



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: VIEW LEDGER AS
Dato for fastsettelse av årsregnskapet: 23.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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

Brønnøysundregistrene, 22.03.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenue	2, 3	91 200 624	78 910 659
Other income	4	3 734 384	3 504 420
Sum inntekter		94 935 008	82 415 079
Kostnader			
Cost of sales	3, 5	28 848 877	16 477 722
Personnel costs	6	38 713 164	30 606 165
Depreciation and amortisation expenses	7, 8, 9	24 581 047	21 343 142
Other expenses	10	32 836 875	21 373 829
Sum kostnader		124 979 963	89 800 859
Driftsresultat		-30 044 955	-7 385 779
Finansinntekter og finanskostnader			
Income from subsidiaries		86 525	
Annen renteinntekt	3	10 477 886	221
Other financial income		10 818 261	1 954 718
Sum finansinntekter		21 382 672	1 954 938
Annen rentekostnad	11	10 722 588	1 055 345
Other financial expenses		80 665	42 848
Sum finanskostnader		10 803 253	1 098 193
Netto finans		10 579 419	856 746
Ordinært resultat før skattekostnad		-19 465 536	-6 529 034
Tax on ordinary result	12	-5 098 622	-2 283 749
Ordinært resultat etter skattekostnad		-14 366 914	-4 245 285
Årsresultat		-14 366 914	-4 245 285
Årsresultat etter minoritetsinteresser		-14 366 914	-4 245 285
Totalresultat		-14 366 914	-4 245 285



Resultatregnskap

Beløp i: NOK	Note	2022	2021
Overføringer og disponeringer			
Transferred from other equity	13	-14 366 914	-4 245 285
Sum overføringer og disponeringer		-14 366 914	-4 245 285



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Development	7	59 894 845	72 945 103
Utsatt skattefordel	12	7 301 041	2 679 009
Sum immaterielle eiendeler		67 195 886	75 624 113
Varige driftsmidler			
Property, Plant and Equipment	8, 9	7 782 561	9 635 612
Sum varige driftsmidler		7 782 561	9 635 612
Finansielle anleggsmidler			
Investering i datterselskap	14	11 389 277	10 603 097
Lån til foretak i samme konsern	15	134 337 058	24 251 727
Other long-term receivables			
Sum finansielle anleggsmidler		145 726 335	34 854 824
Sum anleggsmidler		220 704 782	120 114 548
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables	15, 16	45 800 504	18 602 766
Other short-term receivables	4	6 311 099	6 548 002
Sum fordringer		52 111 603	25 150 768
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	17	7 236 422	115 160 766
Sum bankinnskudd, kontanter og lignende		7 236 422	115 160 766
Sum omløpsmidler		59 348 025	140 311 534
SUM EIENDELER		280 052 807	260 426 082



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	18	2 090 040	2 217 590
Overkurs		15 572 816	43 476 245
Annen innskutt egenkapital		1 761 932	1 344 895
Sum innskutt egenkapital		19 424 788	47 038 730
Opptjent egenkapital			
Other equity			13 121 435
Sum opptjent egenkapital			13 121 435
Sum egenkapital	13	19 424 788	60 160 165
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Deferred government grants	4	11 641 256	11 155 617
Lease liabilities	9	6 666 264	8 349 149
Liabilities to financial institutions	11	109 914 726	109 572 925
Sum annen langsiktig gjeld		128 222 246	129 077 692
Sum langsiktig gjeld		128 222 246	129 077 692
Kortsiktig gjeld			
Leverandørgjeld	19	58 300 114	42 722 760
Public duties payable		13 052 724	5 393 651
Other current liabilities	15, 20	61 052 935	23 071 815
Sum kortsiktig gjeld		132 405 773	71 188 226
Sum gjeld		393 033 792	271 454 143
SUM EGENKAPITAL OG GJELD		280 052 807	260 426 082



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 544948

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Bekreftet av representant for selskapet: VIEW LEDGER AS
Dato for fastsettelse av årsregnskapet: 23.06.2023

Revisjon

Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet: Ja

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Brønnøysundregistrene, 04.07.2023



Organisasjonsnr: 982 339 243
XAIT AS

RESULTATREGNSKAP

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BALANSE

Beløp i: NOK Note 2022 2021

BALANSE - EIENDELER

Anleggsmidler

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Omløpsmidler

Varer

Fordringer

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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

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XAIT AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
2

Antall årsverk i regnskapsåret
35.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Xait AS Board of Directors Report 2022

About Xait AS

Xait was founded in 2000 and is a global software technology company providing enterprise customers with software for document co-authoring, automation, collaboration, and intelligent pricing. Xait's mission is to help their clients win business by supporting their sales enablement efforts from quote to contract. Xait AS is headquartered in Stavanger, Norway and has personnel in the UK, the US and France. We also have hired R&D resources in Cyprus and India.

In Xait we say that we help companies win more business. We have many different, but complementary, software systems in the "Sales enablement" space as listed below:

- **XaitPorter** is our optimal tool for the creation of the most complex bids and proposals.
- **XaitCPQ** helps companies build and price complex combinations of products and services.
- **XaitProposal** is a guided proposal creation tool that allows you to create quick and easy proposals.
- **XaitRFI** is a software that allows for an easy and convenient response of RFIs, RFPs, etc.
- **XaitWebProposal** guides you through the creation of custom mini-websites for your proposals.

In addition to our main products, we have several modules and features, such as the newly released **XaitAI** that assists companies with analyzing text and suggesting relevant content for more rapid and accurate proposal responses.

Xait AS is the operational company owned by the holding company Xait Holding AS. All subsidiaries of the group are owned and operated 100% by Xait AS.

Financial highlights of 2022

Total revenue in Xait AS was NOK 95 million in 2022, up from NOK 82 million the year before. This 15% growth is for the most part attributed to growth in license revenue/ARR. EBIT is down from NOK -7.4 million in 2021 to -30 million in 2022. There are multiple reasons for this negative trend, among others; 1) increased investments in growth initiatives, 2) significant one-off costs related to M&A activities and 3) an updated transfer pricing policy. In the updated transfer pricing policy, Xait AS will consume all losses in international subsidiaries, and vice versa, assume all future super profits in the same subsidiaries.

Xait AS had a lot of cash on the balance sheet at the end of December 2021. This was the Ture loan meant to pay for the Jack In The Box acquisition that closed January 2022. Now that the acquisition is complete, this has become an intra group loan as the acquisition was made by Xait France SAS. The financing for this transaction came from Xait AS. The interest rates on this loan reflects 1:1 what Xait AS is paying Ture.

The market is getting gradually more open to use alternative digital tools to make their sales processes more effective. It is difficult to make accurate financial projections, but we expect growth across all products and regions in 2023 also. As we saw during the pandemic, Xait can be affected by macro-economic trends and events. The long-term effects from the war in Ukraine and other current macro uncertainties, such as the weak Norwegian Krone and high inflation, could potentially also affect the growth rate and/or profitability in Xait.

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post@xait.com, www.xait.com, Org. no. 982339243



Going concern

The board of directors are satisfied with the developments throughout 2022 and views the future potential of the company as very attractive. The basis for going concern exists and the annual accounts for 2022 have been prepared based on this assumption.

Research and development activities

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

Recently, we launched our new XaitAI module. XaitAI is a closed-system AI trained to understand, suggest and assess based on your business data. With the use of XaitAI we want to make the process of understanding and writing complex bids and proposals even more effective than it is today.

Financial risks

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

Currency risk - Xait is exposed to foreign exchange rate fluctuations as many of our contracts are in USD, EUR and GBP. Most clients pay for our software services 12 months forward. Upon renewal, if there have been major fluctuations in the exchange rates, this could potentially affect the financial results of Xait. We do also have costs in the various currencies and consider this natural hedge to be sufficient for Xait for the time being. As before mentioned, the Norwegian Krone has over the last few months seen a significant drop in value. If the value of the Krone continues in this way, it will have an impact on the profit & loss statement of Xait.

Interest rate risk - Xait is exposed to interest rate risk. The Ture SEK loan is affected by changes in the financial benchmark STIBOR. Interest rates globally have gone up a lot throughout 2022, and so has STIBOR. Xait is financially equipped to handle these changes, but remain vigilant in case the interest rate spike continues.

Liquidity risk - Xait is exposed to liquidity risk. This can be short term due to major changes in working capital, or long term if Xait was to suffer big losses in ARR. As the company is in a growth phase, we invest heavily in growth related costs that will pay off over a period in the future. If we must preserve cash/liquidity, one option is to cut spending in such growth-related costs and investments. As the company becomes rule of 40 compliant, i.e. more profitable, the liquidity risk will become less of a concern.

Financial risk - Xait is exposed to financial risk. However, no substantial changes in the valuation of assets are expected to occur because of the existing market conditions. Despite some market uncertainties, Xait has a healthy growth, internationally as well as in Norway.

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

Work environment

The work environment is very good. We do employee surveys every second month, and the results are very

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post@xait.com, www.xait.com, Org. no. 982339243



strong. As of December 2022, the employee satisfaction rate in the Xait Group was 3.9 out of 5.0. No similar statistics exist on Xait AS explicitly, but is assumed to be quite similar. We will continue to monitor the development to ensure that appropriate actions are taken. No serious injuries occurred in 2022. In 2022, the sick leave in the Xait AS was 2.9%.

Equal opportunities

Our employees consist of both men and women from a broad range of different nationalities. Xait AS employees are 18% female, the Board of Directors consists of 2 men. The management team consists of 6 men and 2 women. Though we consider our gender balance in the Xait Group to be adequate (32% female), we do always strive to better the gender balance on the team, also in Xait AS. For the current year, Xait is planning a study mapping out any potential differences in salaries and other benefits between men and female. The results from this study will be made public in an anonymous format on our website and/or the Board of Directors report for 2023.

Environmental report

Xait is committed to respecting human rights and labor rights standards, preserve the climate and the environment, combat corruption and uphold good governance standards. This applies to the development of the Company's products and services, consulting and sales, as well as investment decisions. The same requirements apply to the Company's suppliers.

Our purpose at Xait is to create a more sustainable society by supporting our clients in digitalizing their operations, thereby improving energy efficiency, innovation, profitability and reducing the environmental footprint.

In 2022, Xait established an ESG sustainability policy approved by the board in Xait AS. Information about this policy and future ESG reports is published on the Xait website.

Transparency Act

Employees of the company and business partners must comply with the requirements set out in the Transparency Act, and thus work to govern the supply chain according to decent working conditions and human rights. Our guidelines on the Transparency Act will be published on our website by June 30, 2023.

Board responsibility

Xait has a Directors and Officers insurance.

Eirik Gudmundsen - Daglig leder Date of signature: 23.06.2023

Frank Skavland - Økonomisjef Date of signature: 23.06.2023



Skatteetaten

Vår dato
07.12.2021

Din/Deres dato
18.11.2021

Saksbehandler
Lars Waalorp

800 80 000
Skatteetaten.no

Din/Deres referanse
AR455683995

Telefon
90833418

Org.nr
974761076

Vår referanse
2021/6579535

Postadresse
Postboks 9200 Grønland
0134 OSLO

XAIT AS
Kanalsletta 4
4033 STAVANGER

Att. Frank Skavland

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

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

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

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

Bakgrunn

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

Skattekontorets vurdering

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

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

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



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

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

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

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



To the General Meeting of Xait AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Xait AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, 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.

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 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.

Other Information

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

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

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

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

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



Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Stavanger, 23 June 2023
PricewaterhouseCoopers AS

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



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Heggelund, Roy Henrik	BANKID	2023-06-23 13:49

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Income Statement

Xait AS

Operating income and operating expenses	Note	2022	2021
Revenue	2, 3	91 200 624	78 910 659
Other income	4	3 734 384	3 504 420
Total income		94 935 008	82 415 079
Cost of sales	3, 5	28 848 877	16 477 722
Personnel costs	6	38 713 164	30 606 165
Depreciation and amortisation expenses	7, 8, 9	24 581 047	21 343 142
Other expenses	10	32 836 875	21 373 829
Total expenses		124 979 963	89 800 859
Operating profit/ (-loss)		-30 044 955	-7 385 779
Financial income and expenses			
Income from subsidiaries		86 525	0
Other interest income	3	10 477 886	221
Other financial income		10 818 261	1 954 718
Other interest expenses	11	10 722 588	1 055 345
Other financial expenses		80 665	42 848
Net financial items		10 579 419	856 746
Net profit/ (-loss) before tax		-19 465 536	-6 529 034
Tax on ordinary result	12	-5 098 622	-2 283 749
Net profit/ (-loss) after tax		-14 366 914	-4 245 285
Net profit/ (-loss)		-14 366 914	-4 245 285
Attributable to			
Transferred from other equity	13	14 366 914	4 245 285
Total		-14 366 914	-4 245 285



Balance sheet

Xait AS

Assets	Note	2022	2021
Non-current assets			
Intangible assets			
Development	7	59 894 845	72 945 103
Deferred tax assets	12	<u>7 301 041</u>	<u>2 679 009</u>
Total intangible assets		67 195 886	75 624 113
Property, plant and equipment			
Property, Plant and Equipment	8, 9	<u>7 782 561</u>	<u>9 635 612</u>
Total property, plant and equipment		7 782 561	9 635 612
Non-current financial assets			
Investments in subsidiaries	14	11 389 277	10 603 097
Loan to group companies	15	<u>134 337 058</u>	<u>24 251 727</u>
Total non-current financial assets		145 726 335	34 854 824
Total non-current assets		220 704 782	120 114 548
Current assets			
Debtors			
Accounts receivables	15, 16	45 800 504	18 602 766
Other short-term receivables	4	<u>6 311 099</u>	<u>6 548 002</u>
Total receivables		52 111 603	25 150 768
Cash and cash equivalents	17	7 236 422	115 160 766
Total current assets		59 348 025	140 311 534
Total assets		280 052 807	260 426 082



Balance sheet

Xait AS

Equity and liabilities	Note	2022	2021
Paid-in capital			
Share capital	18	2 090 040	2 217 590
Share premium		15 572 816	43 476 245
Other paid-up equity		1 761 932	1 344 895
Total paid-up equity		19 424 788	47 038 730
Retained earnings			
Other equity		0	13 121 435
Total retained earnings		0	13 121 435
Total equity	13	19 424 788	60 160 165
Liabilities			
Other non-current liabilities			
Deferred government grants	4	11 641 256	11 155 617
Lease liabilities	9	6 666 264	8 349 149
Liabilities to financial institutions	11	109 914 726	109 572 925
Total non-current liabilities		128 222 246	129 077 692
Total long term debt		128 222 246	129 077 692
Current liabilities			
Trade payables		6 173 683	4 795 608
Advance payments from customers	19	52 126 431	37 927 152
Public duties payable		13 052 724	5 393 651
Other current liabilities	15, 20	61 052 935	23 071 815
Total current liabilities		132 405 773	71 188 226
Total liabilities		260 628 019	200 265 917
Total equity and liabilities		280 052 807	260 426 082

Stavanger, 23.06.2023

The board of Xait AS

Erik Gudmundsen

Chairman of the board/ General Manager

Frank Skavland

Member of the board



Xait AS Cash flow statement

	Note	2022	2021
Profit or loss before tax		-19 465 536	-6 529 034
The taxes paid for the period	12	0	-4 570 913
Depreciation and amortization		24 581 047	21 343 142
Difference between expensed and paid interest	11	-6 091 132	0
Changes to accounts receivable		-6 830 732	1 562 016
Changes to accounts payable		-1 966 279	2 254 676
Changes to other accruals and other receivables, including non-cash fx effects		11 204 745	17 434 575
Net cash flow from operational activities		1 432 113	31 494 462
Purchase of tangible and intangible assets	7,8	-16 747 825	-31 730 354
Investments in subsidiaries	14	-786 180	-1 101 669
Loan to group companies	11	-101 551 201	0
Net cash flow from investments activities		-119 085 206	-32 832 023
Proceeds from long term liabilities		0	112 067 529
Transaction fee long term liabilities	11	-743 514	-2 494 603
Payment of lease liabilities	9	-1 652 265	-469 239
Paid intercompany debt	15	12 124 528	-5 319 183
Proceeds from equity		0	3 800 720
Net cash flow from financing activities		9 728 749	107 585 224
Net changes to cash in hand		-107 924 344	106 247 663
Cash in hand at the beginning of the period		115 160 766	8 913 103
Cash in hand at the end of the period		7 236 422	115 160 766



Note 1 – General accounting policies

Basis for preparation

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

Xait AS with subsidiaries is a fully owned subsidiary of Xait Holding AS. Thus, the entity has an exemption from the requirement to prepare consolidated financial statements and reference is made to the annual report of Xait Holding AS. The consolidated financial statements for Xait Holding AS can be obtained via the company address Kanalsletta 4, 4033 Stavanger.

The company's functional currency is NOK. Thus, all amounts are presented in NOK, unless otherwise clearly stated.

Use of estimates

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

Foreign currency translation

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

Balance sheet classification

Current assets and short-term liabilities consist of receivables and payables due within one year. Other balance sheet items are classified as fixed assets/long-term liabilities. Unless otherwise stated, long-term liabilities also include next year's installments. Current assets are valued at the lower of cost and fair value. Short-term liabilities are recognised at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Long-term liabilities are recognised at nominal value.

Cash flow statement

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



Note 2 – Revenues

Significant accounting policies

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

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

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

Xait's primary revenue source is Software as a Service revenue ("SaaS") coming from its software products XaitPorter and XaitCPQ. Service revenue is primarily related to training, software configuration and template work performed for the Xait SaaS clients.

Sales split by segment	2022	2021
SaaS	74 263 770	71 930 974
Consulting	1 100 524	191 371
aPaaS	1 518 705	2 284 050
Internal invoicing	14 317 625	4 006 032
Other	0	498 232
Sum	91 200 624	78 910 659

Sales by country (amounts in thousand NOK)	2022	2021
Norway	30 308	31 181
United States	31 664	17 939
France	5 456	7 028
United Kingdom	8 964	8 958
Switzerland	3 647	3 687
United Arab Emirates	3 010	3 237
Netherlands	2 290	1 807
Iraq	1 729	1 493
Austria	1 416	1 416
Others	2 716	2 164
Sum	91 200	78 910



Note 3 – Transactions with subsidiaries

Significant accounting policies

The transactions with subsidiaries relates to transfer pricing invoicing and loans. Cost of sales breaks down to licenses, margins and expenses that have been reinvoiced from subsidiaries. Arm's length pricing is applied for all transactions.

Sales	2022	2021
Xait Ltd	3 079 917	4 117 676
Xait Inc	11 237 708	9 578 825
Sum	14 317 625	13 696 501

Cost of sales and other expenses	2022	2021
Xait Ltd	8 993 501	7 680 024
Xait Inc	18 321 001	8 789 249
XaitCPQ AS	1 534 375	0
Sum	28 848 877	16 469 273

Other interest income	2022	2021
Xait Holding France SAS	10 410 553	0
Sum	10 412 575	0

Note 4 – Government grants

Significant accounting policies

Xait AS has received government grants for their research and development activities in 2022. The company has received grants related to SkatteFUNN and Research Council of Norway ("Norsk Forskningsråd"). Xait AS has applied the gross method for accounting. Government grants are recognized as other revenue in the income statement in line with the amortisation of the connected intangible assets. Intangible assets are amortized over a period of 5 years. Earned grants not recognised are presented as deferred government grants. The difference between earned grants and received payout of grants is presented as short-term receivables. As of 31.12.2022 there was short term receivable related to government grants of NOK 2 030 286. Deferred government grants as of 31.12.2022 are as follows:

Deferred government grants	2022	2021
SkatteFUNN	6 197 443	6 382 285
Norges Forskningsråd	5 443 813	4 773 333
Sum	11 641 256	11 155 618

Project 1: Maskinlæring 100.20

Using AI in the proposal process to increase the efficiency of writing and managing the documents.

Project 2: Applikasjonsplattform 100.10.17

Intelligent automation of software services across cloud platforms: Develop a leading set of standardised infrastructure automations and application orchestrations with autonomy in scaling, self-healing, disaster tolerance and with support for modern machine learning workloads, to be applied across private and public cloud deployments.



Research Council of Norway project

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

Note 5 – Cost of sales

	2022	2021
Cost of sales	28 848 877	16 477 722
Sum	28 848 877	16 477 722

Cost of sales is related to transfer pricing adjustments of internal transactions between Xait AS, Xait Inc. and Xait Ltd. The following transactions are within the scope of transfer pricing adjustments: distribution of products, sales and marketing, R&D services, consultancy services and IP licenses. An updated framework with specific margins used to support arm-length principle of internal transactions, was implemented in 2022.

Note 6 – Personnel costs

Wages	2022	2021
Wages	36 174 896	31 685 693
Social security costs	5 701 337	4 483 080
Defined contribution schemes (Pension)	1 784 982	1 898 713
Capitalized wage costs	-8 083 172	-11 087 553
Other benefits	3 135 121	3 626 232
Sum	38 713 164	30 606 165

Average numbers of employees	34,5	34
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Compensation of key management personell	Salary	Other remuneration
Managing Director	1 575 000	1 870 000
Board of Directors	0	0

Pension

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



Employee option plan

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

Options are accounted for at the time an employee is granted an option from the employer. The option is expensed as salary with an amount corresponding to fair value over the vesting period. The options have settlement in shares, and is booked as change in other paid-in equity. The fair value of options granted is recognised as a personell expense, with a corresponding increase in equity over the vesting period. The assessed fair value at grant date of options is independently determined using an adjusted form of the Black-Scholes model, that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the risk-free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

Fair value employee options	
Fair value per option at grant date	94
Number of options	17 749
Total fair value per option at grant date	1 668 147
Fair value of options at grant date as of 01.01.2022	1 251 110
Value 2022	417 037
Value of options at grant date as of 31.12.2022	1 668 147

As of 31.12.2022 all option rights has been fully vested. No options has been exercised during 2022.

CEO Eirik Gudmundsen has an option agreement that entitles him 7 987 options that can be converted into 7 987 shares.



Note 7 – Intangible assets

Significant accounting policies

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

Specification of development assets	Development	Sum
Cost 01.01.	131 992 691	131 992 691
Additions	16 552 495	16 552 495
Disposals	-21 335 356	-21 335 356
Cost 31.12.	127 209 830	127 209 830
Accumulated depreciation 01.01.	-59 423 876	-59 423 876
Depreciation for the year	-22 143 389	-22 143 389
Disposals	14 252 280	14 252 280
Accumulated depreciation 31.12.	-67 314 985	-67 314 985
Carrying amount at 31.12.	59 894 845	59 894 845
	Linear	
	3-5 year	

Xait AS has in 2022 sold the IP rights related to CPQ to its subsidiary Xait CPQ. Price of IP right transferred is net booked amount, which represent fair value of the intangible asset.

Note 8 – Property, plant & equipment

Significant accounting policies

Property, plant and equipment are recognized in the statement of financial position at cost less accumulated depreciation and impairment losses. The cost price of such assets is the purchase price including expenses directly attributable to the purchase of the asset. Expenses incurred after the asset has been put into use, such as ongoing daily maintenance, are charged to the income statement in the period in which they were incurred, except for expenses expected to generate future economic benefits that are recognized as a part of the asset.

Specification of property, plant & equipment	Sum
Cost 01.01.	24 792 656
Additions	195 330
Disposals	-2 118 114
Cost 31.12.	22 869 872
Accumulated depreciation 01.01.	-15 157 043
Depreciation for the year	-2 048 382
Disposals	2 118 114
Accumulated depreciation 31.12.	-15 087 311
Carrying amount at 31.12.	7 782 561
Depreciation method	Linear
Depreciation period	5 years



Note 9 – Financial lease

Significant accounting policies

Leased assets are reflected in the balance sheet as assets if the leasing contract is considered a financial lease. Financial costs are calculated according to the present value method. The contractual obligation is recorded as a liability. Parts of the assets presented as property, plant and equipment above are financed through financial lease agreements. Below is a summary of the leasing agreements that is included in the overview over the intangible assets.

	Data equipment/ server equipment
Cost at 01.01.	8 721 486
Cost at 31.12.	8 721 486
Accumulated depreciation at 01.01	-290 716
Depreciation for the year	-1 776 295
Accumulated depreciation at 31.12	-2 067 011
Carrying amount at 31.12.	6 654 475
Depreciation method	Linear
Depreciation period	5 year

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

Remaining estimated payments for financial lease agreements	1 year	2-5 year	Total
Undiscounted lease liabilities	1 876 956	5 630 869	7 507 825
Discounted lease liabilities	1 523 824	5 138 440	6 662 264
Expenses related to lease agreement defined as operational:			Yearly expense
Office lease			1 423 708
Total			1 423 708

Note 10 – Auditor

Remuneration to the auditor	2022	2021
Audit fee	661 310	326 149
Fees for other assurance engagements	110 513	0
Sum	771 823	326 149

The Transaction department of PricewaterhouseCoopers AS of has invoiced 793 000 kr during 2021/2022 related to vendor due diligence services related to the Jack in the Box acquisition.



Note 11 – Borrowings

Significant accounting policies

Borrowings are classified as long-term liabilities to the extent that the Group has an unconditional right to defer the final settlement of the liability for at least twelve months after the reporting date. According to the loan agreement, there are no installments to be paid until 2026. Thus, next year's payments are not presented separately. An amount of 3,2mNOK of loan transaction costs are net against the withdrawn amount in the balance sheet and will be periodised through the loan period.

Covenants

In 2021 the Parent company signed a new loan frame agreement of up to SEK 750 million to finance the purchase of Jack in the Box in France. The Parent company has to meet the agreed ratio of total debt to pro forma annual recurring revenue (ARR) and hold a minimum liquidity to be compliant with the loan covenants. The company needs to hold 15mNOK available on a bank account, but can draw up to 10mNOK on their credit facilities. Both liquidity covenants need to be violated for there to be a violation of covenants. The collateral of the loan to Ture Invest AB is the shares of the subsidiaries to Xait AS.

	2022	2021
Debt to credit institutions	109 914 726	109 572 924
Sum	109 914 726	109 572 924

Changes from 2021 to 2022 are related to PIK interest, foreign exchange effects and additional transaction costs in 2022.



Note 12 – Income tax

Significant accounting policies

The income tax expense in the income statement includes the tax payable for the period and changes in deferred tax. Tax payable and deferred tax is calculated using tax rates and tax legislation that have been enacted at the end of the reporting period. Deferred tax is calculated on all temporary differences between tax base and amount recognised in the statement of financial position. In addition, deferred tax is also calculated on tax loss carryforward at the end of the reporting period.

Basis for recognition of deferred tax asset

Deferred tax is only recognised to the extent that it is probable that future taxable income will be generated against which it can be utilized. Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset them.

This year's tax expense	2022	2021
Changes in deferred tax assets	-4 622 032	-2 283 749
Changes in previous year tax periods	-476 590	-
Tax expense on ordinary profit/loss	-5 098 622	-2 283 749
Taxable income:		
Ordinary result before tax	-19 465 536	-6 529 034
Permanent differences	553 184	-2 295 973
Changes in temporary differences	2 056 244	310 035
Taxable income	-16 856 108	-8 514 972
Payable tax on this year's result	0	0
Total payable tax in the balance	0	0

Temporary differences	2022	2021	Difference
Tangible assets	470 436	-1 154 158	-1 624 594
Lease agreements brought to the balance	-11 789	49 573	61 362
Other temporary differences	-14 471 560	-10 852 010	3 619 550
Total	-14 012 913	-11 956 595	2 056 318
Accumulated loss to be brought forward	-25 371 081	-8 514 973	16 856 108
Not included in the deferred tax calculation	6 197 443	8 294 254	2 096 811
Basis for deferred tax assets	-33 186 551	-12 177 314	21 009 237
Deferred tax assets (22%)	-7 301 041	-2 679 009	4 622 032



Note 13 – Equity

Specification of equity

	Share capital	Share premium	Other paid up equity	Other equity	Total equity
As of 31.12.2021	2 217 590	43 476 245	1 344 895	13 121 434	60 160 164
Capital demerger	-127 550	-26 657 950	0	0	-26 785 500
Value of option	0	0	417 037	0	417 037
Reclassification	0	13 121 434	0	-13 121 434	0
Profit for period	0	-14 366 914	0	0	-14 366 914
As of 31.12.2022	2 090 040	15 572 816	1 761 932	0	19 424 788

The fair value of options granted under the Xait AS employee option plan is recognised as an employee benefits expense, with a corresponding increase in equity over the vesting period. See note 5 Personell costs.

Towards the end of 2021, Xait AS started a process to reorganise its ownership structure. The general assembly of Xait AS approved the transfer of 94,2 % of the shares from existing shareholders to Xait Holding AS 23.12.2021. The formal registration of transfer was completed 18.01.2022 and is presented as capital decrease in spesification of equity.

After the reorganization was completed in the spring of 2022, the ownership structure in Xait Holding AS (new holding company) will remain the same as in Xait AS before the reorganisation.

Note 14 – Investments in subsidiaries

Company	Office	Ownership	Booked value 31.12
Xait Inc	USA	100 %	6 000
Xait Ltd	UK	100 %	9 493 499
Xait Holding France SAS	France	100 %	1 859 778
Xait CPQ AS	Norway	100 %	30 000
Sum investments			11 389 277

Xait Inc

Xait Inc is set up to market and sell Xait solutions in the US market on behalf of Xait AS. Xait Inc will carry limited market risk as a distributor for Xait AS. The carrying amount of the shares is NOK 6 000. In addition, there is a long-term receivable with a nominal value of NOK 30 246 285. The receivable from the subsidiary has not been written down in 2022 based on an assessment of the company's debt service capacity. In previous years, the receivable has been written down in total NOK 7 390 922, making the booked value of the receivable at the end of 2022 NOK 24 202 515.



Xait Ltd

Xait AS acquired Blueprint CPQ (now Xait Ltd) in December 2020 for mNOK 9,4. Xait Ltd is, with its product Xait CPQ, a provider of CPQ software world wide, and with Xait's collaborative software solution XaitPorter, this strengthens Xait's position within the sales enablement space. Xait Ltd has its main offices in UK - London and Cheltenham.

Xait Holding France SAS

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

Xait CPQ AS

Xait CPQ AS was incorporated 16.12.2021, and is located in Stavanger, Norway. The company will hold the IP-rights for CPQ, which was transferred from Xait Ltd to Xait AS in 2021 and further to Xait CPQ in 2022.

Note 15 – Balances with group companies

Long-term receivables	2022	2021
Xait Inc	27 874 768	24 202 515
XaitCPQ AS	0	30 000
Xait Holding France SAS	106 462 290	19 212
Sum	134 337 058	24 251 727

Accounts receivables	2022	2021
Xait Inc	273 789	0
XaitCPQ AS	8 971 614	0
Xait Holding France SAS	10 410 554	0
Xait Holding AS	711 049	0
Sum	20 367 006	0

All intercompany positions between Xait AS was in 2021 considered to be long term.

Short term liabilities	2022	2021
Xait Holding AS	49 763 229	0
Xait Ltd	2 450 538	12 122 477
Sum	52 213 767	12 122 477

For the group receivables there is an accumulated write-down of NOK 7 390 921. Following an assessment of the subsidiaries future revenues and serviceability, it has been decided not to make an impairment loss for 2022.



Note 16 – Trade and other receivables

Significant accounting policies

Trade and other receivables are recognised at face value, less provisions for expected credit losses. Provisions for expected credit losses are made on the basis of a specific assessment of the individual receivables. For trade receivables, a general provision is also made based on historical losses.

Specification of trade receivables

	2022	2021
Account receivable at face value	45 800 504	18 602 766
Total	45 800 504	18 602 766

There is no expected credit losses on receivables in 2022.

Note 17 – Bank deposits, overdraft facility and restricted cash

Significant accounting policies

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

Overdraft facility

The company has an overdraft facility with a limit of NOK 15 million.

	2022	2021
Restricted bank deposits	0	1 309 873
Sum	0	1 309 873

In 2022 the company obtained a tax guarantee amounting to NOK 3 000 000, in order to meet regulatory requirements related to withholding tax. Thus, no restricted bank deposits as of 31.12.2022.

Note 18 – Share capital

	Total	Face value	Entered
Ordinary shares	209 004	10	2 090 040
Total number of shares	209 004	10	2 090 040

Significant shareholders as of 31.12.2022	Shares	Ownership
Xait Holding AS	209 004	100 %
Total number of shares	209 004	100 %

Note 19 – Advances from customers

As of 31.12.2022, advances from customers are NOK 52 126 431 (NOK 37 927 152 in 2021). The company invoices in advance of system access licenses. As the licenses apply over longer periods, they have been accrued for.



Note 20 – Provisions and other short-term liabilities

Significant accounting policies

Other short-term liabilities are mainly related to services received or wages to employees, for which payment is due within the next twelve months. These liabilities are measured at nominal amounts.

Provisions and other short-term liabilities	2022	2021
Due salary/holiday pay	4 094 678	3 004 617
Other accrued cost	722 770	1 350 549
Allocation of board fees	0	300 000
Deposit bonus	4 021 720	6 294 172
Intercompany short-term liabilities	52 213 767	12 122 477
Total	61 052 935	23 071 815