclosed in note 11.

2.10 INTANGIBLE ASSETS AND GOODWILL

2.10.1 Goodwill

Goodwill is measured at cost (residual) less accumulated impairment losses.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. If the carrying amount of the unit exceeds the recoverable amount of the unit, an impairment loss is recognized.

2.10.2 Customer relationships, trade name and developed technology

Customer relationships, trade name and proprietary technology acquired in a business combination are recognized at fair value at the acquisition date. Assets from internally-developed technology are capitalized at cost. Customer relationships, trade name and proprietary technology have a finite useful life and are carried at cost less accumulated amortization and impairment. Amortization is calculated using the straight-line method to allocate the acquisition cost over its useful life. The estimated useful lives are disclosed in note 11.

2.10.3 Impairment

The Group determines at least annually whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is considered the higher of the fair value less costs to sell and value in use. Goodwill, other intangible assets with indefinite useful lives and intangible assets not yet ready for use are tested for impairment annually, irrespective of whether there is any indication of impairment.

2.11 FINANCIAL ASSETS AND LIABILITIES

The company has financial assets which primarily consist of accounts receivables and other short term receivables, accounts payables and bank deposits. Financial assets are initially recognized at fair value, except accounts receivables, then at amortized cost using the effective interest method adjusted for impairment.

2.11.1 Accounts receivables

Accounts receivables are initially measured at their transaction price. The Group measures expected credit losses based on historical information and specific assessments of individual customers.

2.11.2 Accounts payables and other payables

Accounts payables and other payables are initially measured at fair value and subsequently at amortized cost.

2.11.3 Cash and Cash equivalent

Cash and cash equivalents include cash deposits and on hand and other short term highly liquid investments with original maturities of three months or less.

2.11.4 Classifications

Non-current financial assets and non-current liabilities consist of items expected to be settled more than twelve months after the end of the reporting period. Current financial assets and current financial liabilities consist of amounts that are expected to be settled within twelve months after the end of the reporting period.

2.12 RIGHT OF USE ASSETS AND LEASE LIABILITIES

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

At the lease commencement date, the Group recognizes a lease liability and corresponding right of use asset for all lease agreements in which it is the lessee, except for low value assets where the Group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. Lease payments are discounted with the Group's estimated incremental borrowing rate as it cannot determine the rate implicit in the lease. For existing lease agreements there are no extension or termination options. Consequently, the lease term represents the non-cancellable period of the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment. The Group presents its lease liabilities as separate line items in the statement of financial position. The Group measures the right of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities.

2.13 SEGMENTS

The Chief Operating Decision Maker (CODM) is currently evaluated to be the Board of Directors (the Board) of the Company. The Group has historically had only one segment and the Board's evaluation is that this has not changed. There exists results from Skyhost ApS, but the Board considers that these operating results have not been regularly reviewed by the Board to make decisions about resources to be allocated to the segment and assess its performance.
The Board may evaluate the internal reporting going forward, and the segment reporting may be changed in a later period.

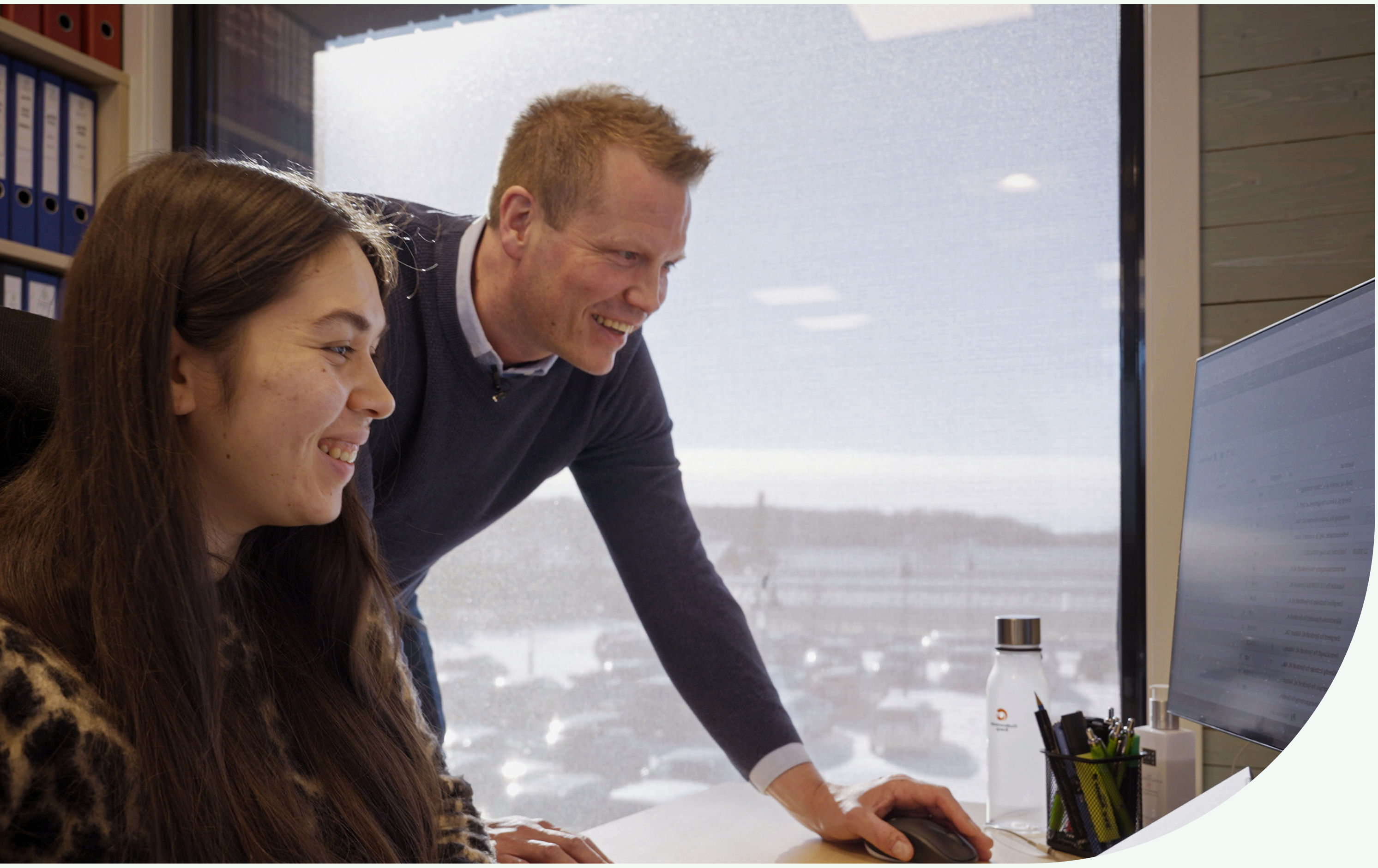
NOTE 3

Financial risk management objectives and policies

The Group defines risk as all factors which could have a negative impact on the ability of the Group to achieve its business objectives. All financial activities are associated with risk. The Group conducts risk management at both a Group and company level, where risks are evaluated in a systematic manner.

CURRENCY RISK

Part of the Group's business is in foreign currency, even though the bulk of its business is conducted in NOK. Translating the financial position and statement of profit and loss of Group companies into NOK creates a translation exposure.



CREDIT RISK

Credit risk is the risk that a counterparty will fail to meet its obligations under a financial contract or customer contract, leading to a financial loss. Maximum exposure to credit risk equals the carrying value of financial assets in the consolidated statement of financial position. On average, each customer has minor sums outstanding and the losses have historically been very low.

INTEREST RATE RISKS

Interest rate risk is related to the risk the Group is exposed to from changes in interest rates in the market. The Group's main interest rate risk is related to the interest rate on the bond loan which amounted to NOK 500 million at 31 December 2023. The loan carries a variable interest rate based on the interbank rate (3 months) plus 5%. Any annualized increase/ decrease by 100 basis point would increase/decrease the Groups interest expense by NOK 5 million.

LIQUIDITY RISK

Liquidity risk is the potential loss arising from the Group's inability to meet its contractual obligations when due. The Group monitors its risk of a shortage of funds using cash flow forecasts. The Group has historically generated net positive cash flow from operating activities.

NOTE 4

Critical accounting estimates and judgements in terms of accounting policies

The preparation of the financial statements under IFRS and the application of the adopted accounting policies require that management make assessments, prepare estimates and apply assumptions that affect the carrying amounts of assets and liabilities, income and expenses. The estimates and the associated assumptions are based on experience and other factors that are assessed as being justifiable based on the underlying conditions. Actual figures may deviate from these estimates. The estimates and associated prerequisites are reviewed regularly. Changes in accounting estimates are recognized in the period the estimates are revised if the change only affects this period, or both in the period the estimates change and in future periods if the changes affect both the current and future periods.

IMPAIRMENT

In accordance with the stated accounting policy, the group annually tests whether goodwill has suffered any impairment or more frequently for goodwill and other assets if impairment indicators are identified. The recoverable amount of the assets and cash generating units, including goodwill, has been determined based on value in use calculations. These calculations require the use of estimates. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budgets for the next year and forecasts for the following four years and do not include significant investments that will enhance the performance of the assets being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model, as well as the expected future net cash inflows (sensitive to estimates of sales and cost levels) and the growth rate used for extrapolation purposes.

The annual impairment test of goodwill is performed at operating segment level, as goodwill, profitability and operational performance are being monitored at this level. Currently, the Group's evaluation is that it has only one operating segment. The subsidiaries Duett AS and Skyhost Aps are initially regarded as individual cash-generating units (CGU). However, goodwill cannot be allocated on a non-arbitrary basis to individual CGUs within the operating segment. This is primarily because of the expected significant synergies which formed part of the basis for the acquisition of Skyhost Aps. If goodwill could have been allocated, or are subsequently reallocated to the individual CGUs, this may affect the impairment tests of goodwill.

Further details about goodwill and impairment reviews are included in note 12 Intangible assets.

BUSINESS COMBINATIONS

According to IFRS 3, Business Combinations are accounted for according to the acquisition method. As of the acquisition date, the acquirer shall recognize, separately from goodwill, the identifiable assets aquired and the liabilities assumed primarily initially measured at Fair

Value. Identification and measurement of intangible assets requires judgement and use of assumptions and estimates. An intangible asset is identifiable if it meets either the separability criterion or the contractual-legal criterion.

For the acquisition of Skyhost Aps in 2021 and of Duett AS in 2019 the following intangible assets have been identified:

- Trade name
  The critical assumptions are the selected royalty rate and the useful life.

- Developed technology
  The critical assumptions are the selected royalty and the useful life. The useful life is short due to major changes in technology and the pace of development in software.

- Customer relationships
  The critical assumptions are rate of customer retention, useful live, revenue growth rate of existing customers and increase in estimated operating margins.

Part of the consideration for the aquisition of Skyhost ApS in 2021 was settled by issuance of shares in Duett Software Group AS.

USEFUL LIVES OF ASSETS

Many factors are considered in determining the useful life of assets, including:

- the expected usage of the asset by the entity

- typical product life cycles for the asset and public information on estimates of useful lives of similar assets that are used in a similar way;

- technical, technological, commercial or other types of obsolescence;

- the stability of the industry in which the asset oper ates and changes in the market demand for the products or services output from the asset;

- expected actions by competitors or potential competitors;

- the level of maintenance expenditure required to obtain the expected future economic benefits from the asset and the entity's ability and intention to reach such a level;

- whether the useful life of the asset is dependent on the useful life of other assets of the entity.

Estimates of useful lives affects depreciation and amortization of property, equipment, right of use asset and intangible assets. It also affects the carrying amounts of these assets and the carrying amounts may be impaired. Any changes in useful lives will affect depreciation and amortization prospectively. Goodwill is not amortized. The main recognized assets are intangible assets that are partially internally developed but primarily have been recognized through business combinations.

See note 11 and 12 for useful lives for each group of assets and note 8 for right of use assets.

NOTE 5

Revenue

The market for the Group's software and services is related to Norway for the business of Duett and Denmark for the business of Skyhost. Principles of revenue recognition are stated in accounting principles Note 2. The Group does not disclose the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period. This is because there are no contracts above one year with minimum contractual obligations.

SEGMENT

There has not been any segment profit reporting as per 31 December 2023.

DISAGGREGATION OF REVENUE

In the following table revenue is disaggregated by country and primary service line. In presenting the geographic information, revenue has been based on the location of legal entities.

Revenue	**2023**	**2022**
Norway	288 349 135	234 291 680
Denmark	38 696 350	30 032 024
Total revenue	**327 045 485**	**264 323 704**
Recurring revenue	299 401 664	238 153 317
Non-recurring revenue	27 643 820	26 170 387
Total revenue	**327 045 485**	**264 323 704**
SaaS	208 429 211	153 281 662
Other revenue	118 616 273	111 042 042
Total revenue	**327 045 485**	**264 323 704**

Prepaid revenue	**2023**	**2022**
Prepaid revenue	14 313 443	11 709 220

Prepaid revenue is related to prepayment for hosting services. Customers are pre-invoiced quarterly in the month before the quarter starts. All revenue that is registered as pre-invoiced is taken to revenue next quarter.

NOTE 6

Employees, Salaries and other Compensation

Specification of payroll expenses	2023	2022
Salary	**100 677 574**	**82 205 461**
Social security tax	11 304 464	8 093 131
Pension costs	7 716 789	5 891 156
Other personnel costs	3 352 394	3 527 802
Capitalized payroll expense	-10 927 440	-15 586 277
Total payroll expense	**112 123 781**	**84 131 275**

Full time equivalents	2023	2022
Male	94	101
Female	31	33
Total	125	134
Percentage female employees	25 %	24 %

Management remuneration 2023	Board remuneration	Salary	Bonus	Benefits in kind	Pension cost	Total remuneration
Management						
Erik Carson Harrell (CEO)	0	2 092 796	1 628 770	33 772	169 500	3 924 838
Bjørnar Håkensmoen (CEO)	0	192 043	0	20 478	14 698	227 219
Members of the board						
Adam Malinowski	0	0		0	0	0
Maurice Hernandez	0	0		0	0	0
Rachel Spasser	0	0		0	0	0
Bjørnar Håkensmoen (see above)	2 526 874	0		0	0	2 526 874
Total remuneration	**2 526 874**	**2 284 839**	**1 628 770**	**54 250**	**184 198**	**6 678 931**

The CEO has a 6 months notice period and is entitled to a severance pay for 12 months in case of termination by the company. There are no loans or collaterals or other benefits given to any employees.
The group changed CEO on 12 February 2023 from Bjørnar Håkensmoen to Erik Carson Harrell.

Management remuneration 2022	Board remuneration	Salary	Bonus	Benefits in kind	Pension cost	Total remuneration
Management						
Bjørnar Håkensmoen (CEO)	0	2 308 188	0	232 956	165 756	2 706 900
Members of the board						
Adam Malinowski	0	0		0	0	0
Maurice Hernandez	0	0		0	0	0
Rachel Spasser	0	0		0	0	0
Bjørnar Håkensmoen (see above)	0	0		0	0	0
Total remuneration	**0**	**2 308 188**		**232 956**	**165 756**	**2 706 900**

The group meets the different local mandatory occupational pension requirements and operates defined contribution retirement benefit plans for all qualifying employees of its subsidiaries in Norway and Denmark. The pension savings involve a contribution of 5%. The only obligation of the group with respect to retirement benefit plans is to make the specified contributions.

NOTE 7

Other operating expenses

	2023	2022
Electricity	10 587 055	0
Cleaning and renovation	12 615 101	0
Software own use	3 662 946	3 934 879
External consultants, ref text below	18 328 145	13 366 671
Capitalized part of external consultants	-6 199 664	-7 005 113
Other	17 826 048	19 267 734
Total other operating expenses	**56 819 631**	**29 564 171**

Including audit fee, see specification below.

Specification of audit fees	Statutory audit fee	Other assurance services	Tax services	Other services	Total
2023					
KPMG AS	1 408 787	-	-	105 601	1 514 388
2022					
KPMG AS	1 129 863	0	0	52 800	1 182 663

The amounts in the tables for audit fees are the amounts expensed in 2023 and 2022. Amounts presented exclude VAT.

NOTE 8

Leases - Right of use assets and lease liability

Overview of changes to right of use assets and lease liabilities	Right-of-use assets	Lease liabilities
Opening balance 31 December 2022	**23 879 318**	**25 922 241**
Payments	0	(13 390 109)
Depreciation	(10 944 672)	0
Additions	6 557 583	6 557 583
Interest	0	1 277 191
Other / exchanges differences	(32 918)	-32 918
Balance per 31 December 2023	**19 459 311**	**20 333 988**

Opening balance 31 December 2021	**26 978 774**	**29 687 707**
Payments	0	(11 448 395)
Depreciation	(9 559 714)	0
Additions	6 246 981	6 246 981
Interest	0	1 222 671
Other / exchanges differences	213 277	213 277
Balance per 31 December 2022	**23 879 318**	**25 922 241**

Maturity analysis: contractual, undiscounted cashflows	31 December 2023	31 December 2022
Current liabilities - Less than one year	**9 784 631**	**11 429 315**
Non-current liabilities		
1-2 years	4 938 257	8 058 744
2-3 years	3 306 983	3 178 037
3-4 years	2 530 276	2 055 158
4-5 years	1 037 917	1 796 772
More than five years	626 520	1 516 665
Total	**22 224 584**	**28 034 691**

Amounts recognized in the consolidated statement of profit and loss	2023	2022
Depreciation	10 944 672	9 559 714
Interest expense	1 277 191	1 222 671
Total	**12 221 863**	**10 782 385**

Amounts recognized in statement of cashflows	2023	2022
Interest payments	1 277 191	1 222 671
Payments of principal	12 112 918	10 225 724
Total lease payments	**13 390 109**	**11 448 395**

The expense relating to leases with low value	2023	2022
Low value	49 104	68 636

Right-of-use assets specified by type	Premises/ builidings	Equipment and machinery	Total
Balance per 31 December 2021	9 584 809	17 393 965	26 978 774
Depreciation	(2 352 110)	(7 207 604)	(9 559 714)
Additions	4 873 861	1 373 120	6 246 981
Other / exchanges differences	76 599	136 678	213 277
Balance per 31 December 2022	**12 183 159**	**11 696 159**	**23 879 318**
Balance per 31 December 2022	12 183 159	11 696 159	23 879 318
Depreciation	(3 264 260)	(7 680 412)	(10 944 672)
Additions	2 947 286	3 610 297	6 557 583
Other / exchanges differences	-32 918	0	(32 918)
Balance per 31 December 2023	**12 183 159**	**7 626 044**	**19 459 311**

The leasing agreements for equipment and machinery are agreements to lease hardware to the data center and the rental period is from 3-5 years. Lease contracts for premises/buildings relates to the business premises in Elverum, Stjørdal, Trondheim, Oslo and Folldal. There are no options to extend or purchase after the leasing period. There are no restrictions or covenants in the agreements.

NOTE 9

Financial income and expenses

Specification of finance income	2023	2022
Interest income	2 219 033	1 010 019
Total finance income	**2 219 033**	**1 010 019**

Specification of finance income	2023	2022
Interest expenses	46 274 578	36 953 009
Other financial expenses	4 179 985	1 768 176
Total finance expenses	**50 454 563**	**38 721 185**

NOTE 10

Taxes

Income tax expense in the consolidated statement of income	2023	2022
Income tax payable	3 864 935	6 545 830
Changes in deferred tax / deferred tax asset	-8 194 442	-14 765 050
Total income tax expense	**-4 329 507**	**-8 219 220**
Tax expense on Total comprehensive Income for the period	**-4 329 507**	**-8 219 220**

Reconciliation from nominal to effective tax rate	2023	2022
Profit/loss(-) before tax	**-57 554 095**	**-62 631 105**
Estimated tax expense with nominal tax rate, 22% of profit before tax (22%)	-12 661 901	-13 778 843
Tax effect of the following items:		
Unrecognised deferred tax assets related to interest deduction carried forward	8 694 429	5 105 487
22% of net permanent differences	-362 035	454 136
Total income tax expense	**-4 329 507**	**-8 219 220**
Effective tax rate	7,52 %	13,12 %

	Temporary differences	
Specifications of temporary differences on wich deferred tax is recognised	**2023**	**2022**
Property, plant and equipment	-5 320 708	-4 165 835
Intangible assets	270 691 650	299 069 900
Accounts receivables	-250 000	-150 000
Pensions	74 470	12 947
Bond	6 277 298	8 953 706
Right of use assets	19 459 311	23 879 318
Lease liabilities	-20 333 988	-25 922 241
Interest deduction carried forward	-202 594	0
Tax increasing temporary differences	**270 395 439**	**301 677 795**
Deferred tax liability	**59 486 996**	**66 369 115**

Changes in deferred tax	2023	2022
Opening balance at 1 January	66 369 115	80 178 316
Recognised in current year's profit	-8 194 442	-14 765 050
Deferred tax on new subsidiaries		0
Exchange differences opening balance deferred tax	1 312 323	955 849
Balance at 31 December	**59 486 996**	**66 369 115**

Deferred tax on new subsidiaries is related to deferred tax in Skyhost. The group has at 31 December 2023 a interest deduction carried forward of NOK 71.631.478 on which deferred tax assets have not been recognized due to uncertainty related to time of deduction. The deduction period is limited to 10 years.

NOTE 11

Tangible assets

Property and equipment: 2023	Land and buildings	Equipment and machinery	Total
Cost			
Costs at 1 January	14 522 583	10 723 238	25 245 821
Additions through business combinations	-	-	-
Additions during the year	-	2 643 754	2 643 754
Acquisition cost per 31 December	**14 522 583**	**13 366 992**	**27 889 575**
Depreciation			
Opening balance 1 January	2 386 270	6 799 935	9 186 205
Depreciation during the year	774 934	2 264 728	3 039 662
Total depreciation per 31 December	**3 161 204**	**9 064 663**	**12 225 867**
Book value per 31 December	**11 361 379**	**4 302 329**	**15 663 708**
Useful life- years	15-20	3-5	
Depreciation schedule	Straight line	Straight line	

No impairment indicators have been identified for property, plant and equipment and therefore no full impairment test has been performed in 2023 for these specific balances.

2022	Land and buildings	Equipment and machinery	Total
Cost			
Costs at 1 January	13 208 575	10 037 582	23 246 157
Additions through business combinations	-	-	-
Additions during the year	1 314 008	685 656	1 999 664
Acquisition cost per 31 December	**14 522 583**	**10 723 238**	**25 245 821**
Depreciation			
Opening balance 1 January	1 611 332	5 431 006	7 042 338
Accumulated depreciation disposals	774 938	1 368 929	2 143 867
Total depreciation per 31 December	**2 386 270**	**6 799 935**	**9 186 205**
Book value per 31 December	**12 136 313**	**3 923 303**	**16 059 616**
Useful life- years	15-20	3-5	
Depreciation schedule	Straight line	Straight line	

No impairment indicators have been identified for property, plant and equipment and therefore no full impairment test has been performed in 2022 for these specific balances.

NOTE 12

Intangible assets

2023	Trade name	Aquired devel-oped technol-ogy	Self-developed technology	Customer relations	Goodwill	Total
Cost						
Costs at 1 January	**31 087 354**	**119 856 948**	**102 029 173**	**331 848 247**	**429 461 301**	**1 014 283 023**
Additions during the year		11 406 650	15 455 551			26 862 201
Additions through business combinations						-
Disposals at cost						-
Acquisition cost per 31 December	31 087 354	131 263 598	117 484 724	331 848 247	429 461 301	1 041 145 224
Depreciation						
Opening balance 1 January	3 477 726	110 212 865	55 816 031	68 669 557	-	238 176 179
Amortization during the year	1 337 638	8 228 443	20 049 457	25 068 965		54 684 504
Total depreciation per 31 Dec.	4 815 365	118 441 308	75 865 488	93 738 522	-	292 860 683
Exchange differences	225 991	643 938		4 839 085	6 160 002	11 869 017
Book value per 31 December	**26 497 980**	**13 466 228**	**41 619 236**	**242 948 810**	**435 621 303**	**760 153 558**
Useful life (in years)	10/30	3	3	13	0	
Amortization schedule	Straight line	Straight line	Straight line	Straight line	None	

2022	Trade name	Aquired devel-oped technol-ogy	Self-developed technology	Customer relations	Goodwill	Total
Cost						
Costs at 1 January	30 900 000	119 000 000	79 440 324	328 000 000	424 906 555	982 246 879
Additions during the year			21 731 901			21 731 901
Additions at purchase date						0
Disposals at cost						0
Acquisition cost per 31 December	**30 900 000**	**119 000 000**	**101 172 225**	**328 000 000**	**424 906 555**	**1 003 978 780**
Depreciation						
Opening balance 1 January	2 167 481	70 967 983	31 427 602	43 966 012	-	148 529 078
Amortizaton during the year	1 294 416	38 947 268	24 388 429	24 492 382		89 122 496
Accumulated amortization disposals	15 829	297 614	-	211 162		524 605
Total depreciation per 31 Dec.	3 477 726	110 212 865	55 816 031	68 669 557	-	238 176 179
Exchange differences	187 354	856 948	856 948	3 848 247	4 554 746	10 304 243
Book value per 31 December	**27 609 627**	**9 644 083**	**46 213 142**	**263 178 690**	**429 461 301**	**776 106 844**
Useful life- years	30	3	3	13	0	
Amortization schedule	Straight line	Straight line	Straight line	Straight line	None	

Useful life is for technology calculated to 3 years due to the generally rapid rate of technology development. Internally-developed technology is related to booked amounts in the company accounts.

Development cost vs activation	2023	2022
Research and development costs	65 267 802	41 770 657
Capitalized costs	16 783 849	22 591 389
Capitalized percentage	25,7 %	54,1 %

Research and development expenses are the total of personell related expenses, consultancy expenses and other expenses related to research and development. The Group reports these figures in its internal reporting.

IMPAIRMENT TESTING

Goodwill and intangible assets in the consolidated financial position are mainly derived from excess value following the aquisitions of Duett AS in 2019 and Skyhost Aps in 2021. Recognized goodwill amounts to NOK 435,621,303 as of 31 December, 2023. Goodwill is tested for impairment prior to preparation of the annual accounts. The test is performed annually and when there are indications of impairment. There were no impairment indications during 2023.

The recoverable amount has been determined estimating their value in use and compared to the carrying amounts. The calculation has been based on management's best estimate. The discount rates are derived as the cost of capital for a similar business in the same business environment.

The annual impairment test of goodwill is performed at operating segment level, as goodwill, profitability and operational performance are being monitored at this level. Currently, the Group's assesment is that it has only one operating segment. The subsidiaries Duett AS and Skyhost ApS are initially regarded as individual cash-generating units (CGU). However, goodwill cannot be allocated on a non-arbitrary basis to individual CGUs within the operating segment. This is primarily because of the expected significant synergies that formed part of the basis for the acquisition of Skyhost ApS. If goodwill could have been allocated, or is subsequently reallocated to the individual CGUs, this may affect the impairment tests of goodwill. There were no impairment indications during 2023 for neither goodwill or intangible assets.

CASH FLOW PROJECTIONS AND ASSUMPTIONS

The budget for 2024 and a forecast for the following four years plus a terminal value was used to determine net present value. Discounted cash flows were calculated after tax, using WACC (Weighted Average Cost of Capital). Risk associated with cash flows is taken into account in the WACC. Estimated cash flows covering the period 2024-2028 consists of assumptions for 2024 and beyond, see below for details. The cash flow projections have been extrapolated based on expected growth rates based on historical experiences and future expectations.

KEY ASSUMPTIONS FOR THE VALUE IN USE CALCULATIONS

Risk free interest rate	3,4%
Risk premium	8.0%
Equity Beta	1
Tax rate	22%
WACC	11,4%

FORECAST ASSUMPTIONS

The cashflow projections is based on the following key assumptions:

- The growth rate used to extrapolate cash flow projections beyond the period covered by the most recent budgets and forecasts of 2%
- A growth rate from total revenue of 17,7% per year for the forecast period which is in line with the historical growth rate
- A margin of 20% that is in line with historical margins

We do not see that there is a reasonably possible change in a key assumption on which management has based its determination of the group's recoverable amount, which would lead to the group's book value exceeding the recoverable amount.

NOTE 13

Cost of materials, software and licenses

	2023	2022
Software and licenses	92 903 476	68 363 010
Hardware for sale	5 812 384	4 925 625
Other costs	52 606	1 431 631
Total cost of materials, software and licenses	**98 768 466**	**74 720 266**

NOTE 14

Cash, cash equivalent and credit facility

	31 December 2023	31 December 2022	31 December 2021
Bank deposits	39 018 911	58 844 134	73 048 920
Total cash and deposits	**39 018 911**	**58 844 134**	**73 048 920**
Credit facility	0	0	0
Limit credit facility	35 000 000	35 000 000	35 000 000
Total available liquidity	**74 018 911**	**93 844 134**	**108 048 920**

The group has a credit facility of NOK 35 million.

NOTE 15

Accounts receivables

	31 December 2023	31 December 2022	31 December 2021
Accounts receivables	21 550 723	15 300 141	16 010 222
Provision for bad debt	1 018 982	839 361	805 482
Total accounts receivables	**20 531 741**	**14 460 781**	**15 204 740**

Trade receivables - ageing	31 December 2023	31 December 2022	31 December 2021
Not due	15 456 807	12 879 185	7 729 878
1–30 days past due	3 866 068	733 778	7 737 134
31–60 days past due	739 931	409 149	124 458
61–90 days past due	609 361	242 979	34 078
More than 90 days past due	878 557	1 035 051	384 674
Total trade receivables	**21 550 723**	**15 300 141**	**16 010 222**

Trade receivables denominated in currency	31 December 2023	31 December 2022	31 December 2021
NOK	12 526 970	10 021 302	10 751 078
DKK	9 023 753	5 278 839	5 259 144
Total trade receivables	**21 550 723**	**15 300 141**	**16 010 222**

NOTE 16

Other receivables and prepayments

	Non-current receivables			Current receivables		
	31 December 2023	31 December 2022	31 December 2021	31 December 2023	31 December 2022	31 December 2021
Prepaid expenses	0	0	0	14 818 331	7 349 090	4 971 396
Other receivables	0	0	0	2 919 053	1 286 691	297 336
Total other receivables and prepayments	**0**	**0**	**0**	**17 737 384**	**8 635 781**	**5 268 732**

The current prepaid expenses is accrual of costs related to normal business.

NOTE 17

Loans

	Non-current receivables			Current receivables		
Interest-bearing liabilities	31 December 2023	31 December 2022	31 December 2021	31 December 2023	31 December 2022	31 December 2021
Credit facility	0	0	0	0	0	0
Borrowings from credit institutions	0	0	0	0	0	0
Bond	493 722 702	490 998 806	488 560 062	0	0	0
Total borrowings	**493 722 702**	**490 998 806**	**488 560 062**	**0**	**0**	**0**

	31 December 2023		31 December 2022		31 December 2021	
Interest-bearing liabilities	Currency amount	NOK amount	Currency amount	NOK amount	Currency amount	NOK amount
NOK	493 722 702	493 722 702	490 998 806	490 998 806	488 560 062	488 560 062
Total borrowings	**493 722 702**	**493 722 702**	**490 998 806**	**490 998 806**	**488 560 062**	**488 560 062**

Debt	Type	Currency	Facility limit	Interest rate	Year of maturity
Bond holders	Bond	NOK	1 500 000 000	Nibor+ 5%	2026
Sparebank 1 Østlandet	Revolving redit facility	NOK	35 000 000	7,20%	

In April 2021 the group refinanced the long-term debt by issuing a bond with a nominal value of NOK 500 million. The difference between nominal value and booked value is related to costs for establishing the bond. There is no mandatory repayment of nominal value before maturity date. The non-current financing from Sparebank 1 Østlandet was repaid by NOK 340 million as part of this process.

The Issuer has resolved to issue a series of Bonds up to the Maximum Issue Amount of NOK 1,500,000,000.

The Bonds may be issued on different issue dates and the Initial Bond Issue was in the amount of NOK 500,000,000. The Issuer may on one or more occasions issue Additional Bonds until the Nominal Amount of all Additional Bonds equal in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue. It is a prerequisite that the conditions in the incurrence test are met.

The bond is listed on the Oslo Stock Exchange and as of 31.12.2023 has a market value per bond of NOK 97,25 compared to the nominal value of NOK 100.

PAYMENT OF INTEREST

The interest cost for the bond is paid quarterly in the first half of the first month in the quarter. Therefore, there is accrued interest cost in the statement of financial position.

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VOLUNTARY EARLY REDEMPTION - CALL OPTION

(a) The Issuer may redeem all or some of the Outstanding Bonds (the "Call Option") on any Business Day from and including:

(i) the Issue Date to, but excluding, the First Call Date (24 months after the issue date) at a price equal to the Make Whole Amount;

(ii) the First Call Date to, but excluding, the Interest Payment Date in October 2023 at a price equal to 103.24 of the Nominal Amount (the "First Call Price") of the redeemed Bonds;

(iii) the Interest Payment Date in October 2023 to, but excluding, the Interest Payment Date in April 2024 at a price equal to 102.70 percent of the Nominal Amount of the redeemed Bonds;

(iv) the Interest Payment Date in April 2024 to, but excluding, the Interest Payment Date in October 2024 at a price equal to 102.16 percent of the Nominal Amount of the redeemed Bonds;

(v) the Interest Payment Date in October 2024 to, but excluding, the Interest Payment Date in April 2025 at a price equal to 101.62 percent of the Nominal Amount of the redeemed Bonds;

(vi) the Interest Payment Date in April 2025 to, but excluding, the Interest Payment Date in October 2025 at a price equal to 101.08 percent of the Nominal Amount of the redeemed Bonds;

(vii) the Interest Payment Date in October 2025 to, but excluding, the Interest Payment Date in January 2026 at a price equal to 100.54 percent of the Nominal Amount of the redeemed Bonds; and

(viii) the Interest Payment Date in January 2026 to, but excluding, the Maturity Date at a price equal to 100.00 percent of the Nominal Amount of the redeemed Bonds.

The call option is an embedded derivative, evaluated to have a fair value that approximates zero.

FINANCIAL UNDERTAKINGS (COVENANTS)

There is no compliance covenants.

INCURRENCE TEST

The Incurrence Test is met if the Leverage Ratio (Debt/EBITDA) is equal to or lower than:

(a) 5.50, from and including the Issue Date to, but excluding, 12 April 2023;

(b) 5.00, from and including 12 April 2023 to, but excluding, 12 April 2024; and

(c) 4.50, from and including 12 April 2024 to, but excluding, the Maturity Date,

This test is carried out every quarter and for any extension of the bond. The incurrence test shows a value of 7,3 as of 31.12.2023. This test is only relevant for extension of the bond and is not a compliance covenant forthe existing bond.The test is based on consolidated figures for Duett Software Group AS.

SECURITY AND GUARANTEES

As Security for the due and punctual fulfilment of the Secured Obligations the following security is provided:

* all the shares in Duett Software Group AS
* all the shares owned by a Group Company
* trade receivables of each group Company
* any intercompany loan made to any Group Company
* any subordinated Loan, and
* guarantees from each group Company, which shall constitute senior obligations of such Material Group Company

NOTE 18

Other current liabilities

	2023	2022
Accrued wages and holiday pay	13 838 174	9 341 169
Accrued interest costs	10 714 286	8 947 852
Other accruals	9 423 469	4 637 632
Total other current liabilities	33 975 929	22 926 653

NOTE 19

Share capital

Share capital	Number of shares	Nominal price per share	Total nominal amount
31 December 2021	34 932	100	3 493 200
31 December 2022	34 932	100	3 493 200
31 December 2023	**34 932**	**100**	**3 493 200**

The shareholders of Duo Bidco AS	Number of shares	Company affiliation	Ownership
Duo Holdings AS	34 932	Holding company	100 %

All shares issued are fully paid and there is no restrictions related to the shares.

NOTE 20

Related parties

Related parties for Duett Software group are shareholders (note 19), subsidiaries (note 1) and CEO and board members (note 6). Intercompany balances and transactions between consolidated companies are eliminated in consolidated figures and are not included in this disclosure. There have been no transactions or balances between related parties in 2023 or 2022 except remuneration as described in note 6.

NOTE 21

Risk management

Credit risk		
Loss on receivables are recognized as displayed below;	**2023**	**2022**
Loss on trade receivables	161 713	121 322

The loss above is the actual loss on trade receivables and is not related to provision for loss.

FOREIGN CURRENCY RISK

The group has historically had their revenues in one currency. After the aquisition of Skyhost in April 2021 there is also revenues in DKK, but Duett and Skyhost have revenues from their domestic market and in local currency. The foreign currency risk the group is left with is the currency effects on consolidation.

CREDIT RISK

Historically the credit loss has been very low for the group, ref above. We do not consider the credit risk to be material now or in the near future. See note 15 for more details for accounts receivables.

INTEREST RATE RISK

The interest rate on the bond financing is NIBOR plus 5%. The risk for the group is the variation in NIBOR. The effect for the group will, with a change in NIBOR of 1%, be 5 mnok on a yearly basis.

LIQUIDITY RISK

The group had an available liquidity of NOK 74,018,911 per January 1, 2024. We do not consider the liquidity risk to be material now or in the near future. The nominal value of the bond of NOK 500 million has a maturity date in April 2026. There are no repayment prior to the maturity date. The interest for the bond is paid quarterly. See note 17 for more details about the bond. more details for the bond.

Maturity analysis for financial liabilities	**less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**
Interest bond	48 550 000	48 550 000	13 567 397		
Repayment bond			500 000 000		0
Lease	9 784 631	4 938 257	3 306 983	2 530 276	1 037 917
Accounts payables	25 086 552				
VAT and other public taxes	13 106 410				
Tax payable	1 760 420				
Other current liabilities	33 975 929				
Total financial liabilities	**132 263 942**	**53 488 257**	**516 874 380**	**2 530 276**	**1 037 917**

NOTE 22

Subsequent events

After the reporting period ended on 31 December 2023 and up to the date these consolidated financial statements have been approved for issue, no events have been identified that require disclosure.

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To the General Meeting of Duett Software Group AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Duett Software Group AS, which comprise:

- the financial statements of the parent company Duett Software Group AS (the Company), which comprise the "Balanse" as at 31 December 2023, the "Resultatregnskap" and "Indirekte Kontantstrøm" for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- the consolidated financial statements of Duett Software Group AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit and loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cashflows for the year then ended, and notes to the financial statements, including material accounting policy information.

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 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and

- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Board of Directors.

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 relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including

International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 4 years from the election by the general meeting of the shareholders on 31 August 2020 for the accounting year 2020.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Identification of indicators and Impairment of Intangible assets and Goodwill

Reference is made to Note 2.10 Intangible assets and goodwill, Note 4 Critical accounting estimates and judgements in terms of accounting policies Note 12 Intangible assets

The Key Audit Matter	How the matter was addressed in our audit
The group has recognized NOK 436 million in Goodwill and NOK 325 million in intangible assets as of 31st December 2023. Out of the NOK 325 million in intangible assets, NOK 42 million is self-developed technology recognized based on an assumption of future economic benefit. The remaining NOK 283 million of intangible assets are previously acquired through business combinations. The intangible assets are amortized based on their useful life and are subject of impairment test to the extent an indication of impairment has been identified. The identification process is important to ensure intangible assets are reflected appropriately. The process includes elements of judgement and consideration of internal and external factors. Goodwill of NOK 435 million are recognized from previous transactions. Goodwill is not amortized in accordance with IAS 36, but subject of an annual impairment test. The group has performed a value in use calculation to determine the recoverable amount. This is based on the most recent budget and a future growth assumption, discounted with the Group WACC. Performance of annual impairment test of Goodwill consist of several judgements and are highly dependent on managements assumptions. The judgements described in the preceding paragraphs combined with the material amounts involved makes the identification of impairment triggers and value in use testing of Goodwill a Key Audit Matter.	Our procedures include among other • Made inquiries of management regarding the indicators they assess as possible impairment for relevant assets. • Evaluated management's indicator assessment on the basis of our knowledge of the business and other audit evidence during the audit. • Evaluated the valuation techniques, assumptions and data used by management in estimating the value in use. • Evaluated the appropriateness and likelihood of the sensitivities and their impact on the overall estimated value in use and assessed whether additional sensitivity analysis would have been appropriate. • Evaluated whether judgements and decisions made by management when estimating value in use are indicators of possible management bias. • Evaluated the completeness, accuracy and relevance of disclosures required by IAS 36.

Other Information

The Board of Directors and the CEO (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. 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 nor the other information accompanying the financial statements.

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Duett Software Group AS, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 9845007554C7945DAC83-2023-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF

regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Hamar, 25 April 2024

KPMG AS

Stein Erik Lund
State Authorised Public Accountant
(This document is signed electronically)

"By my signature I confirm all dates and content in this document."

Lund, Stein Erik
Statsautorisert revisor
On behalf of: KPMG AS
Serial number: no_bankid:9578-5993-4-1583118
IP: 80.232.xxx.xxx
2024-04-25 10:36:41 UTC

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Duett