

# Annual report 2022

ZignSec AB (Publ) Reg. No. 559016-5261

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# ZignSec in brief

ZignSec is a technology group in the fast-growing RegTech industry. The company provides SaaS platform with digital real-time solutions for customer due diligence and ID verification with global reach. The solutions are used by companies that in turn can optimize their processes for "onboarding" both corporate customers and consumers and at the same time ensure compliance with ever-changing local and global regulatory requirements for Know Your Customer (KYC) and Anti Money Laundering (AML).

**"Identify and onboard your customers digitally"**

	2022	2021
Revenue, kSEK	<b>91,372</b>	<b>53,532</b>
Net revenue, kSEK	<b>89,917</b>	<b>52,945</b>
Net revenue growth	<b>70%</b>	<b>278%</b>
Equity/assets ratio	<b>76%</b>	<b>73%</b>

Definitions of key ratios, see note 33



# Important events 2022

The board of ZignSec AB appointed Alex Noton as the new CEO of ZignSec. Alex, former CEO of Web Shield Ltd, has a solid background in ID verification, M&A and strategic work. The reason for the CEO change is to intensify the work of integrating the various companies within the ZignSec group and to accelerate ZignSec's acquisition strategy.

Under the leadership of the company's new CEO, a structural organizational change at group level has been implemented, resulting in a more function-based organization. As part of the change, several departments have been centralized in order to optimize the organization for continued investment in growth and improved profitability.

ZignSec, through its subsidiary Web Shield, has signed a partnership agreement with Ethoca, a Mastercard subsidiary. This partnership enables Web Shield to offer its ready-made chargeback management platform to acquiring banks and makes the company an official Mastercard Collaboration Service Provider.

During 2022, several customer agreements with leading institutions in the financial industry have been signed, for example Deutsche Bank, Finaro (formerly Credorax) and Asia Pay, which clearly demonstrates ZignSec's ability to handle the regulatory compliance required by very large financial institutions.

As a result of the ongoing conflict in Ukraine, all contracts with customers in Russia have been terminated, which has negatively affected the group's turnover in 2022 compared to the previous year.

A new customer portal was launched in 2022, a compliance orchestration platform that provides the company's customers with an easy way to access ZignSec's range of integrated, leading KYC, KYB and AML solutions.

ZignSec has carried out a rights issue with preferential rights for the Company's shareholders. The rights issue was subscribed to 110 percent with and without the support of subscription rights. ZignSec will thus receive a total of approximately SEK 59.2 million before issue costs.

At the beginning of the fourth quarter, Glenn Mac Donald was hired as the new Chief Sales Officer (CSO) for the group. Glenn was previously Chief Commercial Officer at International Card Services and has held senior roles at Visa Europe, ING Bank, ABN Amro Bank, Adyen, Deloitte and Smart2Pay. Glenn is responsible for coordinating the ZignSec group's sales strategy, with a focus on growth and continued customer development.

To enable further investments in new projects to maintain growth and work towards a positive operating cash flow during the end of 2023, ZignSec signed an agreement for a growth loan of SEK 20 million with DBT Capital AB as lender.

# CEO comment

Looking back into the rear mirror, 2022 was a turbulent year with the war in Ukraine, rapidly rising inflation and a stock market correction, particularly impacting technology stocks that resulted in depressed economic activity.

After experiencing several years of rapid growth as a result of a number of acquisitions as well as organically, 2022 was a period of consolidation for ZignSec Group as we undertook the integration of the multiple entities that had been acquired as well as the necessary restructuring of the overall ZignSec Group to immediately improve profitability and cash-flow. Undertaking such activities is demanding at the best of times but is even more challenging given the instabilities in the broader macro-economic environment.

For the full year, 2022, ZignSec Group generated revenue of SEK 89.9 million, an increase of 70% compared with the corresponding period in the prior year. Whilst this represents strong growth, our ability to deliver strong organic growth was impacted by the reorganization of the Group, the closure of certain loss-making activities, the loss of a large Russian customer as a result of the current sanctions environment and the loss of a large customer in one of Web Shield's existing products.

We are now continuing to witness increasing levels of new sales which will offset these large client losses in due course. Over the year, we generated EBITDA losses of SEK 23.5 million, a slight decline on the same period in the prior year.

Over the course of the year, we have centralised several functions of the Group under the leadership of several departmental heads as well as grow our executive team with the hiring of a Chief Technology Officer.

The regtech market is continuously evolving driven by an ever-changing regulatory landscape, new services, the digitization of financial services and the continued growth of online transactions. We remain at the forefront of innovations in this dynamic market, developing new solutions as well as enhancing the features and functions of our existing product suite.

Over the course of the year, we launched two new products, one of which being the ZignSec portal, that enabled customers without the ability to access our services via API to leverage a web-based service as well as enhance the user experience for existing API-based customers. Web Shield also launched the Chargeback portal, a card-agnostic solution that enables payment processors and their merchants to prevent disputes before turning into chargebacks.

We also announced a new partnership with Mastercard subsidiary, Ethoca, and were accredited as a Mastercard Collaboration Service Provider, enabling Web Shield to become one of the few companies to offer a chargeback management platform to acquiring banks.

In what has been a challenging year, we have carried out much of the necessary changes required to put the ZignSec Group on a firmer footing and continue to invest in new product development and sales expansion to drive our future growth as well as improve profitability.

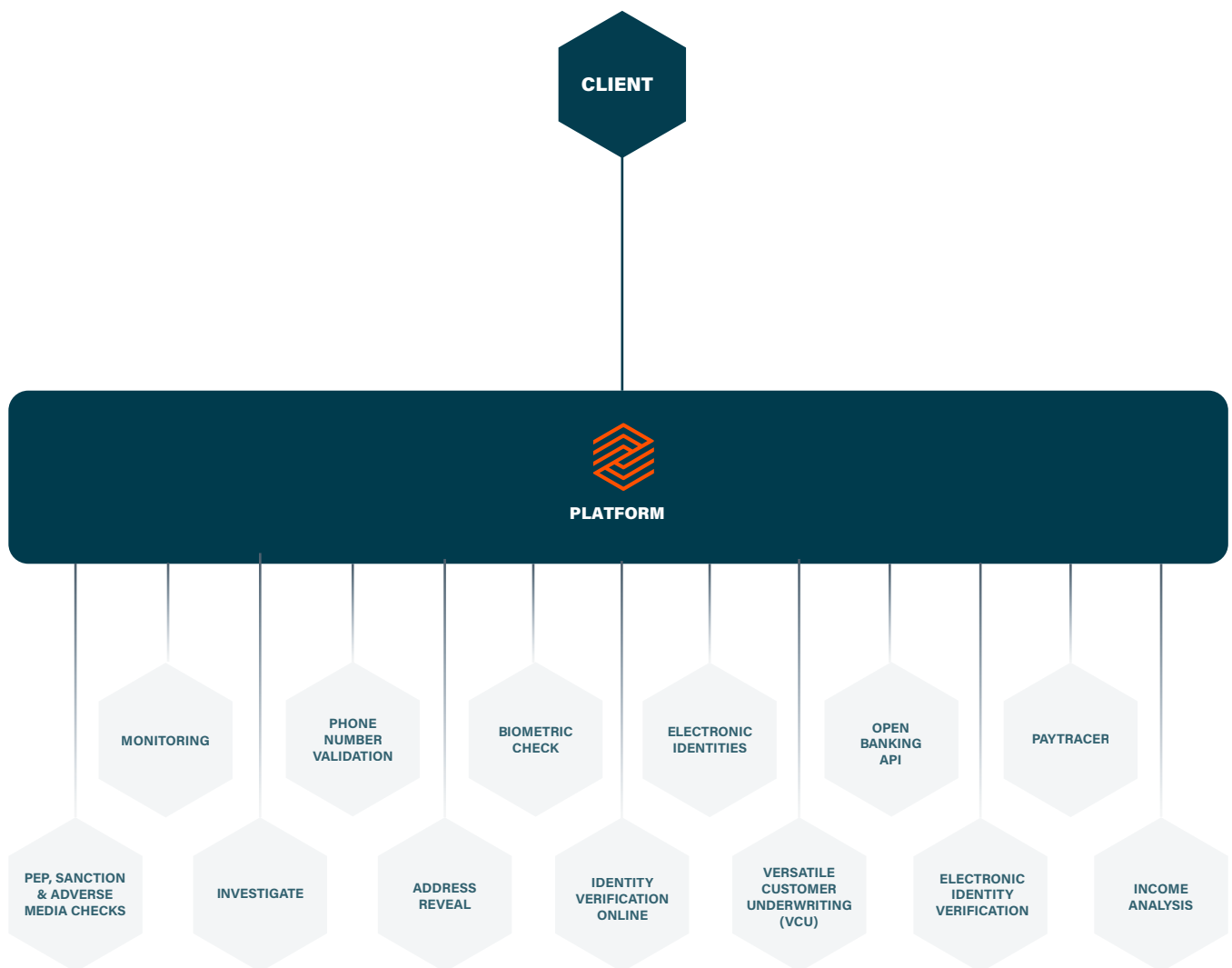
Glenn Mac Donald,  
CEO, ZignSec AB (publ)



# Our Platform

## An easy to connect verification platform for your business

ZignSec connects into different suppliers globally and makes them available via one easy to consume interface. We digitize and automate onboarding, due diligence and monitoring processes so our customers can focus on their core business. Through our channels - API, No Code Compliance Manager and soon our new SaaS Management portal - we make it easy to perform complex compliance workflows with the least effort.



# Platform features



## Electronic Identity Verification

Match personal information such as name, address, date of birth, or national ID with various data sources to quickly verify an individual.



## Online Identity Verification

Allow your customers to identify themselves by letting them scan their passports, driver's licenses, ID-cards and other documents. In real-time.



## Electronic Identities

Our platform offers a rapidly growing number of digital identity solutions across the world. All available via one connection.



## Phone Number Validation

Use our phone number validation service to authenticate users around the globe via SMS. With the ability to reach over 7 billion people.



## Monitoring

A powerful combination of tools that automatically updates, tracks and re-checks validated information.



## PayTracer

PayTracer screens payments and analyses transactions to provide instant risk scoring of the transaction and the parties involved in the transaction



## Versatile Customer Underwriting (VCU)

VCU is a complete portal solution that simplifies customer onboarding in compliance with AML legislation.



## Income Analysis

Our Income analysis feature gives you access to a detailed income reports without jeopardizing the privacy of your customers.



## Open Banking API

Allows you to include existing bank accounts to verify identities. It allows verifying addresses and additional user credentials (varies on country and bank).



## PEP, Sanction and Adverse Media Checks

Real-time access to multiple global PEP and Sanction lists, increasing both geographic coverage and quality of service.



## Address Reveal

An enhanced AML to instantly verify if customers are operating from virtual addresses.



## Crypto Compliance Library

A solution that enables acquirers to maintain compliance when handling crypto-currency merchants.



## Investigate

Investigate is our merchant onboarding solution offering a suite of research tools to deliver real-time underwriting.



## Biometric Check

AI technology that matches an ID document photo with a selfie or video of the person in real time, and verifies that it is not a copy or an imitation.

# Annual report

The Board of Directors and the CEO of ZignSec AB, 559016-5261, based in Stockholm, hereby submit the annual report and consolidated accounts for 2022. The company's accounting currency is Swedish kronor (SEK).

## Management Report

### Group relations

ZignSec AB (publ) is the parent company in the group consisting of the companies ZignSec AB, ZignSec Asia Pte Ltd, DataDepot OÜ, Data Depot Engineering Pte Ltd, Data Depot Asia Pte Ltd, Wyzer Ltd, Web Shield Ltd, Web Shield Services GmbH, Web Shield Services Polska sp.z.o.o.

### General information about the operations

ZignSec is a technology group in the fast-growing RegTech industry. The company provides a SaaS platform with digital real-time solutions for customer awareness and ID verification with a global reach. The solutions are used by companies that in turn can optimize their processes to "onboard" both corporate customers and consumers while ensuring compliance with ever-changing local and global regulatory requirements for Know Your Customer (KYC) and Anti Money Laundering (AML).

In connection with an ever-increasing range of online services, more and more companies are requesting user-friendly digital methods for verifying and monitoring their customers. Many industries are also affected by changing global and local conditions for regulatory compliance. GDPR demands better and more secure handling of personal data and more structured routines. At the same time, money laundering (AML) and customer awareness directives (KYC) from are strengthened.

ZignSec sees it as its role to help companies in this process and facilitate the transition to a digital flow by automating and digitizing the entire process around customer due diligence and onboarding. The applications are many, for example fast registrations, secure logins, anti-fraud, automatic KYC, etc. It is in these areas that ZignSec focuses and develops.

The area of customer due diligence and onboarding is much talked about in the media and at trade fairs around the world. ZignSec has a strong brand in the area and is well positioned for the changes that are coming. The company was founded in 2015 and has been listed on Nasdaq First North since October 2019.





The Group's net sales increased by 70% in 2022 compared with the previous year mainly as a result of completed company acquisitions. The Group's operating profit (EBIT) for 2022 was SEK -149.3 million compared with SEK -78.9 million for the previous year, the change is mainly due to amortization of acquired intangible assets. The Parent Company's operating profit (EBIT) for 2022 was SEK -16.3 million, compared with SEK -22.7 million the previous year.

### **Continued operations**

The Board has decided to carry out a rights issue during the period June-July 2023. Should the Board not succeed in carrying out the planned rights issue, other financing must be secured to avoid a significant risk to the company's ability to continue operations.

### **Significant events during the financial year**

Alex Noton, former CEO of Web Shield Ltd, was appointed as the new CEO of ZignSec AB to intensify the work of integrating the various companies within the ZignSec group.

The ZignSec group has carried out a structural organizational change at group level which resulted in a more function-based organization. As part of the change, several departments have been centralized in order to optimize the organization for continued investment in growth and improved profitability.

A partnership agreement was signed with Mastercard's subsidiary Ethoca. The agreement, which means that the company has become an official Mastercard Collaboration Service Provider, enables ZignSec's subsidiary Web Shield to offer its newly developed platform for handling chargebacks to acquiring banks.

As a result of the ongoing conflict in Ukraine, all contracts with customers in Russia have been terminated, which has negatively affected the group's turnover in 2022 compared to the previous year.

ZignSec AB has carried out an issue of shares with preferential rights for the Company's shareholders, which delivered, to the company, a total of approximately SEK 59.2 million before issue costs.



# Shareholders

## Shareholders as of 2022-12-31

Name	Share capital (%)	Share of voting power (%)	Totalt shares
COMMERZBANK AG	19.1	19.1	10,253,288
AVANZA PENSION	5.1	5.1	2,723,561
NFT VENTURES 1 KOMMANDITBOLAG	5.0	5.0	2,676,293
ALANDSBANKEN ABP	4.7	4.7	2,524,471
ALBEDJ, ALEXANDER	3.5	3.5	1,848,658
CREDIT SUISSE (SWITZERLAND) LTD	2.9	2.9	1,544,642
SWISS LIFE LIECHTENSTEIN AG	2.7	2.7	1,428,570
SAXO BANK A/S CLIENT ASSETS	2.0	2.0	1,051,627
NORDNET PENSIONS FÖRSÄKRING AB	1.9	1.9	1,034,439
OTHERS	53.2	53.2	27,473,063
<b>Total</b>	<b>100</b>	<b>100</b>	<b>52,558,612</b>



<b>Group Multiple-year comparison</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Net turnover (kSEK)	89,917	52,945	13,989	6,573	2,185
Operating profit/loss (EBIT) (kSEK)	-149,362	-78,889	-14,177	-10,359	-2,798
Operating margin % (EBIT)	-166	-149	-101	-158	-128
Balance sheet total (kSEK)	280,413	388,790	74,496	35,829	12,051
Solidity %	76	73	91	91	87
Average number of employees (pcs.)	75	58	13	7	3

2022-2018 in the multiple-year comparison for the Group are the Parent's as 2020 was the first year as a Group.

<b>Parent Multiple-year comparison</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Net turnover (kSEK)	26,357	16,685	13,503	6,573	2,185
Operating profit/loss (EBIT) (kSEK)	-16,349	-22,705	-11,974	-10,359	-2,798
Operating margin % (EBIT)	-62	-136	-89	-158	-128
Balance sheet total (kSEK)	273,958	384,546	71,031	35,829	12,051
Solidity %	87	81	89	91	87
Average number of employees (pcs.)	12	12	9	7	3

Definitions of key ratios, see note 33.

### **Proposed appropriations of profit and loss**

The following funds are available to the Annual General Meeting:

Share premium reserve	415,978,609
Retained profit/loss	-51,613,762
Loss for the year	-130,858,300
	<b>233,506,547</b>
The Board proposes the funds be distributed as follows:	
Carried forward	233,506,547
	<b>233,506,547</b>



# Group Profit and Loss

(SEK)	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Net turnover		89,916,983	52,945,375
Other operating income		1,455,381	586,817
		<b>91,372,364</b>	<b>53,532,193</b>
Cost of sales		-23,208,690	-13,709,884
Other external costs	3,4	-37,794,183	-29,744,229
Personnel costs	5	-53,869,210	-34,872,702
Depreciation, amortization and impairment *		-125,850,677	-54,124,503
Other operating costs		-310,478	-233,541
Profit/loss from shares in associated companies	6	298,854	264,064
<b>Operating profit/loss (EBIT)</b>		<b>-149,362,019</b>	<b>-78,888,601</b>
<b>Result from financial items</b>			
Interest income	7	9,212,698	23,026
Interest costs and similar items	8	-2,761,148	523,953
<b>Total result from financial items</b>		<b>6,451,550</b>	<b>546,979</b>
<b>Profit/loss before tax (EBT)</b>		<b>-142,910,470</b>	<b>-78,341,622</b>
Tax	9	3,339,719	1,009,746
<b>Profit/loss for the period</b>		<b>-139,570,750</b>	<b>-77,331,876</b>
Attributable to owners of the parent		-139,570,750	-72,735,840
Attributable to non-controlling interests		0	-4,596,036

\* Change compared to year-end report as a result of increased write-down of Goodwill.

# Group Balance sheet

(SEK)	Note	2022-12-31	2021-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Capitalized development expenditure	10	1,829,004	2,237,934
Customer relationships	11	45,714,073	56,622,369
Technology	12	13,409,679	23,224,781
Goodwill *	13	162,026,619	252,225,566
Patent, trademarks, licenses	14	266,552	380,235
<b>Total intangible assets</b>		<b>223,245,927</b>	<b>334,690,884</b>
<b>Tangible assets</b>			
Property, plant and equipment	15	1,267,167	1,364,062
<b>Total tangible assets</b>		<b>1,267,167</b>	<b>1,364,062</b>
<b>Financial assets</b>			
Shares in associated companies	2,16,17	1,464,087	1,059,677
<b>Total financial assets</b>		<b>1,464,087</b>	<b>1,059,677</b>
<b>Total non-current assets</b>		<b>225,977,182</b>	<b>337,114,623</b>
<b>Current assets</b>			
Accounts receivable		9,824,035	9,802,033
Other receivables		6,765,026	7,797,270
Prepaid expenses and accrued income	18	11,634,932	8,149,387
<b>Total current assets</b>		<b>28,223,994</b>	<b>25,748,691</b>
<b>Cash and cash equivalents</b>		<b>26,211,955</b>	<b>25,926,692</b>
<b>Total current assets</b>		<b>54,435,949</b>	<b>51,675,382</b>
<b>TOTAL ASSETS</b>		<b>280,413,131</b>	<b>388,790,006</b>

\* Change compared to year-end report as a result of increased write-down of Goodwill.

# Group Balance sheet

(SEK)	Note	2022-12-31	2021-12-31
<b>EQUITY, PROVISIONS AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		2,122,585	1,340,735
Equity method reserve	2	662,013	662,013
Share premium reserve		415,978,600	358,008,906
Reserves (translation difference)	2	21,435,001	9,142,641
Retained earnings incl. profit/loss of the period *	2	-226,508,516	-87,721,978
<b>Equity attributable to owners of the parent</b>		<b>213,689,683</b>	<b>281,432,318</b>
Equity attributable to non-controlling interests		0	2,323,162
<b>TOTAL EQUITY</b>		<b>213,689,683</b>	<b>283,755,480</b>
<b>PROVISIONS</b>			
	19		
Provisions for deferred tax		7,122,491	10,068,081
Other provisions		0	17,265,871
<b>TOTAL PROVISIONS</b>		<b>7,122,491</b>	<b>27,333,952</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
	20		
Liabilities to credit institutions		15,269,841	1,653,696
<b>Total non-current liabilities</b>		<b>15,269,841</b>	<b>1,653,696</b>
<b>Current liabilities</b>			
Liabilities to credit institutions		6,236,201	0
Prepayments from customers		322,017	458,745
Accounts payable		3,132,798	3,897,545
Liabilities to associated companies		235,364	1,661,486
Tax liabilities		35,447	236,125
Other liabilities	21	15,739,911	52,483,312
Accrued expenses and prepaid income	22	18,629,378	17,309,667
<b>Total current liabilities</b>		<b>44,331,115</b>	<b>76,046,878</b>
<b>TOTAL LIABILITIES</b>		<b>59,600,957</b>	<b>77,700,574</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>280,413,131</b>	<b>388,790,006</b>

\* Change compared to year-end report as a result of increased write-down of Goodwill.

# Group Statement of changes in equity

(SEK)

Statement of changes in equity 2021	Share capital	Share premium reserve	Reserves	Equity method reserve	Retained earnings incl. profit/loss of the period	Total	Non-controlling interests	Total equity
<b>Balance at 2021-01-01</b>	<b>884,024</b>	<b>77,084,994</b>	<b>-828,338</b>	<b>0</b>	<b>-14,643,316</b>	<b>62,497,363</b>	<b>6,263,675</b>	<b>68,761,038</b>
Profit/Loss for the period					-72,735,840	-72,735,840	-4,596,036	-77,331,876
New share issue	456,712	240,621,912				241,078,624		241,078,624
- issue expenses		7,357,395						
Transactions with non-controlling interests					-342,821	-342,821	342,821	
Translation difference			9,970,979			9,970,979	312,702	10,283,681
Change in equity method reserve				662,013		662,013		662,013
Advance new share issue *		40,302,000				40,302,000		40,302,000
<b>Balance at 2021-12-31</b>	<b>1,340,735</b>	<b>358,008,906</b>	<b>9,142,641</b>	<b>662,013</b>	<b>-87,721,978</b>	<b>281,432,318</b>	<b>2,323,162</b>	<b>283,755,480</b>

(SEK)

Statement of changes in equity 2022	Share capital	Share premium reserve	Reserves	Equity method reserve	Retained earnings incl. profit/loss of the period	Total	Non-controlling interests	Total equity
<b>Balance at 2022-01-01</b>	<b>1,340,735</b>	<b>358,008,906</b>	<b>9,142,641</b>	<b>662,013</b>	<b>-87,721,978</b>	<b>241,130,318</b>	<b>2,323,162</b>	<b>283,755,480</b>
Profit/Loss for the period					-139,570,750	-139,570,750		-139,570,750
New share issue	781,850	57,969,694				58,751,544		58,751,544
- issue expenses		4,908,673						
Transactions with non-controlling interests					784,212	784,212	-2,323,162	-1,538,950
Translation difference			12,292,359			12,292,359		12,292,359
Change in equity method reserve						0		0
<b>Balance at 2022-12-31</b>	<b>2,122,585</b>	<b>415,978,600</b>	<b>21,435,001</b>	<b>662,013</b>	<b>-226,508,516</b>	<b>213,689,683</b>	<b>0</b>	<b>213,689,683</b>



**ZignSec**

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# Group Statement of cash flow

(SEK)	Note	Jan 1 - Dec 31 2022	Jan 1 - Dec 31 2021
<b>Operating activities</b>			
<b>Operating profit/loss</b>		<b>-149,362,019</b>	<b>-78,888,601</b>
Adjustments for:			
Depreciation		125,850,677	54,124,503
Profit/loss from shares in associated companies		-298,854	-264,064
Interest received	7	32,910	2,672
Interest and other liability related costs paid	8	-531,157	-7,149
Income tax paid		-153,335	-505,063
<b>Cash flow from operating activities before changes in working capital</b>		<b>-24,461,777</b>	<b>-25,537,703</b>
Changes in working capital			
Change in receivables		220,971	-15,565,903
Change in short-term debts		-2,602,881	12,468,663
<b>Cash flow from operating activities</b>		<b>-26,843,688</b>	<b>-28,634,943</b>
<b>Investing activities</b>			
Investment in subsidiaries	23	-28,606,070	-125,882,580
Investment in intangible assets		-1,093,807	-1,080,432
Investment in tangible assets		-271,953	-660,807
<b>Cash flow from investing activities</b>		<b>-29,971,830</b>	<b>-127,623,819</b>
<b>Financing activities</b>			
Loan		19,714,286	0
New share issue		37,386,496	133,842,612
<b>Cash flow from financing activities</b>		<b>57,100,781</b>	<b>133,842,612</b>
<b>Total cash flow for the period</b>		<b>285,264</b>	<b>-22,416,150</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>25,926,691</b>	<b>48,342,842</b>
<b>Cash and cash equivalents at end of period</b>		<b>26,211,955</b>	<b>25,926,691</b>



# Parent Profit and Loss

(SEK)	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Net turnover		26,357,408	16,753,182
Activated development work for own account		0	0
Other operating income		243,903	1,208,993
		<b>26,601,312</b>	<b>17,962,175</b>
Cost of sales		-9,600,010	-6,837,681
Other external costs	3,4	-19,802,102	-20,771,266
Personnel costs	5	-11,805,017	-11,637,199
Depreciation, amortization and impairment		-1,555,131	-1,221,973
Other operating costs		-188,449	-199,133
<b>Operating profit/loss (EBIT)</b>	<b>24</b>	<b>-16,349,397</b>	<b>-22,705,076</b>
<b>Result from financial items</b>			
Result from shares in subsidiaries	25	-121,398,832	-15,012,960
Interest income	7	9,635,897	73,501
Interest costs and similar items	8	-2,745,967	474,980
<b>Total result from financial items</b>		<b>-114,508,903</b>	<b>-14,464,479</b>
<b>Profit/loss before tax (EBT)</b>		<b>-130,858,300</b>	<b>-37,169,555</b>
Tax	9	0	0
<b>Profit/loss for the period</b>		<b>-130,858,300</b>	<b>-37,169,555</b>



# Parent Balance sheet

(SEK)	Note	2022-12-31	2021-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Capitalized development expenditure	10	1,829,004	2,237,934
Patent, trademarks, licenses	14	131,426	109,456
<b>Total intangible assets</b>		<b>1,960,430</b>	<b>2,347,390</b>
<b>Tangible assets</b>			
Property, plant and equipment	15	237,727	247,255
<b>Total tangible assets</b>		<b>237,727</b>	<b>247,255</b>
<b>Financial assets</b>			
Shares in subsidiaries	26,27	230,695,052	348,073,501
Receivables from subsidiaries	28	337,816	1,789,708
<b>Total financial assets</b>		<b>231,032,868</b>	<b>349,863,209</b>
<b>Total non-current assets</b>		<b>233,231,025</b>	<b>352,457,854</b>
<b>Current assets</b>			
Accounts receivable		3,881,511	2,642,384
Receivables from subsidiaries	28	14,679,126	2,858,190
Other receivables		341,306	908,033
Prepaid expenses and accrued income	18	1,964,226	3,705,054
<b>Total current assets</b>		<b>20,866,169</b>	<b>10,113,661</b>
<b>Cash and cash equivalents</b>		<b>19,861,223</b>	<b>21,974,760</b>
<b>Total current assets</b>		<b>40,727,392</b>	<b>32,088,421</b>
<b>TOTAL ASSETS</b>		<b>273,958,417</b>	<b>384,546,274</b>



# Parent Balance sheet

(SEK)	Note	2022-12-31	2022-12-31
<b>EQUITY, PROVISIONS AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		2,122,585	1,340,735
Fund for development expenditure		1,829,004	2,237,934
Share premium reserve		415,978,609	358,008,906
Retained earnings incl. profit/loss for the period	31	-182,472,062	-52,022,690
<b>TOTAL EQUITY</b>		<b>237,458,137</b>	<b>309,564,884</b>
<b>PROVISIONS</b>			
	19		
Other provisions		0	17,265,871
<b>TOTAL PROVISIONS</b>		<b>0</b>	<b>17,265,871</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Liabilities to credit institutions	20	15,269,841	0
<b>Total non-current liabilities</b>		<b>15,269,841</b>	<b>0</b>
<b>Current liabilities</b>			
Liabilities to credit institutions		4,444,445	0
Accounts payable		1,774,012	3,372,713
Liabilities to subsidiaries		854,548	0
Tax liabilities		0	0
Other liabilities	21	9,502,846	50,088,815
Accrued expenses and prepaid income	22	4,654,588	4,253,992
<b>Total current liabilities</b>		<b>21,230,439</b>	<b>57,715,520</b>
<b>TOTAL LIABILITIES</b>		<b>36,500,280</b>	<b>57,715,520</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>273,958,417</b>	<b>384,546,274</b>

# Parent Statement of changes in equity

(SEK)

Statement of changes in equity 2021	Share capital	Fund for development expenditure	Share premium reserve	Retained earnings	Profit/loss of the period	Total equity
<b>Balance at 2021-01-01</b>	<b>884,024</b>	<b>2,437,619</b>	<b>77,084,994</b>	<b>-3,020,228</b>	<b>-12,032,593</b>	<b>65,353,816</b>
Allocation according to AGM				-12,032,593	12,032,593	0
New share issue	456,712		240,621,912			241,078,623
- issue expenses			-7,107,395			
Provision for development fund		1,034,430		-1,034,430		0
Reversal of development fund		-1,234,115		1,234,115		0
Profit/loss for the period					-37,169,556	-37,169,556
Advance new share issue *			40,302,000			40,302,000
<b>Balance at 2021-12-31</b>	<b>1,340,735</b>	<b>2,237,934</b>	<b>358,008,906</b>	<b>-14,853,135</b>	<b>-37,169,555</b>	<b>309,564,884</b>

(SEK)

Statement of changes in equity 2022	Share capital	Fund for development expenditure	Share premium reserve	Retained earnings	Profit/loss of the period	Total equity
<b>Balance at 2022-01-01</b>	<b>1,340,735</b>	<b>2,237,934</b>	<b>358,008,906</b>	<b>-14,853,135</b>	<b>-37,169,555</b>	<b>309,564,884</b>
Allocation according to AGM				-37,169,556	37,169,556	0
New share issue	781,850		57,969,703			58,751,553
- issue expenses			4,908,673			
Provision for development fund		1,038,037		-1,038,037		0
Reversal of development fund		-1,446,966		1,446,966		0
Profit/loss for the period					-130,858,300	-130,858,300
<b>Balance at 2022-12-31</b>	<b>2,122,585</b>	<b>1,829,004</b>	<b>415,978,609</b>	<b>-51,613,762</b>	<b>-130,858,299</b>	<b>237,458,137</b>

# Parent Statement of Cash flow

(SEK)	Note	Jan 1 - Dec 31 2022	Jan 1 - Dec 31 2021
<b>Operating activities</b>			
<b>Operating profit/loss</b>		<b>-16,349,397</b>	<b>-22,705,076</b>
Adjustments for:			
Depreciation		1,555,131	1,221,973
Interest received	7	578,194	73,501
Interest and other liability related costs paid	8	-551,455	-3,718
<b>Cash flow from operating activities before changes in working capital</b>		<b>-14,767,528</b>	<b>-21,413,321</b>
Changes in working capital			
Change in receivables		-9,631,019	-1,022,153
Change in short-term debts		-4,211,021	1,940,165
<b>Cash flow from operating activities</b>		<b>-28,609,568</b>	<b>-20,495,309</b>
<b>Investing activities</b>			
Investment in subsidiaries	23	-28,429,096	-128,556,759
Investment in intangible assets	10,14	-1,093,807	-1,080,432
Investment in tangible assets	15	-64,837	-161,327
Shareholders' contribution		-2,468,903	0
Loans to subsidiaries		1,451,892	-4,782,900
<b>Cash flow from investing activities</b>		<b>-30,604,750</b>	<b>-134,581,418</b>
<b>Financing activities</b>			
Loan		19,714,286	0
New share issue		37,386,496	133,842,612
<b>Cash flow from financing activities</b>		<b>57,100,781</b>	<b>133,842,612</b>
<b>Total cash flow for the period</b>		<b>-2,113,537</b>	<b>-21,234,116</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>21,974,760</b>	<b>43,208,876</b>
<b>Cash and cash equivalents at end of period</b>		<b>19,861,223</b>	<b>21,974,760</b>

# Notes

## Note 1 Significant accounting and valuation principles

### Accounting principles

The annual reports and the consolidated financial statements are prepared in compliance with Årsredovisningslagen (1995:1554) and BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

### Valuation principles

Assets, provisions and liabilities are recognized at acquisition value if nothing else is defined below.

### Basis of consolidation

The consolidated financial statements have been prepared in accordance with the acquisition method. The time of acquisition is the time when the controlling influence is obtained. Identifiable assets and liabilities are initially valued at fair values at the time of acquisition. The minority's share of the acquired net assets is valued at fair value. Goodwill consists of the difference between the acquired identifiable net assets at the time of acquisition and the acquisition value, including the value of the minority interest, and is initially valued at acquisition value.

The consolidated financial statements include the parent company and its subsidiaries. Subsidiaries refer to those companies in which the parent company, directly or indirectly, has a controlling influence. Normally, this refers to the company where the parent company holds more than 50% of the votes. The consolidated financial statements include the subsidiaries from the date on which the Group receives a controlling influence until the date on which it no longer exists. The subsidiaries' accounting principles are in line with the Group's accounting principles.

In the consolidated accounts, the Group companies' appropriations fall out and are included in the reported profit less deferred tax. This means that the Group companies' untaxed reserves in the consolidated balance sheet are divided between deferred tax liabilities and equity.

The non-controlling interest of the profit for the year is reported directly in connection with the profit for the year and the equity attributable to the non-controlling interest is found on a separate line in the Group's equity.

Balances between group companies are eliminated in their entirety.

Subsidiaries in other countries prepare their accounts in foreign currency. Upon consolidation, the items in these companies' balance sheets and income statements are translated at the closing day rate and an average rate. The exchange rate differences that arise are reported in accumulated exchange rate differences in the Group's equity.

### Shares in associated companies

Associates are defined as companies which are not subsidiaries but in which the Group has a significant, but not a controlling, interest. This generally refers to companies in which the Group's shareholding represents between 20 and 50 percent of the voting rights. Investments in associates are accounted for in accordance with the equity method.



The Group reports participations in associated companies according to the equity method. If the Group acquires additional shares in the associated company, but it is still an associated company to the Group, the previous holding is not revalued.

If shares in associated companies are disposed so that significant influence no longer exists, the entire holding is reported in the consolidated income statement as profit or loss. When there are still shares, they are reported as Other securities holdings.

### **Currency**

Receivables and liabilities in foreign currency have been revalued at the balance sheet date rate. Exchange gains and losses in operating receivables and liabilities are reported in operating profit, while exchange gains and exchange rate on financial receivables and liabilities are reported as financial items.

### **Revenue**

The inflow of financial benefits that the company holds or will hold up is recognized as revenue. Revenue is measured at the fair value of what has or will be received, less discounts.

### **Leasing**

The Group as a lessee, through operating leases, without any transfer of ownership rights. The lease payments related to the operating leases, including increased first-time rent but excluding costs of services such as maintenance, are recognized as expenses on a straight-line basis over the lease term.

### **Employee benefits**

Employee benefits refers to all types of benefits that the Group leaves to its employees. Employee benefits includes, among others, wages and salaries, paid vacation, paid absence, bonuses and benefits after terminated employment (pension).

All of the Group's pension commitments are predefined and employee benefits are recognized as expenses in the period in which the related services are performed.

### **Tax**

Total tax constitutes of current tax and deferred tax. Tax is recognized in the profit and loss except to the extent that the tax arises from a transaction or event which is recognized directly in equity, in which case it is recognized in equity.

#### **Current tax**

The current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

#### **Deferred tax**

Deferred tax is recognized, using the balance sheet method, providing for all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and deferred tax liabilities are offset only if they can be settled through a net payment. Deferred tax is measured based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Effects of changes in tax rates are recognized in the profit and loss in the period in which the change has been legislated. A deferred tax asset is recognized to the extent that it is probable that



future taxable income will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at the end of the reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

A deferred tax asset is recognized as a financial fixed asset and a deferred tax liability is recognized as a provision.

### **Intangible assets**

Intangible assets, both purchased and internally generated, are carried in the balance sheet at the acquisition cost, less depreciation and any accumulated impairment losses.

Internally generated intangible assets are recognized by using the capitalization model. This means that research costs are recognized as expenses in the profit and loss when they arise, and development costs are capitalized when all the following conditions are met:

- It is technically possible to complete the intangible assets so that it can be used or sold.
- The intention is to complete the intangible asset and to use or sell it.
- The conditions are in place for using or selling the intangible asset.
- It is probable that the intangible fixed asset will generate future economic benefits.
- There are necessary and adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The expenses attributable to the intangible fixed asset can be estimated in a reliable manner.

Depreciation of internally generated intangible assets begins when the asset is ready to use or to be sold.

The acquisition value of an internally generated intangible asset consists of directly attributable expenses. Indirect manufacturing costs that constitute more than an insignificant part of the total expense for manufacturing and amounts to more than an insignificant amount are included in the acquisition value.

### **Goodwill**

Goodwill is carried in the balance sheet at the acquisition cost, less depreciation and any accumulated impairment losses. Goodwill is subject to an annual impairment testing. Expenses for internally generated goodwill are recognized as expenses in the profit and loss when they arise.

### **Other intangible assets**

Other intangible assets are carried in the balance sheet at the acquisition cost, less depreciation and any accumulated impairment losses.

### **Property, plant and equipment**

Property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses. The acquisition value also includes expenses that are directly attributable to the acquisition. Expenses related to maintenance and repairs are recognized as costs in the profit and loss when they arise. Fully depreciated assets still in use are retained in the financial statements and no further charge for depreciation is made in respect of these assets.

### **Depreciation**

Depreciation on the equipment is calculated using linear method to allocate their depreciable amounts (costs less residual values) over their estimated useful lives as follows:





### *Intangible assets*

Capitalized development expenditure 3 years

### *Acquired intangible assets*

Trademarks 5 years

Goodwill 5 years

Customer relationships 5 years

Technology 3 years

Patent and licenses 5 years

### *Tangible assets*

Property, plant and equipment 5 years

## **Financial assets and liabilities**

Financial assets and liabilities are recognized and valued at acquisition cost. Trade receivables and other short-term claims are valued at the lower of acquisition value and the amount by which they are expected to be settled, that is with deductions for expected losses. Accounts payable and other current liabilities are valued at the amount by which they are expected to be settled.

## **Deferred tax asset**

A deferred tax asset is valued at 0 SEK due to precautionary measures.

## **Provisions**

Provisions are reported when the Group has a legal or informal obligation as a result of previous events, where it is probable that an outflow of resources will be required to settle the obligation and the amount has been calculated in a reliable manner.

At the first reporting date, provisions are valued at the best estimate of the amount that will be required to settle the obligation on the balance sheet date. Provisions are reviewed every balance sheet date.

## **Cash flow analysis**

The cash flow analysis is prepared according to the indirect method. The reported cash flow only includes transactions that resulted in inflows or outflows.

## **Accounting principles – Parent company**

Accounting policies that deviate from those that are applied in Consolidated financial statements are presented below.

## **Shares in subsidiaries**

Shares in subsidiaries are recognized at cost less impairment losses. Capital injections or Group contributions are added to the cost of acquisition. Dividend is recognized as income, even if the dividend relates to accumulated gains before the acquisition date.

The dividend is reported when it has been decided and calculated in a reliable way.



## Note 2 | Correction of errors

### Correction of errors

The previous year's balance sheet has been adjusted in accordance with the corrections of errors listed below.

	<b>2021-12-31</b>
Retroactive write-down of shares in associated companies due to changed financial data was presented to the Group after the Annual Report for 2021 was published.	
<b>Shares in associated companies</b>	-2,773,734
<b>Retained earnings incl. profit/loss of the period</b>	-2,773,734
Retroactive correction of the closing value of the equity method reserve due to accounting errors detected when changing the consolidation system.	
<b>Equity method reserve</b>	-273,656
<b>Retained earnings incl. profit/loss of the period</b>	273,656
Retroactive correction of the closing value of the reserves (translation difference) due to an incorrect calculation of the translation difference detected when changing the consolidation system.	
<b>Reserves (translation difference)</b>	-3,554,694
<b>Retained earnings incl. profit/loss of the period</b>	3,554,694

## Note 3 | Lease agreements - lessee

<i>Operating lease</i>	<b>Group</b>		<b>Parent</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Leasing costs during the reporting period:	3,699,139	2,276,655	985,516	932,466
Future minimum lease payments to be paid in respect of non-cancellable leases:				
Falling due for payment within one year	3,658,911	3,368,864	1,082,696	959,288
Falling due for payment after one year but within five years	11,308,929	13,410,624	1,804,493	2,558,101
Falling due for payment after more than five years	490,126	1,018,563	0	0
	<b>15,457,966</b>	<b>17,798,052</b>	<b>2,887,189</b>	<b>3,517,389</b>

The group and parent company have entered the following operating lease agreements: Rental of premises.



## Note 4 | Auditor's fees

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
<b>Ernst &amp; Young AB</b>				
Audit assignment	1,629,993	1,136,050	1,629,993	1,136,050
Tax advise	0	0	0	0
Other audit services	256,300	256,300	256,300	256,300
Other services	0	2,356,350	0	2,356,350
	<b>1,886,293</b>	<b>3,492,400</b>	<b>1,886,293</b>	<b>3,492,400</b>
<b>Charles Scierri and Associates</b>				
Audit assignment	29,748	10,978	0	0
Tax advise	0	0	0	0
Other services	574,410	517,390	0	0
	<b>604,158</b>	<b>528,368</b>	<b>0</b>	<b>0</b>

## Note 5 | Employees

### Average number of employees

	2022		2021	
	Average number of employees	of which men	Average number of employees	of which men
<i>Parent company</i>				
Sweden	12	73%	12	72%
	<b>12</b>	<b>73%</b>	<b>12</b>	<b>72%</b>
<i>Subsidiary</i>				
UK	1	100%	1	100%
Estonia	7	73%	14	71%
Malta	15	83%	12	76%
Poland	10	79%	5	78%
Singapore	0	100%	1	100%
Germany	30	54%	13	56%
	<b>63</b>	<b>0%</b>	<b>46</b>	<b>70%</b>
<b>Group total</b>	<b>75</b>	<b>0%</b>	<b>58</b>	<b>70%</b>

Salaries, other remunerations, and social costs are the amounts expensed during the year, including earned but unpaid payments.



<i>Salaries, other remuneration and social costs for the Group 2022</i>	<b>Salaries</b>	<b>Pension costs</b>	<b>Social security costs</b>
Parent	8,374,265	88,872	2,443,423
Group	34,913,878	372,316	6,532,312
	<b>43,288,143</b>	<b>461,188</b>	<b>8,975,734</b>

<i>Salaries, other remuneration and social costs for the Group 2021</i>	<b>Salaries</b>	<b>Pension costs</b>	<b>Social security costs</b>
Parent	8,482,368	88,872	2,645,161
Group	18,510,344	150,983	4,222,155
	<b>26,992,712</b>	<b>239,855</b>	<b>6,867,315</b>

<i>Salaries, other remuneration and pension costs for the Board of Directors and senior executives 2022</i>	<b>Salaries</b>	<b>Other remuneration</b>	<b>Pension costs</b>
Alexander Albedj, Chairman of the Board	154,000	0	0
Markus Pihl	43,750	0	0
Pär Kastengren	87,500	0	0
Alex Noton	1,995,459	0	247,041
Marie-Louise Gefwert	87,500	0	0
Eric Wallin	87,500	0	0
Other senior executives	910,092	0	84,000
	<b>3,365,801</b>	<b>0</b>	<b>331,041</b>

<i>Salaries, other remuneration and pension costs for the Board of Directors and senior executives 2021</i>	<b>Salaries</b>	<b>Other remuneration</b>	<b>Pension costs</b>
Alexander Albedj, Chairman of the Board	190,833	0	0
Markus Pihl	104,167	0	0
Pär Kastengren	104,167	0	0
Markus Andersson	31,250	0	0
Marie-Louise Gefwert	72,917	0	0
Eric Wallin	72,917	0	0
Other senior executives	1,870,928	240,000	88,872
	<b>2,447,178</b>	<b>240,000</b>	<b>88,872</b>

<i>Gender distribution on the Board of Directors and company management</i>	<b>Group</b>		<b>Parent</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Share of women on the Board of Directors	20%	20%	20%	20%
Share of men on the Board of Directors	80%	80%	80%	80%
Share of women among other senior executives incl CEO	0%	0%	0%	0%
Share of men among other senior executives incl CEO	100%	100%	100%	100%

The above reflects the ratio as at the balance sheet date.

## Note 6 | Share of earnings in associated companies

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Share of current year earnings	298,854	264,064	0	0
	<b>298,854</b>	<b>264,064</b>	<b>0</b>	<b>0</b>

## Note 7 | Financial income

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Intra-Group interest income	0	0	578,142	73,501
External interest income and similar items	32,910	0	52	0
Exchange rate differences on financial items	871,302	7,473	798,754	0
Gains and losses on disposals	49,485	0	0	0
Other financial income	8,259,001	0	8,258,949	0
	<b>9,212,698</b>	<b>7,473</b>	<b>9,635,897</b>	<b>73,501</b>

## Note 8 | Financial expenses

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
External interest expenses and similar items	-531,157	-78,276	-336,600	-347
Exchange rate differences on financial items	-2,229,992	605,600	-2,194,512	478,698
Other financial expenses	0	-3,371	-214,856	-3,371
	<b>-2,761,148</b>	<b>523,953</b>	<b>-2,745,967</b>	<b>474,980</b>



## Note 9 | Tax on income

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Current tax	59,738	-638,345	0	0
Deferred tax	3,279,981	1,648,090	0	0
<b>Total tax</b>	<b>3,339,719</b>	<b>1,009,746</b>	<b>0</b>	<b>0</b>
	0	0	0	0
Average effective tax rate	-2%	-1%	0%	0%

### Explanation of effective tax rate

Result before tax	-142,910,470	-78,341,622	-130,858,300	-37,169,555
Tax according to applicable tax rate 20,6% (21,4%)	29,439,557	16,138,374	26,956,810	7,656,928
Effect of foreign tax rates	59,738	-638,345	0	0
Tax effect of:	0	0	0	0
Non-deductible expenses	-25,037,531	-37,615	-25,037,531	-37,615
Exercised/new, not yet measured tax loss carryforwards	-5,413,211	-17,564,881	-2,930,464	-9,083,437
Deferred tax applicable to acquired customer relationships	1,762,011	696,065	0	0
Deferred tax applicable to acquired technology	1,517,970	952,025	0	0
Tax-free income	0	0	0	0
Other	1,011,186	1,464,122	1,011,186	1,464,123
<b>Total</b>	<b>3,339,719</b>	<b>1,009,746</b>	<b>0</b>	<b>0</b>
Effective tax rate	-2%	-1%	-1%	0%

### Disclosures on deferred tax assets and deferred tax liabilities

For the change in deferred tax liabilities, see note 19 Provisions. The Parent's total tax loss carryforward amounts to 77,296 kSEK (77,721 kSEK), the deferred tax asset is valued to 0 SEK due to precautionary measures.



## Note 10 | Capitalized development expenditure

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Opening accumulated acquisition cost	4,431,639	3,464,437	4,431,639	3,464,437
Acquisitions for the year	1,038,037	967,202	1,038,037	967,202
<b>Closing accumulated acquisition cost</b>	<b>5,469,676</b>	<b>4,431,639</b>	<b>5,469,676</b>	<b>4,431,639</b>
Opening accumulated depreciation	-2,193,706	-1,026,818	-2,193,706	-1,026,818
Depreciation for the year	-1,446,966	-1,166,888	-1,446,966	-1,166,888
<b>Closing accumulated depreciation</b>	<b>-3,640,672</b>	<b>-2,193,706</b>	<b>-3,640,672</b>	<b>-2,193,706</b>
<b>Carrying amount</b>	<b>1,829,004</b>	<b>2,237,934</b>	<b>1,829,004</b>	<b>2,237,934</b>

## Note 11 | Customer relationships

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Opening accumulated acquisition cost	64,321,231	0	0	0
Acquisitions for the year	-7,700	62,740,274	0	0
Exchange rate differences	2,961,415	1,580,957	0	0
<b>Closing accumulated acquisition cost</b>	<b>67,274,945</b>	<b>64,321,231</b>	<b>0</b>	<b>0</b>
Opening accumulated depreciation	-7,698,862	0	0	0
Depreciation for the year	-13,211,690	-7,524,546	0	0
Exchange rate differences	-650,321	-174,316	0	0
<b>Closing accumulated depreciation</b>	<b>-21,560,873</b>	<b>-7,698,862</b>	<b>0</b>	<b>0</b>
<b>Carrying amount</b>	<b>45,714,073</b>	<b>56,622,369</b>	<b>0</b>	<b>0</b>



## Note 12 | Technology

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Opening accumulated acquisition cost	28,834,492	2,564,079	0	0
Acquisitions for the year	0	25,484,023	0	0
Exchange rate differences	1,155,875	786,389	0	0
<b>Closing accumulated acquisition cost</b>	<b>29,990,367</b>	<b>28,834,492</b>	<b>0</b>	<b>0</b>
Opening accumulated depreciation	-5,609,711	-213,673	0	0
Depreciation for the year	-10,582,107	-5,252,751	0	0
Exchange rate differences	-388,871	-143,286	0	0
<b>Closing accumulated depreciation</b>	<b>-16,580,688</b>	<b>-5,609,711</b>	<b>0</b>	<b>0</b>
<b>Carrying amount</b>	<b>13,409,679</b>	<b>23,224,781</b>	<b>0</b>	<b>0</b>

## Note 13 | Goodwill

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Opening accumulated acquisition cost	293,082,231	14,240,522	0	0
Acquisitions for the year	234,330	270,659,818	0	0
Exchange rate differences	13,712,121	8,181,891	0	0
<b>Closing accumulated acquisition cost</b>	<b>307,028,682</b>	<b>293,082,231</b>	<b>0</b>	<b>0</b>
Opening accumulated depreciation	-34,814,989	-712,026	0	0
Depreciation for the year	-58,654,519	-33,133,544	0	0
Exchange rate differences	-3,008,553	-969,419	0	0
<b>Closing accumulated depreciation</b>	<b>-96,478,060</b>	<b>-34,814,989</b>	<b>0</b>	<b>0</b>
Opening accumulated impairment	-6,041,677	0	0	0
Impairment for the year	-41,366,116	-6,041,677	0	0
Exchange rate differences	-1,116,209	0	0	0
<b>Closing accumulated impairment</b>	<b>-48,524,002</b>	<b>-6,041,677</b>	<b>0</b>	<b>0</b>
<b>Carrying amount</b>	<b>162,026,619</b>	<b>252,225,566</b>	<b>0</b>	<b>0</b>





## Note 14 | Patent, trademarks, licenses

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Opening accumulated acquisition cost	648,241	501,440	184,230	71,000
Acquisitions for the year	55,770	113,230	55,770	113,230
Exchange rate differences	75,999	33,571	0	0
<b>Closing accumulated acquisition cost</b>	<b>780,010</b>	<b>648,241</b>	<b>240,000</b>	<b>184,230</b>
Opening accumulated depreciation	-268,006	-107,949	-74,774	-71,000
Depreciation for the year	-203,517	-151,582	-33,800	-3,774
Exchange rate differences	-41,935	-8,475	0	0
<b>Closing accumulated depreciation</b>	<b>-513,458</b>	<b>-268,006</b>	<b>-108,574</b>	<b>-74,774</b>
<b>Carrying amount</b>	<b>266,552</b>	<b>380,235</b>	<b>131,426</b>	<b>109,456</b>

## Note 15 | Property, plant and equipment

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Opening accumulated acquisition cost	2,358,796	226,005	352,084	190,758
Acquisitions for the year	272,330	2,026,675	64,837	161,327
Sales and disposals	0	-83,533	0	0
Exchange rate differences	319,091	189,648	0	0
<b>Closing accumulated acquisition cost</b>	<b>2,950,216</b>	<b>2,358,796</b>	<b>416,921</b>	<b>352,084</b>
Opening accumulated depreciation	-994,734	-56,582	-104,829	-53,518
Depreciation for the year	-442,643	-804,827	-74,365	-51,311
Sales and disposals	0	32,537	0	0
Exchange rate differences	-245,672	-165,862	0	0
<b>Closing accumulated depreciation</b>	<b>-1,683,049</b>	<b>-994,734</b>	<b>-179,194</b>	<b>-104,829</b>
<b>Carrying amount</b>	<b>1,267,167</b>	<b>1,364,061</b>	<b>237,727</b>	<b>247,255</b>



## Note 16 | Investments in associated companies

	Parent	
	2022-12-31	2021-12-31
Opening accumulated acquisition cost	1,059,677	0
Acquisitions for the year	298,854	1,059,677
Exchange rate differences	105,556	0
<b>Closing accumulated acquisition cost</b>	<b>1,464,087</b>	<b>1,059,677</b>

## Note 17 | Specification of investments in associated companies

Indirectly owned	Share of equity	Share of voting power
Web Shield Legal Library sp. z. o. o.	50%	50%
Web Shield Legal Library sp. z. o. o. spk.	50%	50%

	Company registration number	Registered office
Web Shield Legal Library sp. z. o. o.	5252705174	Warszawa
Web Shield Legal Library sp. z. o. o. spk.	5252731444	Warszawa

## Note 18 | Prepaid expenses and accrued income

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Accrued income	5,120,618	2,977,633	0	133,276
Prepaid rent	296,284	272,762	296,284	254,865
Prepaid insurance	4,365	11,666	4,365	1,861
Prepaid media space	0	2,000,000	0	2,000,000
Prepaid service fees	0	1,799,623	0	753,261
Other prepaid expenses	6,213,664	1,087,704	1,663,576	561,791
	<b>11,634,932</b>	<b>8,149,387</b>	<b>1,964,226</b>	<b>3,705,054</b>



## Note 19 | Provisions

Specification of deferred tax assets and deferred tax liabilities

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
<i>Deferred tax liabilities</i>				
Deferred tax applicable to acquired technology	2,880,264	4,266,518	0	0
Deferred tax applicable to acquired customer relationships	4,242,227	5,801,563	0	0
<b>Total deferred tax liabilities</b>	<b>7,122,491</b>	<b>10,068,081</b>	<b>0</b>	<b>0</b>

The Parent's total tax loss carryforward amounts to 77,296 kSEK (77,721 kSEK), the deferred tax asset is valued to 0 SEK due to precautionary measures.

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
<i>Other provisions</i>				
Opening accumulated other provisions	17,265,871	0	17,265,871	0
Reversal of provisions	-8,258,949	0	-8,258,949	0
Reclassification of provisions	-9,006,922	0	-9,006,922	0
Provisions of the year	0	17,265,871	0	17,265,871
	<b>0</b>	<b>17,265,871</b>	<b>0</b>	<b>17,265,871</b>
<i>Specification Other provisions</i>				
Additional purchase price	0	17,265,871	0	17,265,871
	<b>0</b>	<b>17,265,871</b>	<b>0</b>	<b>17,265,871</b>

## Note 20 | Long-term liabilities

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
<b>Payment due after one year but within five years</b>				
Liabilities to credit institutions	15,269,841	1,653,696	15,269,841	0
	<b>15,269,841</b>	<b>1,653,696</b>	<b>15,269,841</b>	<b>0</b>

## Note 21 | Other current liabilities

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Deferred consideration	0	40,907,600	0	40,907,600
Earn-Out	9,006,922	8,678,305	9,006,922	8,678,305
Social security costs	379,847	678,543	291,639	326,624
VAT	26,825	752,870	0	0
Other current liabilities	6,326,318	1,465,993	204,286	176,286
	<b>15,739,911</b>	<b>52,483,311</b>	<b>9,502,846</b>	<b>50,088,815</b>



## Note 22 | Accrued expenses and deferred income

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Accrued salaries	1,243,774	127,641	84,464	63,913
Accrued vacation pay	2,209,638	3,618,526	1,152,877	999,861
Accrued social security costs	395,318	404,050	395,318	330,222
Accrued system development	239,798	194,695	239,798	194,695
Accrued transaction fees	987,679	641,149	987,679	641,149
Accrued board fees	420,000	420,000	420,000	420,000
Accrued auditing fees	716,620	872,543	716,620	566,521
Accrued consultancy fees	38,986	633,386	38,986	111,814
Other accrued expenses	3,384,051	958,709	375,175	684,413
Other prepaid income	8,993,515	9,438,968	243,672	241,406
	<b>18,629,378</b>	<b>17,309,667</b>	<b>4,654,588</b>	<b>4,253,992</b>

## Note 23 | Acquisitions

### Acquisition of the minority's share in Basis ID Group

On February 17, 2022, ZignSec AB completed the acquisition of the remaining 30 percent of the shares in Data Depot Engineering Pte Ltd, DataDepot OÜ and Data Depot Asia Pte Ltd which together form the Basis ID Group, as part of ZignSec's long-term strategy to fully integrate the Basis ID Groups operations in ZignSec's operations and platform. The purchase price for the minority's 30 percent of the shares amounted to EUR 150,000, corresponding to SEK 1,551,480, which was paid in cash.

### Acquisition of Web Shield Ltd

In October 2022, a cash payment corresponding to SEK 26,877,616 has been made regarding the purchase price for the acquisition of the Web Shield companies.

## Note 24 | Transactions between group companies

	Parent	
	2022-12-31	2021-12-31
Share of total purchases made from group companies	7%	1%
Share of total sales made to group companies	14%	6%



## Note 25 | Result from shares in subsidiaries

	Parent	
	2022-12-31	2021-12-31
Impairment	-121,398,832	-15,012,960
	<b>-121,398,832</b>	<b>-15,012,960</b>

## Note 26 | Shares in subsidiaries

	Parent	
	2022-12-31	2021-12-31
Opening accumulated acquisition cost	363,086,461	18,529,320
Acquisitions for the year	4,020,383	344,557,141
<b>Closing accumulated acquisition cost</b>	<b>367,106,844</b>	<b>363,086,461</b>
Opening accumulated impairment	-15,012,960	0
Impairment for the year	-121,398,832	-15,012,960
<b>Closing accumulated impairment</b>	<b>-136,411,792</b>	<b>-15,012,960</b>
<b>Carrying amount</b>	<b>230,695,052</b>	<b>348,073,501</b>

## Note 27 | Specification of shares in subsidiaries

Directly owned	Parent			
	Share of equity	Share of voting power	Number of shares	Carrying amount
Data Depot Asia Pte. Ltd.	100%	100%	1282	178,136
Data Depot Engineering Pte. Ltd.	100%	100%	20	142,784
Datadepot OÜ	100%	100%	10000	2,147,983
Web Shield Ltd	100%	100%	1	174,971,248
Wyzer Limited	100%	100%	1,500	53,244,690
ZignSec Asia Pte. Ltd.	100%	100%	100,000	10,211
				<b>230,695,052</b>



	<b>Company registration number</b>	<b>Registered office</b>	<b>Equity</b>	<b>Profit/loss for the period</b>
Data Depot Asia Pte. Ltd.	201713091C	Singapore	8,773	-813,689
Data Depot Engineering Pte. Ltd.	201808993C	Singapore	184,060	-117,409
Datadepot OÜ	14078299	Narva	118,483	-2,265,439
Web Shield Ltd	07893072	London	-5,929,233	-1,926,745
Wyzer Limited	C83596	Naxxar	4,103,271	144,436
ZignSec Asia Pte. Ltd.	20204913G	Singapore	126,953	24,841

Profit/loss for the year refers to profit/loss after financial items.

<b>Indirectly owned</b>	<b>Share of equity</b>	<b>Share of voting power</b>
Web Shield Services GmbH	100%	100%
Web Shield Services Polska sp. z. o. o.	100%	100%

	<b>Company registration number</b>	<b>Registered office</b>
Web Shield Services GmbH	231/122/07376	Leipzig
Web Shield Services Polska sp. z. o. o.	5272752521	Warszawa

## Note 28 | Receivables from group companies

	<b>Parent</b>	
	<b>2022-12-31</b>	<b>2021-12-31</b>
Opening accumulated acquisition cost	4,647,898	61,788
Receivables for the year	10,369,044	4,586,110
<b>Closing accumulated acquisition cost</b>	<b>15,016,942</b>	<b>4,647,898</b>
<b>Carrying amount</b>	<b>15,016,942</b>	<b>4,647,898</b>

## Note 29 | Related party transactions

Gefwert Development AB (wholly-owned company to Board member Marie-Louise Gefwert) have sent invoices for consultancy services regarding leadership and organization in the amount of 100 kSEK.

Crosen invest AB (wholly-owned company to Board member Eric Wallin) have sent invoices for consultancy services regarding leadership and organization in the amount of 100 kSEK.

### Note 30 | Significant events after the end of the balance sheet date

ZignSec has appointed Daniel Grech as the group's new Chief Technology Officer (CTO). Daniel joined ZignSec through the acquisition of Wyzer, a company of which he was co-founder and CEO, and has been active within ZignSec's technology team since the acquisition. In his new role, Daniel will lead the group's technology strategy and development efforts.

Glenn Mac Donald has been appointed as the new CEO of the ZignSec Group. Glenn is an outstanding manager with extensive experience in the Fintech industry and a proven ability to build high performing teams. The CEO change is being made to enable an increased focus on sales and growth in the group with the company's best interests in mind.

ZignSec has been granted a Limited Use Authorization as a FinTech Entity by India's International Financial Services Centers Authority (IFSCA). IFSCA is a unified authority for the development and regulation of financial products, financial services and financial institutions in India. ZignSec is currently the only company offering KYC services in the IFSCA's sandbox program.

In order to improve the group's profitability and create a positive operating cash flow, ZignSec has decided to implement cost savings and other efficiency measures. The measures mainly consist of a reduction in the workforce. The cost savings are estimated to reduce the group's costs by SEK 14 million annually and are expected to be fully implemented at the beginning of 2024.

### Note 31 | Proposed appropriations of profit and loss

The following funds are available to the Annual General Meeting:

	2022-12-31	2021-12-31
Share premium reserve	415,978,609	358,008,906
Retained profit/loss	-51,613,761	-14,853,135
Loss for the year	-130,858,300	-37,169,555
	<b>233,506,547</b>	<b>305,986,215</b>
The Board proposes the funds be distributed as follows:		
Carried forward	233,506,547	305,986,215
	<b>233,506,547</b>	<b>305,986,215</b>

### Note 32 | Pledged securities

	Group		Parent	
	2022-12-31	2021-12-31	2022-12-31	2021-12-31
Guarantees	3,816,233	3,547,616	500,000	500,000
Chattel mortgage	20,000,000	0	20,000,000	0
	23,816,233	3,547,616	20,500,000	500,000



## Note 33 | Definitions of key ratios

### *Profit margin*

Result before tax as a percentage of net turnover.

### *Operating margin*

Operating result - EBIT as a percentage of net turnover.

### *Equity/assets ratio*

Shareholder's equity divided by total assets.

### *Average number of employees (FTE)*

The number of employees converted to full-time positions and calculated as an average during the period.

### *Net revenue*

Net revenue refers to income from the sale of goods and services, excluding discounts and returns.

### *Net revenue growth*

Change in net revenue compared with the same period previous year.

### *Revenue*

Revenue refers to total sales, activated development work and other operating income.

### *EBIT*

Earnings before interest and taxes.

### *EBT*

Earnings before taxes.





# Signatures

Stockholm the date indicated by the electronic signature.

Alexander Albedj  
Chairman of the Board

Eric Wallin  
Board Member

Marie-Louise Gefwert  
Board Member

Pär Kastengren  
Board Member

Alex Noton  
Board Member

Glenn Mac Donald  
CEO

Our audit report has been submitted on the date indicated by the electronic signature.

Ernst & Young AB

Charlotte Holmstrand  
Authorised public accountant

