

The logo for ayfie, featuring the word "ayfie" in a white, lowercase, sans-serif font inside a dark teal circle. The circle is positioned in the top left corner of the page. The background of the page is light blue with decorative elements: a grid of small squares in the top left and wavy, concentric lines in the top right and bottom left.

ayfie

GAIN A CORPORATE BRAIN

ANNUAL | 20
REPORT | 23

Highlights of the year



TOTAL REVENUE

20.6 MNOK

CASH POSITION

3.2 MNOK



TOTAL EQUITY
& LIABILITIES

10.5 MNOK

TOTAL REVENUE FROM
SALES CONTRACTS WITH
CUSTOMERS

20.6 MNOK



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Lasse Ruud,
CFOHerman Sjøberg,
CEO

Ayfie's Strategic Vision in the AI-Powered Future

In a landscape increasingly dominated by artificial intelligence (AI), Ayfie Group stands as a beacon of innovation, transforming how businesses, governmental bodies, and NGOs harness AI for enhanced efficiency and insights making it possible to extract maximum value across internal knowhow and external information.

With Ayfie Personal Assistant and an expanding suite of AI-driven solutions, Ayfie is leading the charge toward a more interconnected and intelligent digital present era for everyone. In this interview, Ayfie's CEO, Herman

Sjøberg, and CFO, Lasse Ruud, delve into the company's achievements, strategic partnerships, and the evolving role of AI in business and society.

According to Herman Sjøberg, CEO, many are realizing how Ayfie is positioned to pioneer the future of AI Integration:

"As the AI domain broadens, focusing on business applications across various sectors, Ayfie leads way ahead."

Sjøberg emphasizes Ayfie's unparalleled capability to integrate internal knowledge with generative AI, addressing the increasing competition and potential within the market.

"In 2024, our focus intensifies on fostering close collaborations with leading technology and consulting partners. There's a growing demand among larger enterprises and organizations for solutions beyond the standard func-

tionalties offered by current generative AI platforms. This aligns perfectly with Ayfie's distinctive offerings. The market is reaching a maturity that resonates with our capabilities, especially as entities begin to recognize the untapped value in their proprietary data and the unique insights they possess."

Sjøberg elaborates on Ayfie's strategic direction, stating, "The real power of generative AI becomes evident when it's applied to an organization's own data, in conjunction with external datasets and open data sources. Ayfie excels in this domain, delivering unparalleled value by leveraging proprietary knowledge in a way that's currently unmatched. This unique position fuels our motivation and excitement for the future."



Lasse Ruud, CFO of Ayfie Group, presenting Ayfie Personal Assistant

Financial Insights and Market Positioning

Lasse Ruud, CFO of Ayfie Group, offers a financial perspective on Ayfie's strategic positioning and its exploitation of generative AI's business-critical applications.

"As we advance into 2024, the momentum behind AI-driven personal assistants, such as Microsoft's CoPilot, is unmistakable. This surge is propelled by the workforce's increasing comfort with utilizing AI technology, and as the best solutions continue to deliver more value, Ayfie is optimally positioned to capitalize on this trend."

"Ayfie is at the forefront of harnessing this strong market momentum, aiming to address the escalating demand for top-tier AI-driven solutions. Our mission is to monetize every possible opportunity — whether on our own or in collaboration with other technologies and platforms — on a Nordic, European and global scale. This is where Ayfie's strengths lie, particularly in connecting generative AI with internal knowledge to unlock new levels of efficiency and insight."

Ayfie's Vision for an AI-Integrated Future

As Ayfie navigates the evolving AI landscape, the leadership duo is bullish about the opportunities that lie ahead, and the role Ayfie should play in the phase ahead.

"We're on the cusp of a new era in AI, where the technology's impact is measured by tangible improvements in business operations and strategic decision-making. Ayfie's advanced AI solutions are at the forefront of this shift, ensuring our leadership position in the industry," Herman Sjøberg explains.

Lasse Ruud echoes this optimism, adding, "Our growth strategy aligns with the expanding AI market. Through continuous innovation and a keen focus on meeting our clients' varied needs, Ayfie is not just participating in the AI evolution; we are leading it, transforming the way businesses and organizations around the world leverage AI for success."

"This is our phase, it is Ayfie's time to shine"
says Herman Sjøberg and Lasse Ruud

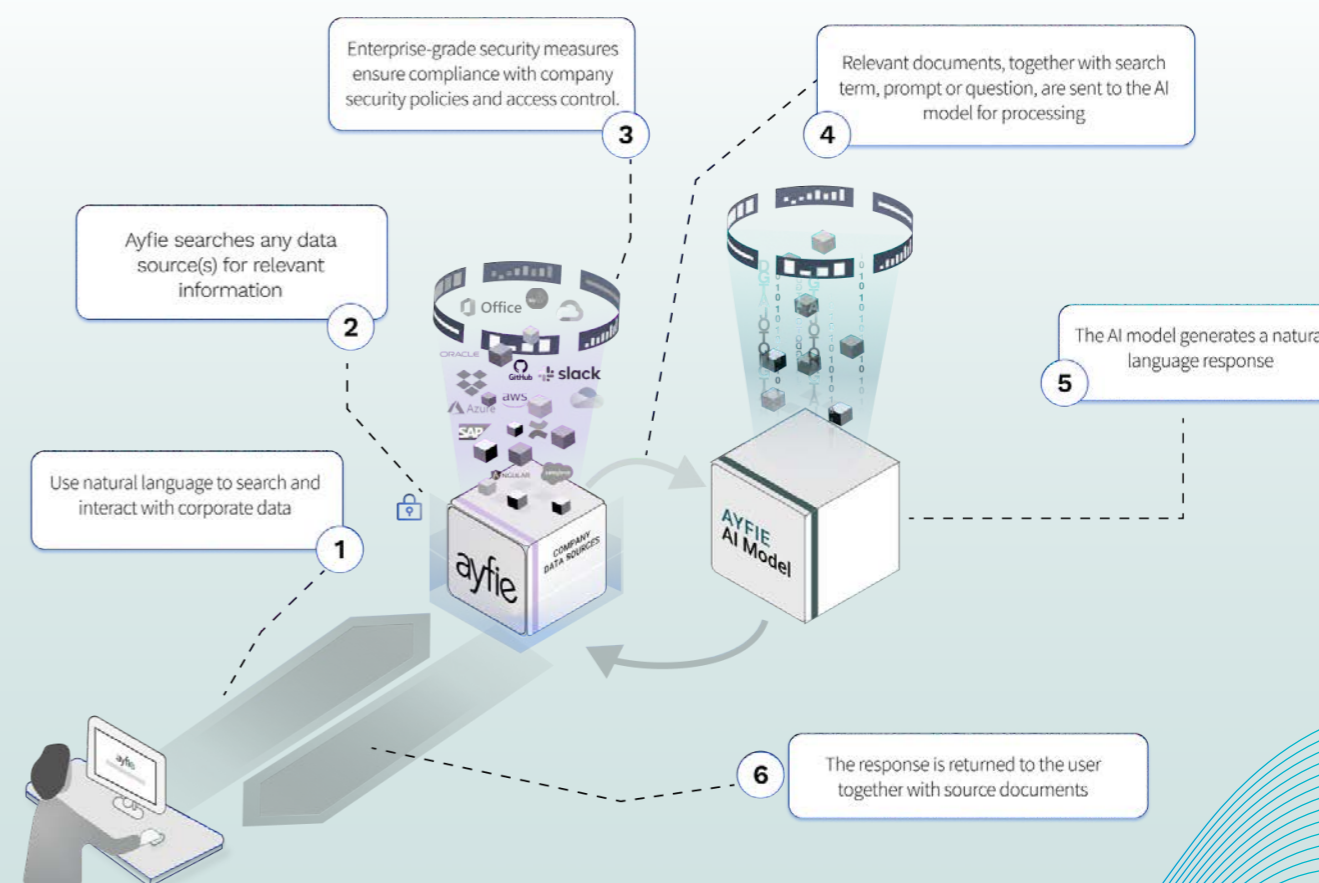
Looking Ahead into the next phase of generative AI

According to Herman Sjøberg, Ayfie has achieved a set of remarkable milestones. "In the latter half of 2023, Ayfie embarked on a market-adapted venture into generative AI, rolling out new capabilities and corresponding functionality that have been adopted by nearly 35,000 users globally. This initiative has not only garnered invaluable insights from the deployment of these products but has also set the stage for further innovations," Sjøberg explains, highlighting Ayfie's recent advancements.

As Ayfie sets its sights on the next phase, the company remains committed to delivering AI-powered solutions that not only meet the current demands of the market but also anticipate future trends and needs related to extracting true value from a company's own data and legacy of insights. With a strong foundation in generative AI and a clear vision for its application across industries, Ayfie is poised to continue its objective to push forward through market-leading innovation, making it a key player in the AI revolution.



Herman Sjøberg, CEO of Ayfie Group





Secure & Private

Connect your corporate data to ChatGPT securely and privately. Your data stays within the secured Microsoft Azure infrastructure, ensuring GDPR compliance and respecting your corporate data security policies.



Advanced Text Analysis

Gain deeper insights from your data with Ayfie PA's ability to perform text analysis, compare and contrast, summarize, explain, and argue across multiple documents.



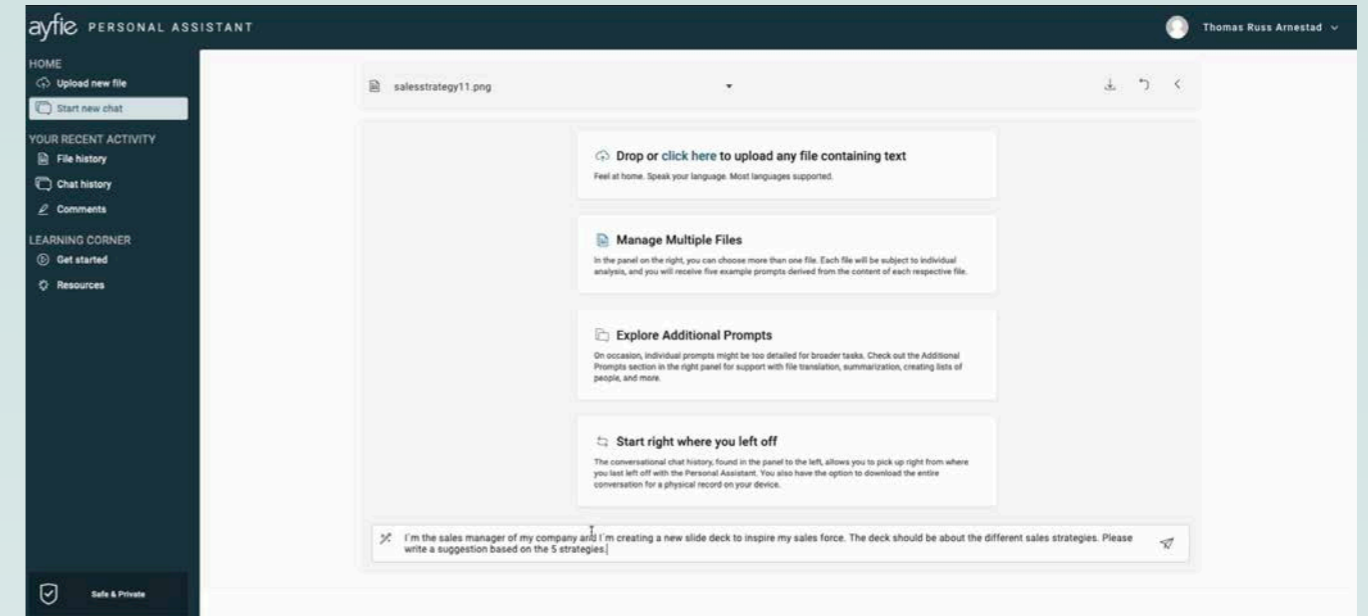
User Friendly

Ayfie PA's interface makes uploading documents and starting conversations with your data easy. Get succinct, understandable responses or writing suggestions instantly.



Multilingual & Versatile

Ayfie PA supports multiple languages and 550+ file formats, ensuring a comprehensive solution for your needs.



Ayfie Personal Assistant – Use Cases

Here are some examples of what our AI-driven Personal Assistant (P.A.) can be used for. Upload your relevant documents and start asking questions and get instant feedback.



Insurance

Upload your insurance documents and ask specific questions about your policy.



Recipes

Upload a recipe document and ask about possible ingredient substitutions.



Speeches

Upload a draft of your speech and ask the Personal Assistant for feedback.



Homework

A student uploads a document with academic concepts or theories they're struggling with.



User Manuals

Upload multiple user manuals for a complex device, then ask for specific instructions.



Menu Planning

Upload a document with dietary restrictions of your guests and then ask for menu suggestions.



Exam preparation

A student can upload their exam syllabus and then ask it to help create a study plan.



Summarise

Upload a full-length book, and then ask to provide a summary of the book, including key plot.



Comparisons

Upload multiple insurance plan documents to compare the plans on various parameters.



Budgeting

Upload a document with your monthly income and expenses, and create a budget plan.



Contract revision

Upload the real estate contract and then ask to highlight the key terms and conditions.



Resume feedback

If you're seeking a new job, upload your resume, and ask for feedback and improvement.

Last year's evolution of Generative AI

In the changing landscape of artificial intelligence, 2023 marks a turning point for the integration of Generative AI into our daily lives.

The evolution has been a gradual process, building upon earlier AI advancements. Through machine learning, systems have learned and adapted from experiences without explicit programming. Inspired by the human brain, powerful tools for tasks such as image recognition, natural language processing, and content generation have been created.

Generative AI has redefined the technological landscape in 2023 and we at Ayfie have been at the forefront of this transformation. By understanding what it is and utilizing it responsibly, our users can unlock a world of possibilities and simplify their tasks.

2023 marked a new era in digital innovation and use of Generative AI, like the solutions from Ayfie, offers unprecedented potential. Here is the 3 highlights of the year:

1. Language Processing and Writing

Generative AI is revolutionizing language processing and writing. The various tools significantly boost productivity and creativity.

2. Visual Art and Enhancement

Generative AI is redefining visual creativity and enhancement. It can generate unique images and art based on text prompts, as well as assisting in photo and video editing.

3. Audio Generation and Speech Processing

Generative AI can quickly generate music in specific styles and transform written text into spoken words or transcribe audio files, making them searchable and facilitating easier analysis.

CASE STUDIES





Per-Kaare Svendsen
Partner - Kvale Advokatfirma DA

Lasse Ruud
CFO - Ayfie



Structure data fast

Review large amounts of information fast using functionalities such as Annotations, Tags and Timeline in Ayfie Locator.



Stay compliant

With Ayfie you can be certain to know all the details as well as finding what your case might be missing of important details.



Solve Cases faster

Thanks to having all you need in one single platform you are more efficient in your job, as well as being able to collaborate across teams.



Quote: *We are lawyers, not software developers. Our key to success lies in the innovative implementation of game-changing technology while at the same time empowering our legal experts to solve real-life issues with it.*

KVALE IS EMBRACING INNOVATION:



Jens Christian Gjesti
Head of the Tech & IP team - Kvale Advokatfirma DA

Utilizing the power of AI and Ayfie in the Legal Industry

Kvale, a distinguished law firm in Norway, exemplifies innovation by adopting the most sophisticated AI tools available in the legal sector. We expect this forward-thinking approach to significantly enhance our operational efficiency and quality of output, heralding a new era where technology and law converge seamlessly, says Jens Christian Gjesti, head of the Tech & IP team at the Norwegian law firm Kvale.

Breaking Traditional Barriers

Unlike the traditionally conservative legal field, Kvale champions a novel approach towards technology. By prioritizing the quick roll out of secure, user-friendly AI solutions and encouraging curiosity throughout the organization, the firm not only challenges the status quo but also sets a benchmark for legal practices, emphasizing the potential for improvement.

A Strategic Partnership for Excellence

Kvale's collaboration with Ayfie is a cornerstone of its commitment to leading the charge in legal tech innovation. This partnership allows Kvale to leverage Ayfie's AI tools, ensuring the firm remains at the vanguard of technological advancement in legal services. This commitment positions Kvale as a leader in transforming legal services, setting new standards for excellence and efficiency in the industry. According to Jens Christian Gjesti, a partner at Kvale, the integration of these advanced tools could not only streamlines complex legal processes but also foster a culture of innovation within the firm.

Customizing Technology to Fit Legal Needs

The thoughtful adoption and customization of tools like Ayfie Personal Assistant and Ayfie Locator exemplify Kvale's strategic approach to technology. By tailoring these AI solutions to their specific requirements, Kvale not only enhances its legal services but also ensures all team members benefit from technological advancements while at the same time ensuring strict confidentiality and privacy.

Transformative Impact of AI on Legal Practice

Ayfie offers a wide array of functionality, from data analysis to complex translations, revolutionizing the way legal research and documentation are conducted. These AI-driven tools provide a competitive edge, enhancing efficiency and maintaining high standards of client data security.

A Personal Touch

The introduction of Ayfie Personal Assistant has been a game-changer, offering tailored translations and summaries that save time and improve the quality of legal work. This highlights the significant advantages of integrating AI into daily legal practices, demonstrating the invaluable role of technology in fostering innovation and efficiency. Jens Christian Gjesti emphasizes the transformative nature of the Ayfie Personal Assistant, noting that it acts not just as a technological tool, but as a catalyst for enhancing the depth and breadth of legal analysis, thereby significantly elevating the firm's service quality and turnaround.

Leading the Future of Legal Tech

The tech collaboration between Kvale and Ayfie is not merely about adopting AI; it signifies a strategic move towards redefining legal practices through technological innovation. This partnership embodies Kvale's dedication to excellence and innovation, ensuring the firm remains a leader in the evolving landscape of the legal industry.



Samuel Sanders
IT Business Partner
Save The Children Norway



SAVE THE CHILDREN AND AYFIE:

Pioneering AI for Global Impact

In the dynamic realm of global humanitarian efforts, Save The Children continues to lead by example, pushing the boundaries of innovation to amplify our impact and optimize operations. This year, under the guidance of Samuel Sanders, IT Business Partner at Save The Children Norway, the NGO has initiated a comprehensive pilot with Ayfie's generative AI technology. This venture into the forefront of technological advancement aims to uncover how AI-driven efficiencies could drastically enhance the effectiveness of our mission, potentially on a global scale.

Anticipated Efficiency Gains and Quality Improvements

The prospect of utilizing AI to revolutionize our processes holds immense potential. By harnessing Ayfie's capabilities to automate and streamline complex workflows and document management, we're poised to unlock invaluable time for our dedicated staff. This strategic shift is designed to reallocate our human and financial resources more directly towards the children and communities we serve. In doing so, we hope to achieve not only a surge in operational efficiency but also enhance our ability to respond swiftly to the needs of children facing crises.

The application of Ayfie's solutions in streamlining document evaluations and enhancing language translation processes is a testament to the transformative potential of this technology in global humanitarian efforts. By drastically reducing the time required to review extensive reports and proposals, our staff can dedicate more effort to direct humanitarian initiatives, ensuring timely and targeted interventions for children in need.

Quality forms the cornerstone of our interventions. The promise of generative AI to refine our data analysis and reporting capabilities presents a remarkable opportunity. Armed with deeper insights and more accurate information, we can significantly improve the quality of our programs and the strategic decisions we undertake, ensuring our interventions are as effective and impactful as possible.

Looking to the Future with Optimism

As we progress in our evaluation of Ayfie's generative AI solution, our optimism for the future intensifies. This pioneering technology heralds a new era of agility, informed decision-making, and collaborative effort in our quest to protect and support children worldwide. The anticipated efficiency gains, coupled with the promise of quality improvements and enhanced global collaboration, highlight the potential transformative impact of generative AI in the humanitarian sector.

Fostering Global Collaboration

Our global operations, spanning various regions, cultures, and languages, introduce significant challenges in ensuring seamless collaboration. Ayfie's generative AI technology stands out as a potential solution to these challenges, enhancing communication and fostering a more unified approach to our mission. This is especially crucial for Save The Children Norway, which, as a leading fundraising member within the Save The Children International movement, oversees a wide array of projects and documentation across 17 countries and in multiple languages.

We are deeply grateful for the opportunity to explore this cutting-edge technology and are committed to sharing the outcomes of our trial with our partners and supporters. Our collaboration with Ayfie stands as a testament to our unwavering commitment to innovation and our continuous endeavor to strengthen our work. Through groundbreaking partnerships such as this, Save The Children is set to make a lasting difference in the lives of children across the globe, reinforcing our dedication to improving lives through enhanced efficiency, quality, and collaboration on an international scale.

AI Personal Assistant



The Ayfie Personal Assistant is a powerful AI productivity tool – based on ChatGPT. It features lots of add-on functionality enabling you to create even more insight.

One of its most powerful capabilities, is that you can upload your own documents and base interactions solely on these documents. An extremely useful companion with unlimited use cases.



BOARD OF DIRECTORS REPORT

In 2023, Ayfie took significant strides in refining and expanding our software solutions, demonstrating our commitment to innovation and market responsiveness. Our SaaS platform has reached market readiness, with ongoing enhancements to introduce more connectors, broadening the platform's applicability and integration capabilities.

Product Development and Focus

A major breakthrough this year has been the making of GenAI based Ayfie Personal Assistant, which again was integrated within our flagship product, Locator. This integration transforms the user experience by combining document finding and categorization with interactive, chat-based functionalities. This innovative approach has not only streamlined workflows but also leveraged Generative AI technologies to provide unprecedented user engagement with their data.

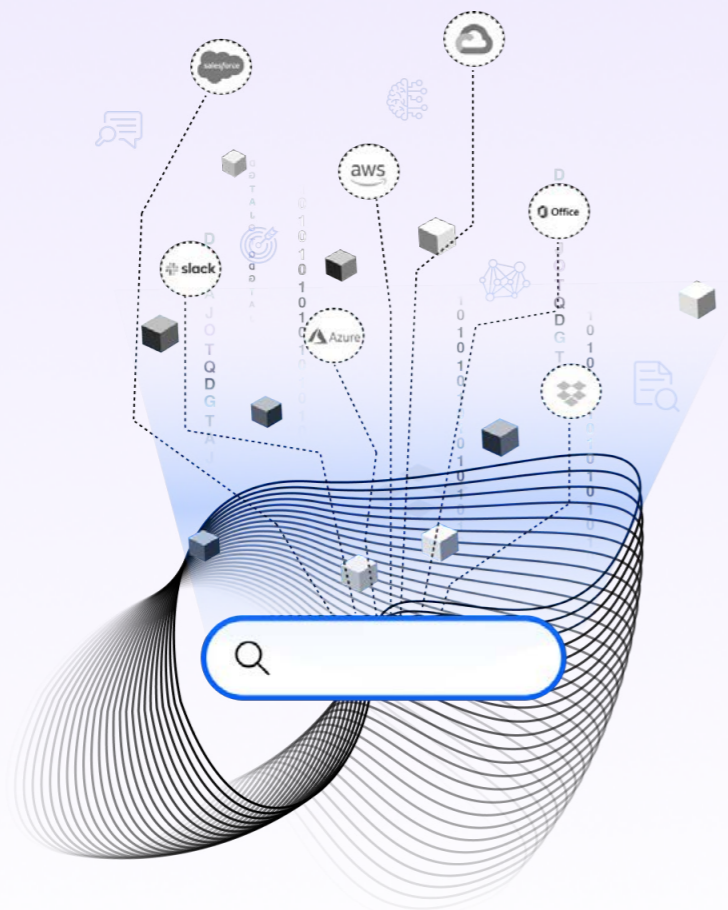
We introduced the Personal Assistant to the market, and received enthusiastic adoption, especially from the legal sector. This sector's traditionally conservative approach to technology adoption has been notably challenged and reshaped by the potential of Generative AI, signaling a significant market shift.

Another pioneering development is "The CoPilot Enabler," also aptly considered a Generative AI Enabler. This product bridges the gap between users and a vast array of data sources, enabling interaction through

CoPilot and beyond. Importantly, our technology is designed to be versatile, allowing integration with various Large Language Models (LLMs) besides OpenAI, enhancing our products' adaptability across different platforms and technologies.

While the market has warmly received our innovative product offerings, recognizing Ayfie's role in pushing the boundaries of what's possible with Generative AI, we acknowledge that we are in the early stages of revenue generation from these innovations. The challenge of broad market penetration as a small entity is being strategically addressed through the cultivation of a robust partner network. This approach is aimed at amplifying our market presence and facilitating the widespread adoption of our solutions.

Our journey into the Go-To-Market phase, is paved with strategic partnerships and innovative offerings that position us well for future growth and market leadership in the evolving landscape of Generative AI and data analysis.



Financial Performance

The financial year 2023 presented a landscape of technology investment and progression for Ayfie. We reported a revenue of 20.6 MNOK, marking an important phase in our journey towards financial stability and growth. Despite the Net Loss of 26 MNOK, the reduction from the previous year's loss signifies a move in the right direction, underscoring our strategic initiatives to refine our product offerings and operational efficiency.

Personnel expenses were recorded at 28.8 MNOK, reflecting our commitment to investing in a skilled and diverse team to drive our technological and market advancements. Operating expenses, excluding depreciation and impairments, were 44.6 MNOK. These figures represent our strategic investments in product development, market expansion, and the foundational work required to secure a competitive edge in the rapidly evolving tech landscape.

While navigating through the financial complexities of 2023, Ayfie has remained focused on achieving long-term growth and sustainability. The investments made in our people and products are pivotal to our future success, laying the groundwork for improved financial performance and market position in the coming years.

Organizational Developments

In 2023, Ayfie maintained a steady course in terms of our organizational structure and ownership. Our commitment to stability and consistency has been a key factor in our resilience and strategic focus. The composition of our 20 largest owners remained largely unchanged, reflecting a strong foundation of trust and confidence in our vision and strategic direction.

Similarly, our team composition has seen no drastic changes over the year. This stability within our workforce underscores our strategic emphasis on leveraging the existing pool of talent and expertise to drive our innovation and product development efforts. By nurturing and retaining our skilled professionals, we continue to foster a culture of excellence and commitment that is integral to Ayfie's success.

The steadfastness in our organizational structure and team composition has allowed us to concentrate on advancing our product offerings and executing our market strategies without the distractions of significant internal changes. This continuity is a testament to our solid foundation and is instrumental in propelling us toward our future goals.

The Ayfie Platform

Our platform connects to your data sources across applications and servers, extracts, indexes, and structures your data, making it accessible, usable, and interactive from a single point of entry.

ayfie personal assistant
generative AI assistant

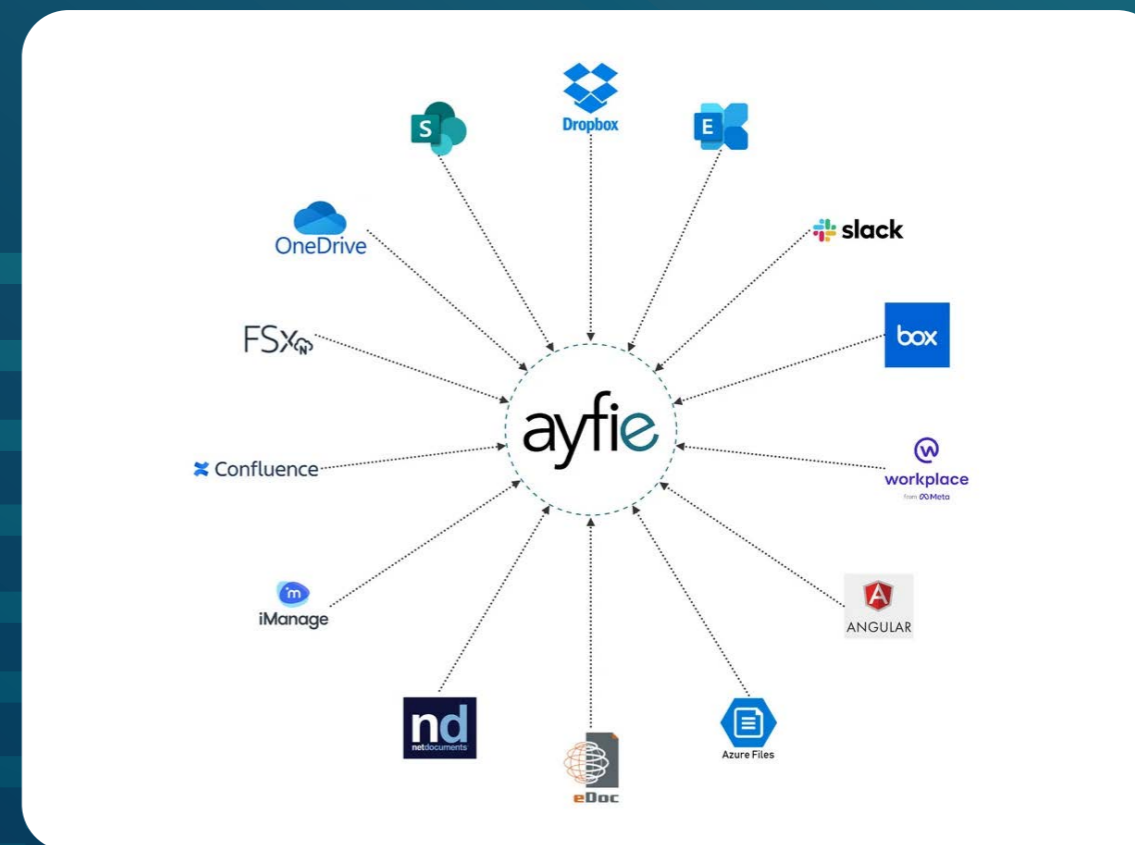
+

ayfie platform
enterprise search & insight engine

↑

UNIVERSAL INDEX

↑





Our solutions maximizes the value of your data, elevating your business operation and decision making processes

Market and Competition

The year 2023 marked a pivotal moment in the Insight Engines market, characterized by a significant shift towards generative AI (GenAI) technologies. According to Mordor Intelligence, the market is projected to grow from USD 1.8 billion in 2024 to USD 5.75 billion by 2029, demonstrating a compound annual growth rate (CAGR) of 26.16% during the forecast period. This robust growth underscores the increasing recognition of the value that Insight Engines and GenAI technologies bring to the handling and analysis of unstructured data.

Despite the promising market trajectory, 2023 has been a year of exploration and understanding for many organizations. The adoption of GenAI has been gradual, with businesses taking time to comprehend the implications and applications of this revolutionary technology.

Regarding the competitive landscape, 2023 did not wit-

ness any notable changes or emergent threats within the Insight Engine Markets.

Our strategic emphasis has been on leveraging our advanced technology and unique value proposition to capture a significant share of this expanding market. Being in the early stages of the GenAI era, we see Ayfie well placed in this market.

Business Model and Customer Success

In 2023, Ayfie shifted towards a self-serviced SaaS model from its traditional "On-Prem" Locator installations, significantly enhancing our product demonstration capabilities and adopting a "try before you buy" approach. This transition not only improved customer engagement and operational efficiency but also reduced costs related to software upgrades and maintenance.

The legal market, in particular, embraced our innovative

technologies, transforming traditional workflows with our solutions and validating the effectiveness of our SaaS model. A notable client testimonial: A customer commented that after using Ayfie PA in a tender process, there was an efficiency improvement in the work of at least 20%. This underscoring the impactful benefits and new opportunities our solutions offer.

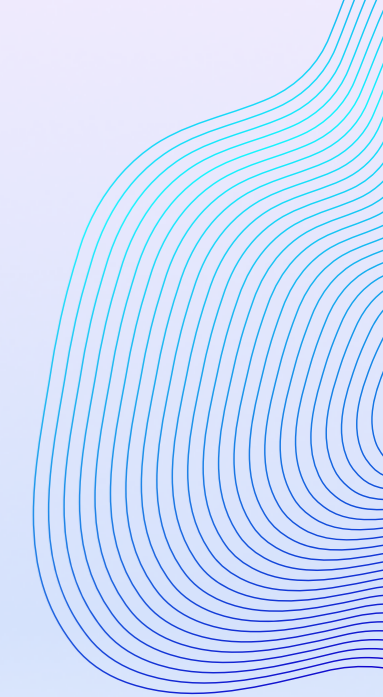
This feedback highlights the SaaS model's potential to revolutionize industry workflows, proving especially transformative in traditionally conservative sectors. As Ayfie continues to refine and expand our offerings, client successes inspire further innovation, reinforcing our commitment to customer satisfaction and our strategic pursuit of growth and market leadership.

Technology and Innovation

The advent of the Generative AI (GenAI) revolution has significantly propelled Ayfie's advancements in tech-

nology and innovation. Our exploration and integration of GenAI have refined our understanding of interactive dialogue systems, particularly in how users engage with their documents through conversational interfaces. This breakthrough has not only enhanced the user experience but also opened new dimensions in search functionalities, promising a more intuitive and efficient approach to information retrieval.

A key highlight in our innovation journey is the development of the Copilot Enabler. This product exemplifies our commitment to integrating GenAI across our offerings, enhancing the value and application of CoPilot within organizational contexts. The Copilot Enabler is designed to bridge data from diverse sources, facilitating seamless interactions and extending CoPilot's utility and relevance in the workplace.





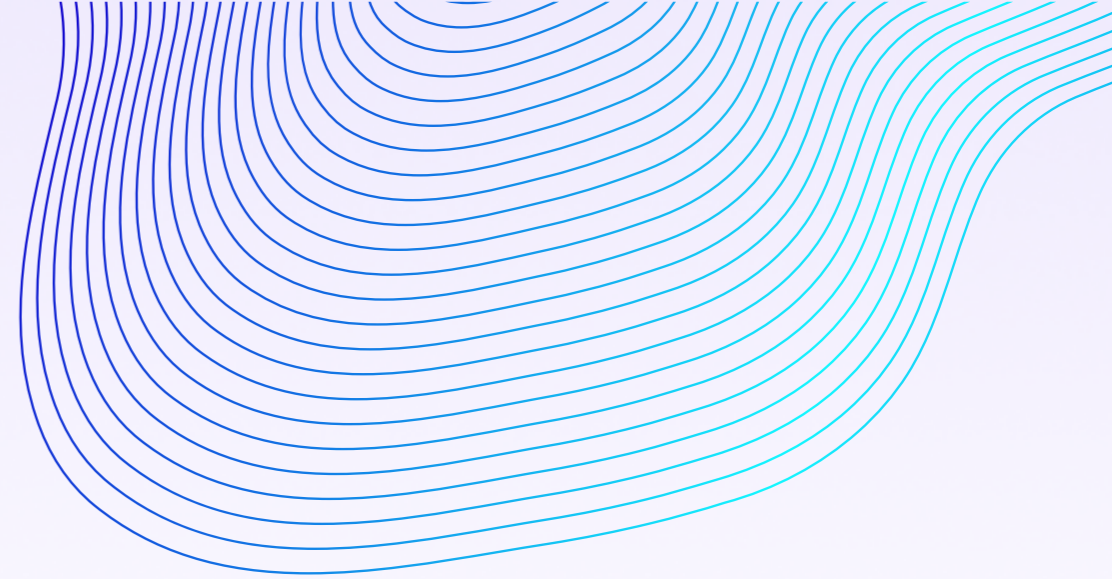
Market Outlook and Strategic Directions

As we look towards 2024 and beyond, Ayfie is poised to deepen our engagement with Generative AI (GenAI) technologies, harnessing their potential to transform how users interact with and extract knowledge from data. Moving beyond traditional search functionalities, our focus will be on maximizing GenAI's capabilities to provide users with direct access to knowledge, rather than just search results. This strategic direction is not just about enhancing existing solutions; it's about redefining the very essence of how information is accessed and utilized in the digital age.

In line with this vision, Ayfie is actively exploring partnerships and integrations with specialized solutions that currently lack GenAI capabilities. Our aim is to bridge this gap, bringing the power of GenAI to a wider array of platforms and thereby enriching the user experience across various digital environments. Furthermore, Ayfie is committed to developing specialized services that aggregate specific data sets tailored to distinct domains. These services are designed to expedite users' access to precise answers, significantly improving efficiency and decision-making processes in targeted sectors.

Ayfie's strategy for the future is also characterized by a continuous search for structural opportunities through partnerships and potential acquisitions. We believe that strategic alliances and integrations will be key to expanding our market reach and enhancing our product offerings. By aligning with companies and partners that share our vision and complement our technological capabilities, we aim to solidify our position as a leader in the field of GenAI-powered solutions.

Our outlook for 2024 and beyond is one of optimism and ambition. Ayfie is at the forefront of a technological revolution that is reshaping the landscape of data analysis and knowledge discovery. With a clear strategic direction and a commitment to innovation, we are well-positioned to lead the charge in unlocking the full potential of GenAI for our users and the industry at large.



FINANCIAL SUMMARY

(All amounts in brackets are comparative figures for 2023 unless otherwise specifically stated)

The following financial summary is based on the consolidated financial statements of Ayfie Group AS and its subsidiaries. The consolidated statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The Board of Directors believe the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flow, consolidated statement of changes in equity and the accompanying notes provide satisfactory information about the operations, financial results and position of the Group and the parent company on 31 December 2023.

Consolidated statement of comprehensive income
Full year consolidated revenue amounted to NOK 20.6 million (NOK 25.7 million), of which recurring revenue amounted to NOK 19.6 million (NOK 25.0 million).

In 2023, our Group's total operating expenses (excl. depreciations and impairments) amounted to NOK 44.6 million (NOK 36.9 million), representing an increase from the previous year's expenses. The majority of this increase was attributed to our development in AI related products, which now make an important part of our product stack. We believe this investment will drive future growth and success. Personnel expenses for the year amounted to NOK 28.8 million (NOK 26.8 million). While the number of employees remained stable at around 12 throughout the year, we moved the cost of more permanent contractors to personnel expenses. In total, we had close to 16 contracted laborers for parts of 2023.

Our other operating expenses for the year totaled NOK 15.8 million (NOK 10.1 million). This increase was partly because of higher activity and marketing.

The Group has established liability insurance for the board and executive management.

Depreciation and amortization costs were NOK 1.0 million (NOK 18.6 million). 2022 had an impairment of goodwill and intangible assets of NOK 17.6 million.

Financial income of NOK 0.5 million (NOK 0.4 million) was related to foreign exchange gains and interest on bank deposits. Financial costs of NOK 0.7 million (NOK 0.6 million) consisted of costs related to foreign exchange losses and interest.

Net loss for the year amounted to NOK 26.0 million (NOK 31.3 million).

Consolidated statement of financial position
Total assets amounted to NOK 10.5 million (NOK 28.6 million). The total non-current assets of NOK 0 (NOK 1.0 million). Goodwill and intangible assets from the acquisition of Haive AS in September 2020 was written off in 2022 – total NOK 17.6 million.

Total current assets of NOK 10.5 million (NOK 27.5 million) consisted of cash of NOK 3.2 million (NOK 18.7 million), trade receivables of NOK 2.6 million (NOK 3.8 million) and other current assets of NOK 4.8 million (NOK 4.9 million).

Total equity and liabilities amounted to NOK 10.5 million (NOK 28.6 million), where the total equity of negative NOK 2,5 million (positive NOK 12.9 million) consisted mainly of share capital of NOK 30.2 million (NOK 27.7 million) and uncovered losses of 46.6 (NOK 27.6 million).

Non-current liabilities were NOK 0 million (NOK 0 million). Current liabilities of NOK 13.0 million (NOK 15.6 million) consisted mainly of trade and other payables of NOK 4.8 million (NOK 4.5 million), contracted liabilities of NOK 5.6 million (NOK 7.4 million) and other current liabilities of NOK 2.7 million (NOK 2.7 million).

Ayfie had NOK 216.3 million of tax losses carried forward at year-end 2023. The Group has determined not to recognize deferred tax assets on the tax losses carried forward in the 2023 financial statements.

Consolidated statement of cash flow

Net cash flow from operating activities was negative NOK 26.1 million (negative NOK 18.6 million). Net cash flow from investing activities was NOK 0.0 (0.0). Net cash flow from financing activities was NOK 10.5 million (NOK 0.1 million). Cash and cash equivalents were NOK 3.2 million (NOK 18.7 million) at year end.

Equity, shares and shareholders

Equity decreased from NOK 12.9 million in 2022 to negative NOK 2.5 million in 2023 due to net effect of the 2023 loss of NOK 26.0 million (loss of NOK 31.3 million), option program cost of NOK 1.0 million (NOK 2.3 million). In 2023 was also a capital increase of NOK 9.5.

At year-end 2023, there were approximately 798 shareholders (including estimates for number of shareholders behind nominee accounts).

Financial result of parent company

The parent company's net loss for the year amounted to NOK 8.0 million (net loss NOK 21.2 million).

Financial risks

Ayfie is exposed to financial risk in different areas - mainly currency risk, liquidity risk and credit risk. The Group

seeks to minimize potential adverse effects of such risks through sound business practice.

Currency risk

Ayfie has none of its financial assets or liabilities denominated in foreign currencies, and a small portion of the Group's revenues are denominated in foreign currencies. Therefore, currency fluctuations will have very limited impact on financial performance.

Liquidity risk

Liquidity risk is the risk that Ayfie will be unable to meet its obligations associated with operational and financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

Ayfie owns its technology, as well as the products and solutions it provides, and has a highly scalable business model. Customers typically pay subscriptions upfront – yearly or quarterly. Therefore, the Group has the potential to significantly increase cash flow from operations as sales increase.

Furthermore, the Group has recently bolstered its liquidity position through a private placement of 20 MNOK, completed on March 14, 2024. This ensures operations throughout 2024 and into 2025, demonstrating the Group's capability to attract investments to support its long-term growth and operational stability.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its cash deposits with banks. It is the management's opinion that there is no material credit risk connected to the Group's current assets.

Events after 31 December 2023

Subsequent to 31 December 2023, the Group successfully completed a private placement of 20 MNOK on March 14, 2024. This significant financial event strengthens the Group's liquidity and supports its operational capabilities

moving forward. Apart from this, no events have occurred after 31 December 2023 that would have a material effect on the Group's business or the reported financial figures.

Going concern

In accordance with the Accounting Act § 3-3a, the Board confirms that the financial statements have been prepared under the assumption of going concern and that this assumption remains valid. This confirmation is now further supported by the successful private placement completed on March 14, 2024, which has enhanced the Group's financial position. The going concern assumption is based on profit and cash flow forecasts for the year 2024 and Ayfie's long-term strategic forecasts, considering the fresh capital influx from the recent emission.

Employees

Ayfie aims to be a workplace with equal opportunities and practices gender equality regarding salary, promotion, and recruiting. As the Group is mainly recruiting sales and technology personnel, occupations typically

dominated by males, a major portion of the staff is male. At year end 2023 Ayfie had 13 employees, of which 3 were female. Ayfie had 1 female executive manager.

There was hardly any leave of absence due to illness recorded in 2023, and no incidences nor reports of work-related accidents resulting in significant material damage or personal injury.

The working environment is good and activities to secure a continued positive working environment are carried out on an ongoing basis.

Allocation of net loss for the year

The Board of Directors has proposed the net loss of Ayfie Group AS of NOK 24 744 thousand to be charged to uncovered losses.

The Board of Directors does not propose any dividend payments for 2023.

Oslo, 19 March 2024
The Board and CEO of Ayfie Group AS

Sign.

Lars Boilesen
Chairman

Sign.

Martin Ness
Board member

Sign.

Jan Chr. Opsahl
Board member

Sign.

Herman Sjøberg
Chief Executive Officer

Sign.

Jostein Devold
Board member

Sign.

Lars Nilsen
Board member

Sign.

Øystein Stray Spetalen
Board member

THE BOARD OF DIRECTORS



**Lars Rahbæk Boilesen,
Chairman**

Lars Rahbæk Boilesen is CEO at Otello Corporation ASA. He has extensive experience in the software and tech industry and has held executive positions in various corporations within that industry. Prior to joining Otello Corporation, Boilesen was CEO at Opera Software ASA. He holds a bachelor's degree in Business Economics from Aarhus Business School, and postgraduate diploma from Kolding Business School.



**Jostein Devold,
Chair member**

Jostein Devold is CEO of Mertoun Capital AS. He has been a chairman and/or board member of several companies, including Solvang ASA, Expert ASA and Leif Hubert AS. Devold has previously held the position of investments director at Rasmussengruppen AS. He received a graduate degree from the University of Manchester and an undergraduate degree from BI Norwegian School of Economics.



**Martin Nes,
Chair member**

Martin Nes has been CEO in Ferncliff since 2010. Prior to joining Ferncliff, he spent several years with the Norwegian law firm Wikborg Rein, working in both the Oslo and London offices, and with the shipping law firm Evensen & Co. Nes has extensive corporate experience and is/has been chairman and/or a member of the boards of several listed companies. He holds a law degree from the University of Oslo, and also holds a Master of Laws degree from University of Southampton, England.



**Lars Nilsen,
Chair member**

Lars Nilsen is owner and CEO of Lani Invest AS. He has been CEO of Block Watne AS which changed name to BWG Homes ASA, a company previously listed on Oslo Stock Exchange. Nilsen holds an MBA in finance and real estate from the University of Denver, USA.



**Jan Christian Opsahl,
Chair member**

Jan Christian Opsahl is owner and CEO of Dallas Asset Management. He has been chairman and/or member of the boards of several companies, including REC Solar ASA, REC Silicon ASA, Storebrand ASA, NEL ASA, Tomra Systems ASA, Tandberg ASA and Tandberg Television ASA. Opsahl holds a degree in business as well as computer science from the University of Strathclyde in Glasgow, Scotland. He is also a Sloan Fellow from London Business School/M.I.T.



**Øystein Stray Spetalen,
Chair member**

Øystein Stray Spetalen is Chairman and owner of investment firm Ferncliff TIH AS. He is an independent investor. He has worked in the Kistefos Group as an investment manager, as corporate advisor in different investment banks and as a portfolio manager in Gjensidige Forsikring. Spetalen is/has been chairman and/or a member of the boards of several companies, including Hiddn Solutions ASA. He is a chartered petroleum's engineer from NTNU.

THE MANAGEMENT TEAM

Herman Sjøberg, CEO / CTO

Herman joined Ayfie in September 2021. Before joining Ayfie, Herman was the Business Development Director at Capgemini. He also served as Community of Practice lead responsible for training consultants in best practices for digital transformation within the data analytics and insights area. Herman co-founded the investment advisory company Forvaltningshuset (now Söderberg & Partners Norway) serving as CTO and Partner. He holds a Master's Degree in Economics from BI Norwegian Business School.

Lasse Ruud, CFO

Lasse joined Ayfie in September 2020 through the acquisition of Haive AS, of which he was the CEO. Lasse has worked in the IT-industry since 1991. He has significant experience from management of both consulting and software companies. He was a co-founder of companies like Win.HLP, Tarantell and Questpoint. Lasse also has held other leading roles such as Sales Manager in Capgemini. Lasse is educated in IT, finance and marketing.

Egil Slavko Kvamme, CRO

Egil Kvamme has broad and solid experience from sales within the technology sector. Before joining Ayfie in February 2021, Egil worked as the Business Development Director in Northern Europe for ForgeRock, an internation-

al information technology service provider. Egil has also held leading sales positions in Gartner, Acer and Dale Carnegie Training.

Carina Hansen, CMO / CSM

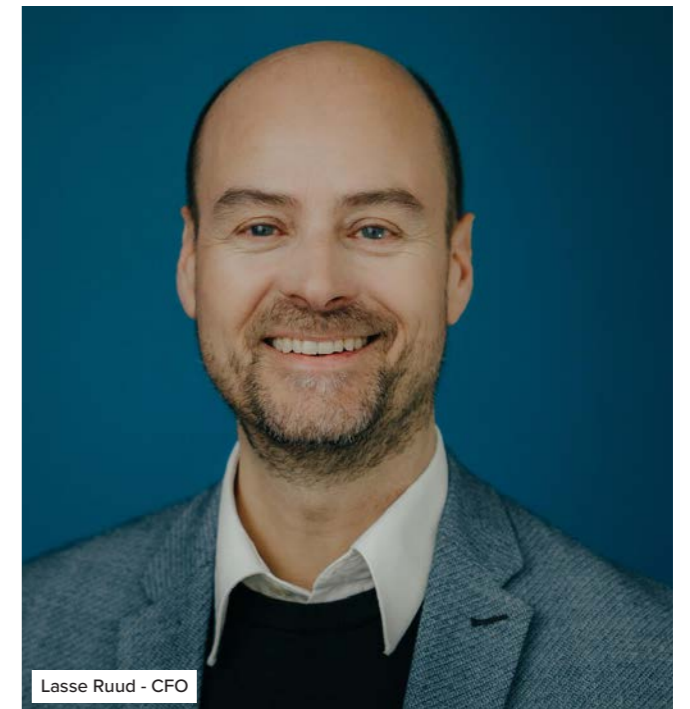
Carina holds a Master in European Marketing and Management from IDRAC Business school as well as a Master of Science in International Business from Hult International Business School. Carina has worked several years as Executive Client Manager in Gartner and held the position of Key Account Manager in Telia from 2016 to 2021, during which she also was a core engine behind numerous Telia events in Norway.

Thomas Becke, CCO

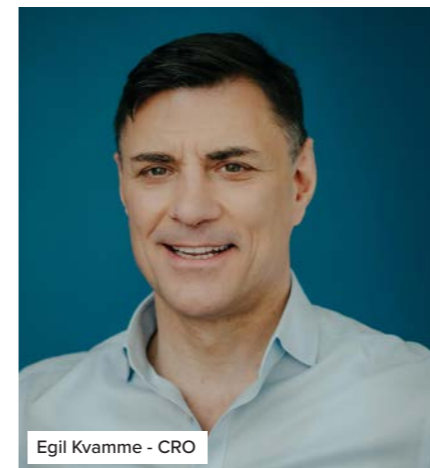
Thomas is a new member of the Ayfie Team, bringing with him over 20 years of experience in research, information- and knowledge management, and data analytics and insights. He has held leading roles in various organizations such as the Norwegian Intelligence Service, Capgemini, and the Norwegian State Housing Bank. Thomas has extensive experience in strategy and business development in both the public and private sectors across multiple industries. He graduated from the Norwegian Military Academy and holds an MBA in Strategic Management & Corporate Finance from BI Norwegian Business School.



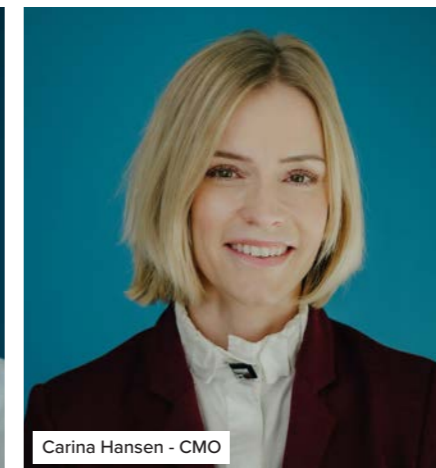
Herman Sjøberg - CEO



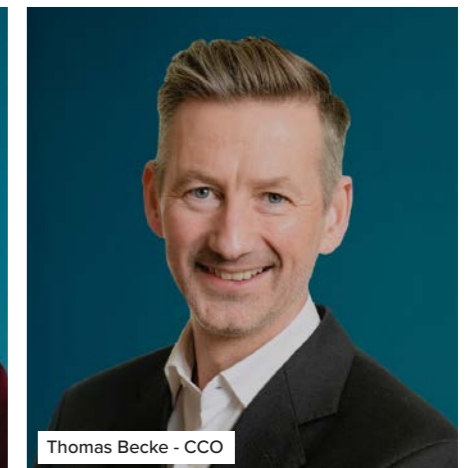
Lasse Ruud - CFO



Egil Kvamme - CRO



Carina Hansen - CMO



Thomas Becke - CCO



FINANCIAL INFORMATION

Consolidated Financial Statements

Consolidated statement of comprehensive income

For the years ended 31 December

<i>Amounts in NOK 1000</i>	Notes	2023	2022
Revenue and other operating income			
Revenue	2.1	20 595	25 714
Total revenue and other operating income		20 595	25 714
Cost of sales			
Cost of sales		752	1 585
Gross profits		19 843	24 129
Operating expenses			
Personnel expenses	2.2, 4.7	28 781	26 788
Other operating expenses	2.3	15 840	10 148
Depreciation and amortization	3.1, 6.2	1 048	1 054
Impairment	3.2, 3.3		17 592
Total operating expenses		45 669	55 582
Operating profit or loss		(25 826)	(31 452)
Finance income and costs			
Finance income	4.4	531	381
Finance costs	4.4	667	641
Profit or loss before tax		(25 962)	(31 711)
Income tax expense	5.1	-	(451)
Net profit or loss for the year		(25 962)	(31 260)
Earnings per share (basic and diluted)			
Earnings per share (NOK)		(1.87)	(0.28)
Earnings per share diluted		(1.87)	(0.28)

Consolidated statement of financial position

Amounts in NOK 1000	Notes	31.12.2023	31.12.2022
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	3.1	-	106
Right-of-use assets	6.2	-	942
Total non-current assets		-	1 048
<i>Current assets</i>			
Trade receivables	2.4	2 588	3 843
Other current assets	2.5	4 755	4 938
Cash and cash equivalents	4.3	3 161	18 722
Total current assets		10 503	27 504
TOTAL ASSETS		10 503	28 551
EQUITY AND LIABILITIES			
<i>Equity</i>			
Issued share capital	4.6	30 227	27 727
Other capital reserves		7 981	6 968
Retained earnings		(40 733)	(21 757)
Total equity		(2 526)	12 938
<i>Current liabilities</i>			
Trade and other payables	2.6	4 787	4 529
Current lease liabilities	6.2	-	1 039
Contract liabilities	6.1	5 601	7 359
Other current liabilities	6.1	2 641	2 686
Total current liabilities		13 029	15 613
Total liabilities		13 029	15 613
TOTAL EQUITY AND LIABILITIES		10 503	28 551

Oslo, 19 March 2024
The Board and CEO of Ayfie Group AS

Sign.

Lars Boilesen
Chairman

Sign.

Martin Ness
Board member

Sign.

Jan Chr. Opsahl
Board member

Sign.

Herman Sjøberg
Chief Executive Officer

Sign.

Jostein Devold
Board member

Sign.

Lars Nilsen
Board member

Sign.

Øystein Stray Spetalen
Board member

Consolidated statement of cash flow

For the years ended 31 December

Amounts in NOK 1000	Notes	2023	2022
Cash flows from operating activities			
Loss before tax		(25 962)	(31 711)
<i>Adjustments to reconcile profit before tax to net cash flow:</i>			
Depreciation and amortization	3.1	106	113
Impairment	3.2 , 6.2		17 592
Net finance income and costs included in financing activities	4.4	14	138
Share based payments	4.7	1 013	2 286
<i>Working capital adjustment:</i>			
Changes in trade receivables	2.4	1 255	(2 679)
Changes in other current assets	2.5	183	(1 353)
Changes in trade and other payables	2.6	258	694
Changes in provisions and other liabilities	6.1	(2 964)	(3 671)
Net cash flows from operating activities		(26 097)	(18 591)
Cash flows from investing activities			
Net cash flow from investing activities		0	0
Cash flow from financing activities			
Proceeds from issuance of equity		9 486	-
Right issue/lease liabilities		942	942
Interests paid		122	122
Net finance cost paid	4.4	(14)	(138)
Net cash flow from financing activities		10 536	926
<i>Net change in cash and cash equivalents</i>			
Cash and cash equivalents, beginning of period	4.3	18 722	36 388
Cash and cash equivalents, end of period		3 161	18 722

Consolidated statement of changes in equity

NOK 1000	Issued share capital	Share premium	Other capital reserves	Retained Earnings	Total equity
Balance as of 01.01.2022	110 907	-	4 682	(73 678)	41 911
Profit (loss) for the year				(31 260)	(31 260)
Other comprehensive income					
Share based payment			2 286		2 286
Share capital decrease	(83 180)			83 180	
Balance as of 31.12.2022	27 727	-	6 968	(21 757)	12 938
Profit (loss) for the year				(25 962)	(25 962)
Other comprehensive income					
Option program			1 013		1 013
Capital increase	2 500	6 986			9 486
Transferred/covered loss		(6 986)		6 986	-
Balance as of 31.12.2023	30 227	-	7 981	(40 733)	(2 526)

The Extraordinary General Meeting 30 March 2023 gave the Board of Directors an authorization to increase the Company's share capital by up to NOK 13,863,347 million. The authorization is valid until the Company's annual general meeting in 2024, but no longer than to and including 30 June 2024.

The company's share capital is increased from NOK 27,726,693.75 to NOK 30,226,694 by the capital raise in October 2023.

Notes to the consolidated financial statements

Notes 1 – Background Information

Note 1.1 – Corporate information

Corporate Information

The consolidated financial statements of Ayfie Group AS and its subsidiaries (collectively, "the Group" or "Ayfie") for the year ended 31 December 2023 were authorized for issue in accordance with a resolution of the Board of Directors 19. March 2024.

Ayfie Group AS ("the Company" or "the parent") is a limited liability company incorporated and domiciled in Norway. The address of its registered office is Sjølyst Plass 2, 0278 Oslo. The shares of the Company were listed on Oslo Stock Exchange Euronext Growth 7 July 2020, with the ticker "AYFIE".

Basis of preparation

The consolidated financial statements of Ayfie Group AS are comprised of consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and related notes. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS®) as adopted by The European Union (EU).

The consolidated financial statements have been prepared on a historical cost basis, except when IFRS requires recognition at fair value. No items are recognized at fair value for 2023 and 2022.

Presentation currency

The consolidated financial statements are presented in Norwegian kroner (NOK), which is also the functional currency of the parent company. All figures are rounded to the nearest thousand (000), except when otherwise indi-

cated. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currencies

For presentation purposes, balance sheet items are translated from functional currency to presentation currency by using exchange rates at the reporting date. Items within total comprehensive income are translated from functional currency to presentation currency by applying average exchange rates. If currency rates are fluctuating significantly, daily exchange rates are applied for significant transactions.

Going concern

In accordance with the Accounting Act § 3-3a, the Board confirms that the financial statements have been prepared under the assumption of going concern and that this assumption remains valid. This confirmation is now further supported by the successful private placement completed on March 14, 2024, which has enhanced the Group's financial position. The going concern assumption is based on profit and cash flow forecasts for the year 2024 and Ayfie's long-term strategic forecasts, considering the fresh capital influx from the recent emission.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as of 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group's interests in subsidiaries as of 31 December 2023 are presented below:

All subsidiaries are included in the consolidated statement of financial position.

Consolidated entities	Office	CUR	Shareholding	Group's voting ownership share
Ayfie AS	Norway	NOK	100 %	100 %
Haive AS	Norway	NOK	100 %	100 %

Note 1.2 – Estimates, judgments and assumptions

Significant accounting judgements, estimates and assumptions

In connection with the preparation of the Group's consolidated financial statements, the management has made assumptions and estimates about future events and applied judgements that affect the reported values of assets, liabilities, revenues, expenses and related disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The assumptions, estimates and judgements are based on historical experience, current trends and other factors that the Group's management believes to be relevant at the time the consolidated financial statements are prepared. The estimates and underlying assumptions are reviewed on an ongoing basis.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, are described below:

Deferred tax assets

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

Due to uncertainty the deferred tax assets are not recognized.

For an overview of the temporary differences, reference is made to Note 5.1.

Note 1.3 – Significant accounting policies

Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Group received revenue from sale of solutions such as subscriptions. The Group considers its performance obligation connected to subscriptions to be satisfied over the lifetime of the subscriptions. Such revenue is thus recognized over time over the contract period on

a linear basis. The customers are invoiced on a yearly and quarterly basis, and payment is generally due within 14-30 days from delivery. In addition, the Group receives non-recurring revenue such as consulting services. Such revenue is recognized over time as the customer simultaneously receives and consumes the benefits provided by the Group. The customers are invoiced on a monthly basis, and payment is generally due within 14-30 days from delivery.

There are no significant costs to obtain or fulfil the contracts that are recognized as an asset.

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables: A receivable represents the Group's right to an amount of consideration that is unconditional.

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group fulfils the performance obligations under the contract.

Share based payment

Employees (including senior executives and Chairman of the Board) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. This program is measured at fair value at the date of the grant. The estimated cost at the grant date is recognized as personnel expense and equity over the vesting period. This estimate is based on the Group's assumptions of when and if the shares vest, adjusted for the effect of non-market based vesting conditions. The fair value share-based program is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations.

Financial assets

The Group's financial assets are trade receivables, other current assets and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except: When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except: When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of deductible temporary

differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

VAT

Expenses and assets are recognized net of the amount of sales tax, except: When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable. When receivables and payables are stated with the amount of VAT included the net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Development expenditures

Development expenditures on an individual project, which represents new applications/technology, are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset and the ability to measure reliably the expenditure during development

Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The assessment of when product development is capitalized is highly subjective, as the outcome of these projects may be uncertain.

Reference is made to note 3.2 for an overview of expensed development expenditures.

Group as a lessee

Identifying a lease

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.

Separating components in the lease contract

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

Recognition of leases and exemptions

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 short-term leases (defined as 12 months or less) and low value assets. For these leases, the Group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur.

Lease liabilities

The lease liability is recognized at the commencement date of the lease. 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. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

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 or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or interest rate.

Right-of-use assets

The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities, hence the cost of the right-of-use asset comprise of the amount of the initial measurement of the lease liability recognized and any lease payments made at or before the commencement date, less any incentives received.

Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized in the

statement of Comprehensive income as a reduction in operating expenses on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

Pensions and other post-employment benefits

The Group operates a defined contribution pension plan in Norway, which requires contributions to be made to a separately administered fund. Contributions have been made to the pension plan for full-time. The pension premiums are charged to expenses as they are incurred.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Statement of cash flows

The Group presents the statement of cash flow using the indirect method. Cash inflows and cash outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash items. Value added tax and other similar taxes are regarded as collection of tax on behalf of authorities and are reported net.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Segments

The Groups leading products are still in the development phase. For management purposes the Group is organized as one business units and the internal reporting is structured to reflect this. The Group has thus only one operating segment.

Note 1.4 – New standards in 2023

Changes in account principles and disclosure requirements

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition, or presentation of any items in the Group's financial statements.

Note 1.5 Standards issued but not yet effective

New and amended accounting standards and interpretations issued by the IASB may affect the Group's future financial reporting. The Group has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

Notes 2 - Operating performance

Note 2.1 – Revenues and other operating incoming

Revenue from contracts with customers [NOK 1000]	2023	2022
Subscription	19 566	25 006
Professional services/consultancy fees	1 029	708
Total revenues recognised over time	20 595	25 714
Total revenue from sales contracts with customers	20 595	25 714

Revenues recognised over time

Ayfie's business model is based on subscriptions, with contract lengths of typically 1-3 years. Customer specific development and onboarding of customers is charged at an hourly base and classified as professional services. The Group recognizes revenue over time by measuring the progress towards complete satisfaction of the services.

Geographic information [NOK 1000]	2023	2022
Revenues from businesses		
Norway	20 595	25 714
Total revenues	20 595	25 714

See note 2.4 for Trade Receivable

The Group has no Contract assets as subscriptions and services are billed in advance. Contract liabilities represent advances received related to billing in advance for subscriptions.

	31.12.2023	31.12.2022
Contract liabilities	5 601	7 359

The Group has decided not to disclose the amount of remaining performance obligations for contracts with expected duration less than one year.

Note 2.2 – Personnel expenses

Personnel expenses [NOK 1000]	2023	2022
Salaries	12 639	12 227
Social security tax	2 163	1 916
Pension costs - defined contribution plans	749	717
Contract labour	11 938	9 299
Cost of share-based payment	1 013	2 286
Other personnel costs	279	342
Total personnel expenses	28 781	26 788

	2023	2022
Full time equivalent employees as of 31.12	12	13
Contract labor as of 31.12	15	20
Total	27	33

Pensions

The Norwegian companies in the Group are obligated to keep an occupational pension scheme pursuant to the Norwegian Mandatory Occupational Pensions Act. The Group's pension scheme satisfies these requirements.

Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Management and Board remuneration

Management remuneration

Remuneration to executive management in 2023 [NOK 1000]	Salary	Pension	Other remuneration	Total remuneration
CEO Herman Sjøberg	1 630	160	11	1 801
CFO Lasse Ruud	1 651	71	11	1 733

Remuneration to executive management in 2022 [NOK 1000]	Salary	Pension	Other remuneration	Total remuneration
CEO Herman Sjøberg	1 410	169	10	1 589
CFO Lasse Ruud	1 691	72	8	1 771

There were no other members of the Executive Management. CEO and CFO held shares in the parent company. Reference is made to note 4.6 for disclosures on shareholdings. CEO is entitled to a termination amount of six months' base salary when the employment is terminated by the Group ("Severance Payment").

Board remuneration

The Board Members, excluding the Chairman, do not receive any form of remuneration, including salaries, severance pay, bonuses, or profit-sharing, for their services to the Board. The Chairman's remuneration in the form of share-based payments is detailed in note 4.7 – Share-based Payments. At the end of the financial year, Members of the Board held shares in the parent company, as disclosed in note 4.6 regarding shareholdings.

Note 2.3 – Operating expenses

Other operating expenses [NOK 1000]	2023	2022
Sales and marketing	1 259	436
Professional services	6 190	4 970
Rental and leasing	264	153
IT	6 344	3 898
Travel	98	185
Other operating expenses	1 686	506
Total other operating expenses	15 840	10 148

Audit fee

Auditor related fees [NOK 1000]	2023	2022
Fees for audit	566	479
Fees for other services	36	177
Total remuneration to the auditor	602	655

Note 2.4 – Trade receivables

Trade receivables [NOK 1000]	31.12.2023	31.12.2022
Trade receivables at nominal value	2 588	3 843
Expected credit loss	-	-
Total trade receivables	2 588	3 843

As of 31 December, the ageing analysis of trade receivables is, as follows:

Ageing analysis [NOK 1000]	Total	Not due	< 30 days	Past due 31-60 days	> 90 days
Trade receivables 31.12.2022	3 843	2 176	1 129	380	158
Trade receivables 31.12.2023	2 588	1 136	1 235	161	56

For details regarding the Group's procedures on managing credit risk, reference is made to note 4.5.

Note 2.5 – Other current assets

Other current assets [NOK 1000]	31.12.2023	31.12.2022
Pre-payments	1 980	1 943
Deposits	677	674
Other receivables	2 098	2 320
Total other current assets	4 755	4 938

Note 2.6 – Trade and other payables

Trade and other payables [NOK 1000]	31.12.2023	31.12.2022
Trade payables	4 006	2 983
VAT payable		198
Withholding payroll taxes and social security	781	1 348
Total trade and other payables	4 787	4 529

Trade payables are non-interest bearing and are normally settled on 14–30 day terms. For an overview of the term date of trade and other payables, reference is made to note 4.2.

Notes 3 – Asset base

Note 3.1 – Property, plant and equipment

Property, plant and equipment [NOK 1000]	Fixtures and fittings, tools, office machinery etc.	Total
Acquisition cost 01.01.2022	2 512	2 512
Additions	0	0
Disposals	0	0
Acquisition cost 31.12.2022	2 512	2 512
Additions	0	0
Disposals	0	0
Acquisition cost 31.12.2023	2 512	2 512
Accumulated depreciation and impairment 01.01.2022	2 294	2 294
Depreciation for the year	113	113
Accumulated depreciation and impairment 31.12.2022	2 406	2 406
Depreciation for the year	106	106
Accumulated depreciation and impairment 31.12.2023	2 512	2 512
Carrying amount 31.12.2022	106	106
Carrying amount 31.12.2023	0	0

Economic life of 3-5 years
Depreciation plan: Straight line

Note 3.2 – Intangible assets

Intangible assets [NOK 1000]	Other intangible assets	Total
Acquisition cost 01.01.2022	17 636	17 636
Additions	0	0
Acquisition cost 31.12.2022	17 636	17 636
Additions	0	0
Acquisition cost 31.12.2023	17 636	17 636
Accumulated amortization & impairment 01.01.2022	15 584	15 584
Amortization and Impairment for the year	2 052	2 052
Currency translation effects	0	0
Accumulated depreciation & impairment 31.12.2022	17 636	17 636
Amortization and Impairment for the year	0	0
Currency translation effects	-	-
Accumulated amortization & impairment 31.12.2022	17 636	17 636
Carrying amount 31.12.2022	0	0
Carrying amount 31.12.2023	0	0
Economic life	3-5 years	
Amortization plan	Straight line	

Intangible assets was mainly customer relationships originating from the acquisition of Haive AS in 2021. The rest value 31.12.21 were fully written off in 2022, see note 3.3.

Other intangible assets - research and development

In line with our accounting policies, Ayfie Group AS does not capitalize expenses related to Research and Development (R&D) in 2023. We firmly believe in the importance of investing in innovation and the development of our technology and solutions. As part of our commitment to transparency and providing insightful information to our stakeholders, we wish to disclose that the total R&D expenses incurred during the current reporting period amounted to approximately NOK 9 million.

These expenses have been fully expensed in the period they occurred, reflecting our ongoing investment in enhancing our product offerings and securing our competitive edge in the market. This approach underscores our strategic focus on long-term growth and the continuous improvement of our technologies, even though these investments are not capitalized on our balance sheet.

Note 3.3 – Goodwill

The Group tests goodwill for impairment annually or more frequently if there are indications that goodwill is impaired.

The business of Haive was integrated to Ayfie's business during 2022 and customers from Haive have been migrated to Ayfie. The recoverable amount of the Haive CGU is less than goodwill recognized in the acquisition and goodwill has therefore been written off in. Based on analysis of churn of customer relationships the book value of customer relationships was written off by of NOK 2,052 thousand in 2022, see also note 3.2.

Notes 4 – Capital, equity and finance

Note 4.1 – Financial instruments

The following tables shows the various financial assets and liabilities, grouped in the different categories of financial instruments according to IFRS 9:

31.12.2023	Financial instruments at amortised cost
Assets	
Trade receivables (Note 2.4)	2 588
Other current assets (Note 2.5)	2 755
Cash and cash equivalents (Note 4.3)	3 161
Total financial assets	8 524
Liabilities	
Current liabilities (Note 6.1)	4 006
Non-current liabilities (Note 6.1)	-
Total financial liabilities	4 006

31.12.2022	Financial instruments at amortised cost
Assets	
Trade receivables (Note 2.4)	3 843
Pre-payments (Note 2.5)	4 938
Cash and cash equivalents (Note 4.3)	18 722
Total financial assets	27 504
Liabilities	
Current liabilities (Note 6.1)	2 903
Non-current liabilities (Note 6.1)	-
Total financial liabilities	2 903

Financial assets

Management assessed that the fair values of cash and cash equivalents, trade receivables and other current assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial liabilities

In accordance with IFRS, the Group's leasing obligations are valued at fair value using the Discounted Cash Flow (DCF) method, with a discount rate reflecting the end-of-period cost of capital. These fair values are similar to their carrying amounts.

Note 4.2 – Ageing of financial liabilities

31.12.2023	1 year	2-5 years	Over 5 years	Total
Current liabilities (Note 6.1)	13 029	-	-	13 029
Non-Current liabilities (Note 6.1)	-	-	-	-
Total	13 029	-	-	13 029

31.12.2022	1 year	2-5 years	Over 5 years	Total
Current liabilities (Note 6.1)	15 613	-	-	15 613
Non-Current liabilities (Note 6.1)	-	-	-	-
Total	15 613	-	-	15 613

Note 4.3 – Cash and cash equivalents

Cash and cash equivalents [NOK 1000]	31.12.2023	31.12.2022
Bank deposits, unrestricted	2 571	17 917
Bank deposits, restricted*	590	805
Total cash and cash equivalents	3 161	18 722

* Restricted bank deposits relate to cash for withholding taxes which may not be used for other purposes. Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Note 4.4 – Financial income and expenses

Financial income and expenses [NOK 1000]	2023	2022
Financial income		
Interest income	276	218
Foreign exchange gains	255	163
Other financial expenses	-	-
Total finance income	531	381
Financial expenses		
Foreign exchange losses	317	319
Interest	11	7
Other financial expenses	340	314
Total finance cost	667	641

Note 4.5 – Financial risk

The Group is exposed to various risks affecting its financial performance, mainly foreign exchange risk, liquidity risk and credit risk. The Group seeks to minimize potential adverse effects of such risks through sound business practices.

Foreign currency risk

The Group has none of its financial assets or liabilities denominated in foreign currencies, and a small portion of the Group's revenues are denominated in foreign currencies. Therefore, currency fluctuations will have very limited impact on financial performance.

Foreign currency risk on financing

The Group has no financial liabilities denominated in foreign currency.

Foreign currency risk on operations

The Group's currency risk on operations is related to the Group's revenue and operating expenses in foreign currency. Sales, employee benefit expenses and other operating expenses are in NOK. Ayfie aims to minimize the risk of changes in the value of net cash flows arising from foreign currencies. The Group does not hedge foreign currency exposure with derivatives at the current time but monitors the net exposure and may choose to use financial derivatives to limit foreign currency risk in the future.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its obligations associated with financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation. The future cash flow for the Group is constantly forecasted and monitored. In March 2024, the Group successfully completed a private placement raising 20 MNOK, significantly enhancing our liquidity position. This additional capital ensures that the Group is well-positioned to meet its financial obligations through 2024 and beyond, reflecting our proactive approach to managing liquidity risk. Reference is made to note 4.2 for an overview of the maturity profile on the Group's financial liabilities.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and to a lesser degree from its cash deposits with its bank in Norway. For an overview of the ageing of trade receivables, reference is made to Note 2.4.

It is the management's opinion that there is no material credit risk connected to the Group's current assets.

Note 4.6 - Capital Management, equity debt and shareholders

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a healthy cash flow to cover ongoing operations and maximize shareholder's value over time.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or acquire debt. Within net debt, the Group includes interest-bearing loans and borrowings, less unrestricted cash and cash deposits. The Group has no interest-bearing loans as of 31 December 2023 and unrestricted cash was NOK 2,6 million.

Issued capital:

Issued share capital	Number of shares	Nominal Value	Balance Sheet
31.12.2018	59 629 367	2 981	2 981
Issue of share capital 08.02.2019	1 079 530	54	54
31.12.2019	60 708 897	3 035	3 035
Issue of share capital 27.03.2020	549 399 000	27 470	27 470
Reverse split 20:1	(579 602 502)	-	-
Issue of share capital 10.06.2020	50 703 996	50 704	50 704
Issue of share capital 01.07.2020	25 000 000	25 000	25 000
Issue of share capital 17.08.2020	697 386	697	697
Issue of share capital 11.09.2020	4 000 000	4 000	4 000
31.12.2020	110 906 775	110 906	110 906
31.12.2021	110 906 775	110 906	110 906
Share capital decrease		(83 180)	(83 180)
31.12.2022	110 906 775	27 727	27 727
Reverse split 8:1	(97 043 428)		
Issue of share capital 07.11.2023	1 250 000	2 500	2 500
31.12.2023	15 113 347	30 227	30 227

The Extraordinary General Meeting 30 March 2023 gave the Board of Directors an authorization to increase the Group share capital by up to NOK 13,863,347 million. The authorization is valid until the Group annual general meeting in 2024, but no longer than to and including 30 June 2024.

The company's share capital is increased from NOK 27,726,693.75 to NOK 30,226,694 by the capital raise in October 2023.

Dividend distribution to shareholders

The company has not paid dividends in 2023.

Ownership structure

Shareholders as of 31 December 2023	Total shares	Ownership	Shareholding/ Voting
FERNCLIFF LISTED DAI AS	2 522 415	17 %	17 %
LANI INVEST AS	1 828 020	12 %	12 %
DALLAS ASSET MANAGEMENT AS	984 920	7 %	7 %
MERTOUN CAPITAL AS	929 587	6 %	6 %
DATUM AS	667 625	4 %	4 %
STAFF HOLDING AS	578 499	4 %	4 %
LEIJO AS	389 547	3 %	3 %
HØYLANDET BYGGUTLEIE AS	362 249	2 %	2 %
PER-ERIK BURUD AS	329 598	2 %	2 %
UFI AS	305 378	2 %	2 %
LEIF HÜBERT AS	294 532	2 %	2 %
NIGA AS	290 711	2 %	2 %
CAMACA AS	236 249	2 %	2 %
NORDNET LIVSFORSIKRING AS	228 893	2 %	2 %
TERSUS AS	220 676	1 %	1 %
BRUSKELAND	200 258	1 %	1 %
DELTA COMMERCE AS	197 775	1 %	1 %
MP PENSJON PK	162 500	1 %	1 %
MCE HOLDING AS	153 799	1 %	1 %
MTB EIENDOMSUTVIKLING AS	151 493	1 %	1 %
Other shareholders	10 883 231	28 %	28 %
Total	15 113 347	100 %	100 %

Reconciliation of equity is shown in the statement of changes in equity.

At the end of the financial year, members of the Board and executive employees held shares in the parent company, representing the following ownership:

Ownership interests held by Board Members and Executive Management:	Ownership
Øystein Stray Spetalen, Chairman (FERNCLIFF LISTED DAI AS)	16.6%
Lars Nilsen, Board member (Lani Invest AS/Last Invest AS)	12.9%
Jan Chr. Opsahl, Board member (Dallas Asset Management AS)	6.5%
Lasse Ruud, CFO (Delta Commerce AS)	1.3%
Herman Sjøberg, CEO	0.1%
Total	37.4%

Note 4.7 – Share based payments

In May 2022, the Chairman of Ayfie Group AS was granted 375,000 options (adjusted for the reverse split with a factor of 8 from the original 3,000,000) for shares in the Company, comprising 187,500 options vesting on 1 June 2023 at a strike price of NOK 8.40 (adjusted from NOK 1.05) and 187,500 options vesting on 1 June 2024 at a strike price of NOK 9.20 (adjusted from NOK 1.15).

A share option program for certain employees was resolved in May 2022. Post the reverse split adjustment, the program comprised a total of 1,218,750 options (adjusted from the original 9,750,000 options) for shares in the Company.

There have been no changes in the share option program in 2023.

Share-Based Payment Expense:

The cost associated with the Share-Based Payment program for the year, as recognized in the profit and loss statement, amounted to NOK 1,013 thousand. This expense reflects the fair value of options granted to the Chairman and certain employees, accounted for in accordance with IFRS 2.51(a).

Overview of outstanding options as of 31 December 2023:	Weighted average exercise price	Number of share options
Outstanding options 1 January 2022	17.20	1 312 500
Outstanding options 31 December 2022	8.80	1 218 750
Exercisable at 31 December 2023	8.80	1 218 750

Options granted by strike price	Number of share options	Strike price
	1 218 750	8.40
	1 218 750	

Share options held by Executive Management and the Board	Number of share options	% of total
Chairman	375 000	30.8%
CEO	375 000	30.8%
CFO	187 500	15.4%
Total	937 500	100%

Each option gives the right to acquire one share in the Company. Options are measured at fair value at the date of the grant. The estimated cost at the grant date is recorded directly against equity over the vesting period. The fair value share-based program is measured using the Black-Scholes pricing model.

Pricing model

The fair value of the options has been calculated using the Black-Scholes option-pricing model for European options.

Share price on the grant date

The share price is set to the last traded price on the grant date.

The strike price per option

The strike price is the share price on the grant date.

Volatility

The expected volatility is set to 53 percent based on a peer group analysis.

The term of the option

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. It is assumed that 100 percent of the employees will exercise the options.

Dividend

The estimated dividend per share is NOK 0 per annum.

Interest rate

For the share option program initiated in May 2022, the weighted average risk-free interest rate at the grant was set at 0.6%. This rate was utilized in the calculation of the fair value of share options granted, reflecting the market conditions and the risk-free return available on Norwegian government bonds with a maturity similar to the terms of the options.

As there have been no changes or new grants in the share option program during 2023, this rate remains relevant for the valuation of options granted as part of the program. The Group continues to apply this assumption in the accounting for the cost associated with the share-based payments, ensuring consistency with the initial valuation principles established under IFRS 2.

Notes 5 – Taxes

Note 5.1 – Taxes

NOK 1000	2023	2022
Current income tax expense:		
Tax payable	0	0
Change deferred tax/deferred tax assets	0	(451)
Total income tax expense	0	(451)

	2023	2022
Tax payable		
Profit before taxes	(25 962)	(31 711)
Permanent differences*	(2 394)	16 162
Change in temporary differences	(264)	(811)
Tax basis	(28 619)	(16 360)
Use of tax-loss carryforward	0	0
Current taxes according to statutory tax rate 22%	0	0

Deferred tax liabilities/Assets	31.12.2023	31.12.2022
Property, plant and equipment	(199)	(470)
Other current assets	0	0
Other temporary differences	30	37
Losses carried forward	(216 350)	(187 731)
Basis for deferred tax liabilities (assets):	(216 519)	(188 164)
Calculated deferred tax	(47 634)	(41 396)
- Deferred tax assets not recognized	47 634	41 396
Deferred tax liability in the balance sheet	0	0
Deferred tax asset in the balance sheet	0	0

Reconciliation of income tax expense	2023	2022
Profit before taxes	(25 962)	(31 711)
Expected tax expense (Norway tax rate)	(5 711)	(6 976)
Permanent differences ¹	(527)	3 556
Effects of foreign tax rates	0	0
Effect of deferred tax asset not recognized	6 238	3 420
Recognized income tax expense	-	-

¹Permanent difference are related to SkatteFUNN and non-deductible cost.

The Group has NOK 216 350 thousand (NOK 187 731 thousand) of tax losses carried forward in Norway. No parts of the tax losses carried forward do expire. No deferred tax assets have been recognized as it is uncertain if the losses can be utilized.

Notes 6 - Other disclosures

Note 6.1 – Provisions and other liabilities

Current liabilities [NOK 1000]	Note	31.12.2023	31.12.2022
Contract liabilities	4.1, 4.2	5 601	7 359
Salaries and other personnel related costs	4.1, 4.2	2 537	2 755
Other short-term liabilities	4.1, 4.2	4 891	5 497
Total Current liabilities		13 029	15 613

Non-Current liabilities	Note	31.12.2023	31.12.2022
Non-current lease liabilities		0	0
Deferred tax liabilities		0	0
Total Non-Current liabilities		0	0

Note 6.2 – Leasing

Lease commitments - Group as lessee

The Group had in 2023 one lease agreement related to the rent of its head office in Oslo that ended on 31. December 2023. The Group assesses at lease commencement, and subsequently when facts and circumstances which under the control of the Group require it, whether it is reasonably certain to exercise these options and reflects this in the lease term. There are no restrictions placed upon the Group as a result of entering into the leases.

The Group has applied the recognition exemption for short term leases (lease term of 12 months and less) and leases of assets with low value.

Right-of-use assets	Buildings	Total
01.01.2022	12 497	12 497
Addition of right-of-use assets	-	-
Terminated contracts	-	-
Currency exchange differences	-	-
31.12.2022	12 497	12 497
Addition of right-of-use assets	-	-
Terminated contracts	-	-
Currency exchange differences	-	-
31.12.2023	12 497	12 497
Accumulated depreciation and impairment 01.01.2022	10 614	10 614
Depreciation	942	942
Currency exchange differences	-	-
Accumulated depreciation and impairment 31.12.2022	11 556	11 556
Depreciation	942	942
Currency exchange differences	-	-
Accumulated depreciation and impairment 31.12.2023	12 497	12 497
Carrying amount of right-of-use assets 31.12.2022	942	942
Carrying amount of right-of-use assets 31.12.2023	0	0

Lease liabilities

The Group has entered into a new lease agreement for head offices at the end of 2023. The new agreement is for the period 1 January 2024 – 31.08.26. The lease liabilities for the new contract are as follows.

Undiscounted lease liabilities and maturity of cash outflows	Total
Less than 1 year	1 350 000
1-2 years	1 700 000
2-3 years	1 700 000
Total undiscounted lease liabilities at 31.12.2023	4 750 000

These lease liabilities are not recognized as of December 31, 2023 as the lease agreement only started January 1, 2024.

Contingent assets and liabilities

The Group has no contingent assets or liabilities that meet the criteria for disclosure.

Note 6.3 – Related party transactions

Related parties are shareholders, Board Members and Executive Management in the parent company and the Group subsidiaries.

Note 1.1 provides information about the Group's structure, including details of the subsidiaries and the Parent company. The agreements on remuneration for Executive Management appear in note 2.2.

There have been no transactions between related parties during the reporting period, other than remuneration to Executive Management as disclosed in note 2.2. There are no balances against related parties as of December 31, 2023.

Note 6.4 – Earnings Per Share (EPS)

There has been a significant variation in the Earnings Per Share (EPS) between 2022 and 2023. In 2022, both the basic and diluted EPS were recorded at -0.28. However, in 2023, the basic EPS significantly declined to -1.87, with the diluted EPS slightly higher at -1.87. This substantial difference in EPS year-over-year is attributable to several operational and financial factors, excluding the impact of the reverse split executed on March 8, 2023, with a factor of 8.

The difference in EPS reflects the company's financial performance and operational adjustments during the period. It's important to note that the reverse split has been accounted for in the EPS calculation to provide a consistent basis for comparison, ensuring the EPS reflects the true economic effect on shareholders.

Note 6.5 – Events after the reporting period

Ayfie Group completed a share issue of 20 MNOK. This was carried out and finalized on March 14, 2024.

Parent Financial Statements

Statement of income parent company

For the years ended 31 December

<i>Amounts in NOK 1000</i>	Notes	2023	2022
Revenue and other operating income			
Revenue		0	0
Total revenue and other operating income		0	0
Operating Expenses			
Personnel expenses	2, 3	3 112	4 351
Other operating expenses	5.1	4 519	1 899
Total operating expenses		7 631	6 250
Operating profit or loss		(7 631)	(6 250)
Finance income and costs			
Other finance income	5.2	268	235
Impairment receivables subsidiaries	5.2, 7	16 789	0
Impairment subsidiaries	5.2, 7	372	15 000
Other finance expenses	5.2	220	194
Profit or loss before tax		(24 744)	(21 209)
Income tax expense	6	0	0
Net loss for the year		(24 744)	(21 209)
Allocated as follows			
Charged to uncovered loss		(24 744)	(21 209)

Statement of financial position parent company

Amounts in NOK 1000	Notes	31.12.2023	31.12.2022
ASSETS			
Financial assets			
Investment in subsidiaries	7		372
Total financial assets			372
Total non-current assets		0	372
Current assets			
Other current assets		966	776
Cash and cash equivalents	4	2 449	13 786
Total current assets		3 415	14 562
TOTAL ASSETS		3 415	14 934
EQUITY AND LIABILITIES			
Equity			
Issued share capital	8	30 227	27 727
Other capital reserves		7 980	6 968
Uncovered loss		(39 006)	(21 248)
Total equity		(799)	13 447
Non-current liabilities			
Total non-current liabilities		0	0
Current liabilities			
Trade and other payables		953	657
Current liabilities to related parties	7	2 120	78
Other current liabilities		1 141	752
Total current liabilities		4 214	1 487
Total liabilities		4 214	1 487
TOTAL EQUITY AND LIABILITIES		3 415	14 934

Oslo, 19 March 2024
The Board and CEO of Ayfie Group AS

Sign.

Lars Boilesen
Chairman

Sign.

Martin Ness
Board member

Sign.

Jan Chr. Opsahl
Board member

Sign.

Herman Sjøberg
Chief Executive Officer

Sign.

Jostein Devold
Board member

Sign.

Lars Nilsen
Board member

Sign.

Øystein Stray Spetalen
Board member

Notes to the financial statements - Parent company

Note 1 - Accounting Principles

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

Subsidiaries

Subsidiaries is valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental and deemed necessary by generally accepted accounting principles. Write-downs are reversed when the cause of the initial write-downs are no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long-term creditors.

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

Fixed assets are valued by the cost of acquisition, in the case of non-incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Pensions

The pension contributions are charged to expenses as they are incurred.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent

on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences, both positive and negative, are balanced out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To the extent Group contribution is not registered in the profit and loss, the tax effect of Group contribution is posted directly against the investment in the balance.

Share based payment

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. This program is measured at fair value at the date of the grant. The estimated cost at the grant date is recorded directly against equity over the vesting period. This estimate is based on the Company's assumptions of when and if the shares vest, adjusted for the effect of non-market based vesting conditions. The fair value share-based program is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

Intangible assets

For assessment of intangible assets, reference is made to note 1.3 in the consolidated financial statements.

Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the income statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date.

Contingent losses that are probable and quantifiable is expensed as occurred.

Note 2 - Personnel expenses and auditor fee

Personnel expenses [NOK 1000]	2023	2022
Salaries ¹	2 654	3 884
Social security tax	298	251
Pension costs - defined contribution plans	160	169
Other personnel costs		47
Total personnel expenses	3 112	4 351
Full time equivalent employees as of 31.12.2020	1	1

¹ Including cost of share option program for the Board of NOK 1 013 thousand (NOK 2 286 thousand). Reference is made to note 2.2 in the consolidated financial statements.

Benefits to the CEO

Reference is made to note 2.2 in the consolidated financial statements.

Audit Fee

Auditor related fees [NOK 1000]	2023	2022
Fees for audit	454	304
Fees for other services	36	164
Total remuneration to the auditor	490	468

Note 3 – Pensions

The Company is required to have an occupational pension scheme in accordance with Norwegian legislation ("Lov om Obligatorisk Tjenestepensjon"). The Company's pension arrangements fulfil the requirements of this legislation.

Note 4 – Bank deposit

The company has the following restricted cash:

Restricted cash [NOK 1000]	2023	2022
Withholding tax account	68	90
Deposit	300	300
Total restricted cash	368	390

Note 5.1 – Other operating expenses

Other operating expenses [NOK 1000]	2023	2022
Professional services	2 741	833
IT expenses	977	232
Other operating expenses	801	834
Total other operating expenses	4 519	1 899

Note 5.2 – Financial income and expenses

Financial income and expenses [NOK 1000]	2023	2022
Financial income		
Interest income	251	215
Foreign exchange gains	17	20
Total finance income	268	235
Financial expenses		
Impairment loan to subsidiaries	16 789	0
Impairment investment in subsidiaries	372	15 000
Other financial expenses	220	192
Foreign exchange loss	0	2
Total finance cost	17 381	15 194

Note 6 – Taxes

Tax base estimation [NOK 1000]	2023	2022
Ordinary result before tax	(24 744)	(21 209)
Permanent differences	16 966	15 000
Change in temporary differences	(17)	(25)
Tax base	(7 795)	(6 233)

Temporary differences outlines	2023	2022
Fixed assets	(40)	(58)
Net losses carried forward	(81 385)	(73 590)
Total after net losses carried forward	(81 425)	(73 648)
Differences not included in deferred tax base	(81 425)	(73 648)
Total	-	-
Calculated deferred tax	(17 913)	(16 202)
Deferred tax assets not recognized	17 913	16 202
Deferred tax asset (-) / Liability (+)	-	-

Note 7 – Investment in subsidiaries

Company and location [NOK 1000]	Acquisition date	Ownership share/ Voting rights	Net loss 2023	Equity 31.12.2023	Book value 31.12.2023
Ayfie AS (Norway)	01.03.2017	100%	(18 416)	(16 272)	0
Haive AS (Norway)	11.09.2020	100%	(60)	(2 244)	0
Total			(18 467)	(18 516)	0

Note 8 - Equity and shareholders

	Issued share capital	Share premium	Other capital reserves	Retained earnings	Total equity
Opening balance 01.01.2022	110 906	0	4 682	(83 219)	32 369
Loss for the year				(21 209)	(21 209)
Option program			2 286		2 286
Transfer from share premium	(83 180)			83 180	-
Balance as of 31 December 2022	27 727	0	6 968	(21 248)	13 447

	Issued share capital	Share premium	Other capital reserves	Retained earnings	Total equity
Opening balance 01.01.2023	27 727	0	6 968	(21 248)	13 447
Loss for the year				(24 744)	(24 744)
Option program			1 013		1 013
Share capital increase	2 500	6 986			9 486
Transferred		(6 986)		6 986	0
Balance as of 31 December 2023	30 227	0	7 980	(39 006)	(799)

Reference is made to note 4.6 in the consolidated financial statements for information on the Company's share capital and shareholders including Executive Management and the Board's equity interests.

Note 9 – Events after the reporting period

Reference is made to note 6.4 in the consolidated financial statements.

Statement of responsibility by the Board of Directors and CEO

We confirm to the best of our knowledge that:

The consolidated financial statements for 2023 have been prepared in accordance with IFRS as adopted by the EU, as well as additional information requirements in accordance with the Norwegian Accounting Act, and that the financial statements for the parent company for 2023 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that the information presented in the financial statements gives a true and fair view of the Company's and the Group's assets, liabilities, financial position and results for the period viewed in their entirety, and that the Board of Directors' report gives a true and fair view of the development, performance and financial position of the Company and the Group, and includes a description of the material risks that the Board of Directors, at the time of this report, deem might have a significant impact on the financial performance of the Group.

Oslo, 19 March 2024
The Board and CEO of Ayfie Group AS

Sign.
Lars Boilesen
Chairman

Sign.
Martin Ness
Board member

Sign.
Jan Chr. Opsahl
Board member

Sign.
Herman Sjøberg
Chief Executive Officer

Sign.
Jostein Devold
Board member

Sign.
Lars Nilsen
Board member

Sign.
Øystein Stray Spetalen
Board member

Auditor's Report



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Ayfie Group AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ayfie Group AS (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial position as at 31 December 2023 and the income statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity 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 legal 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 cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- 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 cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the 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

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and CEO) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that

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the information required by applicable legal requirements is not included in the board of directors' report, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the 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 and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 the 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, 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.

Independent auditor's report - Ayfie Group AS 2023

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- 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 fair presentation.
- 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.

Oslo, 20 March 2024
ERNST & YOUNG AS



Tore Sørli
State Authorised Public Accountant (Norway)

Independent auditor's report - Ayfie Group AS 2023

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The logo for ayfie, featuring the lowercase text 'ayfie' in white, centered within a dark teal circular background. The background of the entire page is light blue with abstract wavy line patterns in shades of blue and teal, and a grid of small squares in the top right corner.

ayfie

CONCEPT, DESIGN, PHOTO, ILLUSTRATIONS, TEXT, PROJECT MANAGEMENT: **COXITNO**

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