www.ayfie.com

Annual Report 2024

Unlocking Insights
Empowering Decisions

WELCOME

Our vision is to pioneer a new era of intelligent search solutions, where RAG technology seamlessly integrates with enterprise systems to unlock the full potential of data. We envision a future where organizations effortlessly and safely harness the power of AI-driven insights to drive innovation, accelerate decision-making, and achieve unparalleled success in their endeavors

ABOUT US

At Ayfie, we harness the power of AI to transform how businesses access, analyze, and utilize their data. With cutting-edge text analytics and search technology, we empower organizations to extract deep insights from vast amounts of structured and unstructured information. Our solutions help businesses enhance decision-making, improve compliance, and streamline workflows by unlocking the true potential of their data.

OUR TECHNOLOGY

With a strong presence in the legal, financial, and corporate sectors, Ayfie delivers intelligent search and knowledge discovery tools that enable professionals to find critical information faster and more efficiently. Our advanced AI models and natural language processing (NLP) capabilities ensure that data-driven insights are always at your fingertips—whether for risk assessment, due diligence, or business intelligence.

BOARD OF DIRECTORS REPORT

In 2024, Ayfie International AS recorded notable progress in refining our software solutions and reinforcing our market position through focused innovation. Our platform advancements were particularly directed at enhancing usability, integration, and functionality, reinforcing Ayfie's competitive edge.

Market and Competition

The Insight Engine and generative AI markets experienced robust growth in 2024, driven by increasing demand for solutions capable of handling unstructured data and extracting value through sophisticated analytics. Ayfie is uniquely positioned within this expanding market, merging powerful generative AI technology with extensive connectivity to diverse information sources.
Throughout 2024, the competitive landscape remained largely stable, further highlighting Ayfie's strategic advantage as enterprises increasingly seek comprehensive and integrated solutions

Product Development and Focus

In 2024, Ayfie significantly advanced our software solutions, particularly directed at enhancing usability, integration, and functionality, reinforcing Ayfie's competitive edge.

The Ayfie Personal Assistant underwent a comprehensive user experience (UX) enhancement, making the platform significantly more intuitive.
New features included file sharing among colleagues, customized settings, and options for incorporating company branding directly within the interface. The introduction of "Productivity Modules" also enabled users to customize workflows efficiently with tailored GenAI solutions.

The integration of Ayfie Personal Assistant with the Locator product further streamlined document retrieval and data management, allowing users to seamlessly interact with multiple documents through a conversational chat interface.

Additionally, Ayfie introduced new capabilities allowing businesses to create customized chatbots from specific websites, broadening the scope for interactive customer engagement. Further, Ayfie commenced developing conversational AI solutions, enabling voice-driven interactions, thereby revolutionizing the way users engage with data.

Technology and Innovation

Throughout 2024, Ayfie continued to leverage and advance generative AI (GenAI) technologies, significantly enhancing productivity and the efficiency of knowledge management across organizations. The company's innovative approach allows seamless integration of various Large Language Models (LLMs) directly within customer operational environments, positioning Ayfie uniquely within the market

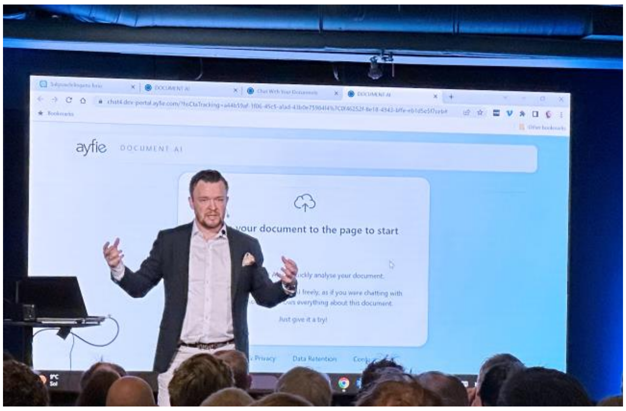
Ayfie's ability to connect multiple LLMs directly into existing operational environments significantly differentiates its offerings. This multi-LLM integration provides an unmatched level of flexibility and precision in information retrieval and management. Additionally, ongoing innovation aimed at creating voice-enabled chatbot technologies further underscores Ayfie's commitment to enhancing productivity and accessibility of information.

Organizational Developments

Ayfie strategically strengthened its executive management team in 2024 through the recruitment of key executives in roles such as CFO, CSS, and CCO.

The company maintains a lean and effective organizational structure, leveraging the combined strengths of in-house developers and specialized outsourced development resources. This hybrid development strategy enhances Ayfie's agility, allowing the rapid scaling of development efforts while effectively managing costs and resources. This organizational structure positions Ayfie to swiftly adapt to changing customer requirements and capitalize effectively on market opportunities.

Adjustments in the ownership structure and board composition aligned experienced industry professionals closely with Ayfie's strategic goals, enhancing decision-making capabilities and market presence.



> **Demand for insight solutions is rising — Ayfie delivers intelligence at scale**

Business Model and Customer Success

In 2024, Ayfie continued to embrace a cloud-first approach, with most customers hosted on platforms such as Microsoft Azure and AWS. Notably, customer integration of Ayfie Personal Assistant into existing Locator installations increased, demonstrating a strong market preference for conversational, interactive information management.

Customer adoption expanded significantly, with many organizations deploying Ayfie solutions broadly, empowering employees with advanced generative AI capabilities. Feedback from customers highlighted substantial efficiency gains and ease of deployment in cloud environments, validating the effectiveness and usability of Ayfie's solutions.

Financial Performance

In 2024, Ayfie recorded total revenue of NOK 18.2 million, compared to NOK 20.6 million in 2023. Subscription revenue still remained dominant. Operating expenses decreased to NOK 41.0 million, driven by focused efficiency measures. Depreciation and amortization costs decrease to NOK 0 million compared to NOK 1.0 million in 2023. The net loss reduced to NOK 23.3 million from NOK 26.0 million, reflecting disciplined financial management. Ayfie significantly strengthened its financial position through two capital increases totaling NOK 32.2 million, leading to an improved cash position of NOK 16.8 million at year-end.

Market Outlook and Strategic Directions

Looking forward to 2025 and beyond, Ayfie's strategic direction remains sharply focused on further developing and expanding our generative AI capabilities and products. The global generative AI market is projected to expand significantly, with a compound annual growth rate of approximately 36.3% through 2030, driven by the increasing demand for intelligent, automated solutions that augment business processes.

Ayfie is exceptionally well-positioned to capitalize on this growth trajectory due to our unique ability to integrate multiple leading LLMs directly into operational environments, providing customers unmatched flexibility and capability.

Our strategic direction in 2025 will emphasize broadening market reach through strategic partnerships and sales initiatives, particularly focused on leveraging Ayfie's proven cloud-based, self-service products and innovative AI integration tools.

Confident in strong market growth, Ayfie expands through innovation and partnerships

With continued investment in product innovation and enhanced strategic partnerships, Ayfie aims to achieve sustainable growth while maintaining its unique competitive advantages in the rapidly evolving generative AI landscape. The company expects to capitalize on robust market growth projections, solidifying its leadership in providing cutting-edge AI-powered enterprise search and productivity solutions.

Ayfie is positioned to benefit significantly from continued strong market growth forecasts in generative AI, with industry estimates indicating a compound annual growth rate (CAGR) of over 36% through 2030. With this backdrop, the Board remains confident in Ayfie's future trajectory and growth potential, ensuring continued delivery of innovative, value-driven solutions to our customers.

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 International AS and its subsidiaries. The consolidated statements have been prepared in accordance with the IFRS® Accounting Standards as adopted by the EU (IFRS. 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 2024.

Consolidated statement of comprehensive income

Full year consolidated revenue amounted to NOK 18,2 million (NOK 20.6 million).

In 2024, the Group's total operating expenses, excluding depreciation and impairments, amounted to NOK 41.0 million (NOK 44.6 million), reflecting a decrease from the previous year. This reduction was primarily driven by lower activity in other activities. The personnel expenses increased to 29.8 million (NOK 28.8 million) mainly caused by reversal of Skattefunn. While the number of employees remained stable at approximately 13 throughout the year, personnel expenses also included costs related to contracted labor. In total, we engaged close to 11 contracted laborers for parts of 2024.

Other operating expenses for the year totaled NOK 11.2 million (NOK 15.8 million), with the decrease largely attributable to reduced marketing efforts and lower activity levels.

Consolidated statement of financial position

The Group has liability insurance for the board and executive management. Depreciation and amortization costs were NOK 0 million (NOK 1.0 million).

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

Net loss for the year amounted to NOK 23.3 million (NOK 26.0 million)

Consolidated statement of financial position

Total assets amounted to NOK 21.6 million (NOK 10.5 million).

Total current assets of NOK 21.6 million (NOK 10.5 million) consisted of cash of NOK 16.8 million (NOK 3.2 million), trade receivables of NOK 4.1 million (NOK 2.6 million) and other current assets of NOK 0.7 million (NOK 4.8 million).

Total equity and liabilities amounted to NOK 21.6 million (NOK 10.5 million), where the total equity of NOK 6.8 million (negative NOK 2.5 million) consisted mainly of share capital of NOK 42.0 million (NOK 30.2 million) and uncovered losses of 43.6 (NOK 40.7 million).

Current liabilities of NOK 14.8 million (NOK 13.0 million) consisted mainly of trade and other payables of NOK 3.4 million (NOK 4.8 million), contracted liabilities of NOK 9.3 million (NOK 5.6 million) and other current liabilities of NOK 2.1 million (NOK 2.6 million).

As of year-end 2024, the Group had tax losses carried forward amounting to NOK 237.0 million. In line with applicable accounting standards, the Group has assessed the recoverability of these losses and concluded that the recognition criteria for deferred tax assets are not met. Consequently, no deferred tax assets related to the tax losses carried forward have been recognized in the 2024 financial statements.

Consolidated statement of cash flow

Net cash flow from operating activities was negative NOK 18.6 million (negative NOK 26.1 million). Net cash flow from investing activities was NOK 0.0 million (0.0 million). Net cash flow from financing activities was NOK 32.2 million (NOK 10.5 million). Cash and cash equivalents were NOK 16.8 million (NOK 3.2 million) at year end.

Equity, shares and shareholders

Equity increased from negative NOK 2.5 million in 2023 to positive NOK 6.8 million in 2024 due to net effect of the 2024 loss of NOK 23.3 million (loss of NOK 26.0 million), option program cost of NOK 0.5 million (NOK 1.0 million). In 2024 was also a capital increase of NOK 32.2 million.

At year-end 2024, there were approximately 820 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 23.1 million (net loss NOK 24.7 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 18.0 MNOK, completed on March 14, 2024, and of 14.2 MNOK, completed November 14, 2024.

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 2024

No events have occurred after 31 December 2024 that would have a material effect on the Group’s business or the reported financial figures.

Going concern

The Board of Directors and the CEO confirm that the financial statements have been prepared under the assumption of continued operations (going concern).

For an extended period, the Group has invested in the development of new technology, and the former sales and distribution strategy has yielded insufficient growth and revenues, resulting in negative cash flows. Starting in 2025, a new commercial phase begins. As such, the Group have new investors on board from the latter half of 2024, including a new board member with significant experience from the Visma system, and have taken several measures to rectify the situation. We have hired a strong new commercial director, established a new sales and distribution strategy, focusing on partner sales. Ayfie utilizes its adaptable architectural framework to facilitate the development of diverse product configurations, delivering a flexible solution that is suitable for both embedding within other software and as a standalone Ayfie product.

The company's future liquidity depends on the success of this new strategy and the achievement of the expected sales growth. While management has strong confidence in the plans, and the new initiatives enhance the likelihood of success, the company's limited history with this level of sales growth and the reliance on the strategy's success represent a material uncertainty that may cast a significant doubt upon the entity's ability to continue as a going concern. If the plans do not yield sufficient results, there may be a need for additional liquidity to sustain operations through 2025. The board and management maintain a good dialogue with the company's largest shareholders, who have indicated their readiness to provide capital if needed to ensure continued operations.

Management considers the going concern assumption to be appropriate and believes that the new strategy will deliver positive cash flow and sustainable operations going forward.

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 2024 Ayfie had 13 employees, of which 3 were female. Ayfie had 1 female executive manager, and there were no female Board members.

There was hardly any leave of absence due to illness recorded in 2024, 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 International AS of NOK 23 289 thousand to be transferred to accumulated losses.

The Board of Directors does not propose any dividend payments for 2024.

Oslo, 27 March 2025
The Board and CEO of Ayfie International AS

Sign. Lars Boilesen Chairman	*Sign.* Jostein Devold Board member
Sign. Andreas Mjølner Akselsen Board member	*Sign.* Lars Nilsen Board member
Sign. Jan Chr. Opsahl Board member	*Sign.* Erlend Sogn Board member
Sign. Herman Sjøberg Chief executive officer	

FINANCIAL INFORMATION

Consolidated Financial Statements
Consolidated statement of comprehensive income

For the years ended 31 December

Amounts in NOK 1000	Notes	2024	2023
Revenue and other operating income			
Revenue	2.1	18 162	20 595
Total revenue and other operating income		**18 162**	**20 595**
Cost of sales			
Cost of sales		484	752
Gross profits		**17 678**	**19 843**
Operating expenses			
Personnel expenses	2.2,4.7	29 764	28 781
Other operating expenses	2.3	11 197	15 840
Depreciation and amortization	3.1,6.2	-	1 048
Total operating expenses		**40 961**	**45 669**
Operating profit or loss		**(23 283)**	**(25 826)**
Finance income and costs			
Finance income	4.4	365	531
Finance costs	4.4	371	667
Profit or loss before tax		**(23 289)**	**(25 962)**
Income tax expense	5.1	-	-
Net profit or loss for the year		**(23 289)**	**(25 962)**

Earnings per share (basic and diluted) (Note 6.4)		
Earnings per share (NOK)	(1.30)	(1.87)
Earnings per share diluted	(1.30)	(1.87)

Consolidated statement of financial position

Amounts in NOK 1000	Notes	31.12.2024	31.12.2023
Current assets			
Trade receivables	2.4	4 133	2 588
Other current assets	2.5	684	4 755
Cash and cash equivalents	4.3	16 795	3 161
Total current assets		**21 612**	**10 503**
TOTAL ASSETS		**21 612**	**10 503**
EQUITY AND LIABILITIES			
Equity			
Issued share capital	4.6	42 024	30 227
Other capital reserves		8 437	7 981
Retained earnings (uncovered losses)		(43 620)	(40 733)
Total equity		**6 841**	**(2 526)**
Current liabilities			
Trade and other payables	2.6	3 409	4 787
Contract liabilities	2.1, 6.1	9 310	5 601
Other current liabilities	6.1	2 051	2 641
Total current liabilities		**14 771**	**13 029**
Total liabilities		**14 771**	**13 029**
TOTAL EQUITY AND LIABILITIES		**21 612**	**10 503**

Sign.	Sign	*Sign.*
Lars Boilesen	Andreas Mjølner Akselsen	Jostein Devold
Chairman	Board member	Board member
Sign.	*Sign.*	*Sign.*
Jan Chr. Opsahl	Erlend Sogn	Lars Nilsen
Board member	Board member	Board member
Sign.		
Herman Sjøberg		
Chief executive officer		

Consolidated statement of cash flow

For the years ended 31 December

Amounts in NOK 1000	Notes	2024	2023
Cash flows from operating activities			
Profit/(loss) before tax		(23 289)	(25 962)
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortization	3.1		106
Net finance income and costs included in financing activities	4.4	6	14
Share based payments	4.7	457	1 013
Working capital adjustment:			
Changes in trade receivables	2.4	(1 545)	1 255
Changes in other current assets	2.5	4 071	183
Changes in trade and other payables	2.6	(1 378)	258
Changes in provisions and other liabilities	6.1	3 119	(2 964)
Net cash flows from operating activities		**(18 560)**	**(26 097)**
Cash flows from investing activities			
Net cash flow from investing activities		**0**	**0**
Cash flow from financing activities			
Proceeds from issuance of equity		32 200	9 486
Payment of principal portion of lease liabilities			942
Interest lease liabilities			122
Net finance cost paid	4.4	(6)	(14)
Net cash flow from financing activities		**32 194**	**10 536**
Net change in cash and cash equivalents		13 635	(15 561)
Cash and cash equivalents, beginning of period	4.3	3 161	18 722
Cash and cash equivalents, end of period		**16 795**	**3 161**

Consolidated statement of changes in equity

NOK 1000	Issued share capital	Share premium	Other capital reserves	Uncovered losses	Total equity
Balance as of 01.01.2023	**27 727**	**-**	**6 968**	**(21 757)**	**12 938**
Profit (loss) for the year				(25 962)	(25 962)
Other comprehensive income					
Share based payment			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)**
Profit (loss) for the year				(23 289)	(23 289)
Other comprehensive income					
Shared based payment			457		457
Capital increase	11 797	20 403			32 200
Transferred/covered loss		-20 403		20 403	-
Balance as of 31.12.2024	**42 024**	**-**	**8 437**	**(43 620)**	**6 841**

The Extraordinary General Meeting 3 April 2024 gave the Board of Directors an authorization to increase the Company's share capital by up to NOK 18,011,898 million. The authorization is valid until the Company's annual general meeting in 2025, but no longer than to and including 30 June 2025.

The company's share capital is increased from NOK 30,226,694 to NOK 42,023 796 by two capital raises in March and November 2024.

Notes to the consolidated financial statements

Notes 1 – Background Information

Note 1.1 – Corporate information

Corporate Information

The consolidated financial statements of Ayfie International AS and its subsidiaries (collectively, "the Group" or "Ayfie") for the year ended 31 December 2024 were authorized for issue in accordance with a resolution of the Board of Directors 27. March 2025.

Ayfie International 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 "AIX".

Basis of preparation

The consolidated financial statements of Ayfie International 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 IFRS® Accounting Standards as adopted by The European Union (EU). (IFRS)

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 2024 and 2023.

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 indicated. 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

The Board of Directors and the CEO confirm that the financial statements have been prepared under the assumption of continued operations (going concern).

For an extended period, the Group has invested in the development of new technology, and the former sales and distribution strategy has yielded insufficient growth and revenues, resulting in negative cash flows. Starting in 2025, a new commercial phase begins. As such, the Group have new investors on board from the latter half of 2024, including a new board member with significant experience from the Visma system, and have taken several measures to rectify the situation. We have hired a strong new commercial director, established a new sales and distribution strategy, focusing on partner sales. Ayfie utilizes its adaptable architectural framework to facilitate the development of diverse product configurations, delivering a flexible solution that is suitable for both embedding within other software and as a standalone Ayfie product.

The company's future liquidity depends on the success of this new strategy and the achievement of the expected sales growth. While management has strong confidence in the plans, and the new initiatives enhance the likelihood of success, the company's limited history with this level of sales growth and the reliance on the strategy's success represent a material uncertainty that may cast a significant doubt upon the entity's ability to continue as a going concern. If the plans do not yield sufficient results, there may be a need for additional liquidity to sustain operations through 2025. The board and management maintain a good dialogue with the company's largest shareholders, who have indicated their readiness to provide capital if needed to ensure continued operations.

Management considers the going concern assumption to be appropriate and believes that the new strategy will deliver positive cash flow and sustainable operations going forward.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as of 31 December 2024. 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 2024 are presented below:

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

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

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.

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 Group's core products are under continuous development and refinement. For internal management and reporting purposes, the Group operates as one integrated business unit. The internal reporting structure and decision-making processes are aligned accordingly, and the Group is therefore not divided into separate reporting segments.

Note 1.4 – New standards in 2024

Changes in account principles and disclosure requirements

Disclosure of Accounting Policies

There have been no new or amended accounting standards effective in 2024 that have had a material impact on the Group's accounting policies or financial statements. The Group has reviewed applicable changes and concluded that no updates to the accounting policy disclosures are required beyond those made in prior periods.

Note 1.5 Standards issued but not yet effective

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1. IFRS 18 introduces new presentation requirements in the statement of profit or loss, including mandatory subtotals and categorisation of income and expenses into operating, investing, and financing activities. It also introduces requirements for management-defined performance measures and enhances aggregation and disaggregation principles across the financial statements. Amendments have also been made to IAS 7 Statement of Cash Flows and other standards.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The Group has not early adopted IFRS 18 and is currently assessing the potential impact on its financial statements.

There are no other standards, amendments, or interpretations issued but not yet effective that are expected to have a material impact on the Group's consolidated financial statements.

Notes 2 - Operating performance

Note 2.1 – Revenues and other operating income

NOK 1000

Revenue from contracts with customers	2024	2023
Subscription	16 993	19 566
Professional services/consultancy fees	1 169	1 029
Total revenues recognized over time	**18 162**	**20 595**
Total revenue from sales contracts with customers	**18 162**	**20 595**

Revenues recognized 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.

NOK 1000

Geographic information	2024	2023
Revenues from businesses		
Norway	18 162	20 595
Total revenues	**18 162**	**20 595**

The Group's operations are managed and conducted from Norway. While the Group serves international customers, it does not monitor revenue by geographic location, as this is not relevant for internal reporting or decision-making. Accordingly, revenue is presented based on the country from which the business is operated

See note 2.4 for Trade Receivables.

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.

	31.12.2024	31.12.2023
Contract liabilities	9 310	5 601

The Group has ongoing customer relationships under subscription-based contracts. These contracts typically renew automatically and do not include committed performance obligations beyond the current contractual period. Management has assessed the expected remaining performance obligations under these arrangements and concluded that such disclosures are not material to the financial statements. Accordingly, the Group has not presented a separate disclosure of remaining performance obligations.

Note 2.2 – Personnel expenses

NOK 1000

Personnel expenses	**2024**	**2023**
Salaries	15 244	12 639
Social security tax	2 483	2 163
Pension costs - defined contribution plans	668	749
Contract labor	10 475	11 938
Cost of share-based payment	457	1 013
Other personnel costs	437	279
Total personnel expenses	**29 764**	**28 781**

	2024	**2023**
Full time equivalent employees as of 31.12.	13	12
Contract labor as of 31.12.	11	15
Total	**24**	**27**

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

NOK 1000

Remuneration to executive management in 2024	**Salary**	**Pension**	**Other remuneration**	**Total remuneration**
CEO Herman Sjøberg	1 600	187	12	1 799
CFO Lasse Ruud 01.01-03.04.24	455	23	1	479
CFO Olav Degenes 04.04-22.11.24	866	43	124	1 033

In addition to the regular salary specified in the table above, Lasse Ruud received a severance payment of NOK 2.0 million in 2024

NOK 1000

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

There were no other members of the Executive Management. CEO and former CFO Lasse Ruud 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 4.5 – Share-based Payments. At the end of the financial year, Members of the Board held shares in the parent company, as disclosed in note 4.4 regarding shareholdings.

Note 2.3 – Operating expenses

NOK 1000

Other operating expenses	2024	2023
Sales and marketing	-	1 259
Professional services	2 158	6 190
Rental and leasing	1 777	264
IT	5 815	6 344
Travel	208	98
Other operating expenses	1 240	1 686
Total other operating expenses	**11 197**	**15 840**

Audit fee

NOK 1000

Auditor related fees	2024	2023
Fees for audit	471	566
Fees for other services	45	36
Total remuneration to the auditor	**516**	**602**

Note 2.4 – Trade receivables

NOK 1000

Trade receivables	31.12.2024	31.12.2023
Trade receivables at nominal value	4 133	2 588
Expected credit loss	-	-
Total trade receivables	**4 133**	**2 588**

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

NOK 1000				Past due	
Ageing analysis	**Total**	**Not due**	**< 30 days**	**31-90 days**	**> 90 days**
Trade receivables 31.12.2023	2 588	1 136	1 235	161	56
Trade receivables 31.12.2024	4 133	2 858	707	332	236

The majority of trade receivables past due as of 31 December 2024 have already been settled in 2025, including the oldest of 236. The company do not have a history of material credit losses.

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

Note 2.5 – Other current assets

NOK 1000

Other current assets	31.12.2024	31.12.2023
Pre-payments	650	1 980
Deposits	0	677
Other receivables	34	2 098
Total other current assets	**684**	**4 755**

Other receivables as of 31.12.2024 do not include any recognized Skattefunn tax incentive income.

In 2023, Skattefunn income of NOK 2,053 thousand was recognized and included in other receivables as of 31.12.2023. At the end of October 2024, Ayfie received a decision from the tax authorities rejecting the 2023 Skattefunn claim. As a result, the recognized income from 2023 was reversed and expensed in the 2024 financial statements.

Similarly, the Group is planning to claim NOK 2,011 thousand in Skattefunn for 2024. However, based on the decision regarding 2023 and consistent accounting treatment, the Group has not recognized any Skattefunn income in 2024. The decision has been appealed, and the Group maintains that the tax authority's interpretation is incorrect. The outcome of the appeal process remains pending.

Note 2.6 – Trade and other payables

NOK 1000

Trade and other payables	31.12.2024	31.12.2023
Trade payables	1 595	4 006
VAT payable	705	
Withholding payroll taxes and social security	1 110	781
Total trade and other payables	**3 409**	**4 787**

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

NOK 1000

Property, plant and equipment	Fixtures and fittings, tools, office machinery etc.	Total
Acquisition cost 01.01.2023	2 512	2 512
Additions	0	0
Disposals	0	0
Acquisition cost 31.12.2023	**2 512**	**2 512**
Additions	0	0
Disposals	0	0
Acquisition cost 31.12.2024	**2 512**	**2 512**
Accumulated depreciation and impairment 01.01.2023	2 406	2 406
Depreciation for the year	106	106
Accumulated depreciation and impairment 31.12.2023	**2 512**	**2 512**
Depreciation for the year	0	0
Accumulated depreciation and impairment 31.12.2024	**2 512**	**2 512**
Carrying amount 31.12.2023	**0**	**0**
Carrying amount 31.12.2024	**0**	**0**

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

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 2024. 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 10.5 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.

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:

31.12.2024	Financial instruments at amortized cost
Assets	
Trade receivables (Note 2.4)	4 133
Pre-payments (Note 2.5)	650
Cash and cash equivalents (Note 4.2)	16 795
Total financial assets	21 578
Liabilities	
Current liabilities (Note 6.1)	5 461
Total financial liabilities	5 461

31.12.2023	Financial instruments at amortized cost
Assets	
Trade receivables (Note 2.4)	2 588
Pre-payments (Note 2.5)	2 775
Cash and cash equivalents (Note 4.2)	3 161
Total financial assets	8 524
Liabilities	
Current liabilities (Note 6.1)	4 006
Total financial liabilities	4 006

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.

Note 4.2 – Cash and cash equivalents

NOK 1000

Cash and cash equivalents	31.12.2024	31.12.2023
Bank deposits, unrestricted	16 232	2 571
Bank deposits, restricted*	563	590
Total cash and cash equivalents	**16 795**	**3 161**

* 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 4.3 – Financial income and expenses

NOK 1000

Financial income and expenses	2024	2023
Financial income		
Interest income	283	276
Foreign exchange gains	82	255
Total finance income	**365**	**531**
Financial expenses		
Foreign exchange losses	247	317
Interest	13	11
Other financial expenses	441	340
Total finance cost	**701**	**667**

Note 4.4 – 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 some exposure to foreign currency risk through trade receivables and trade payables denominated in foreign currencies. As of 31 December 2024, Ayfie AS had outstanding receivables of USD 4,883, EUR 9,087.50, GBP 6,850, and SEK 92,603. In addition, the accounts payable included open positions, notably over EUR 50,000 and various smaller amounts in USD and other currencies.

Although the Group's overall revenue (approximately NOK 18 million) and cost base (approximately NOK 38 million) are predominantly NOK-denominated, foreign exchange fluctuations may have a limited impact on financial performance. The Group does not currently use hedging instruments, as the exposure is not considered material relative to the Group's total operations.

Foreign currency risk on financing

The Group has no financial liabilities denominated in foreign currency.

Foreign currency risk on operations

The Group's operational currency risk primarily relates to revenue from export sales and operating expenses denominated in foreign currencies. While a significant portion of the Group's sales are invoiced in EUR, USD, GBP, and SEK, the majority of salary expenses and other administrative costs are in NOK. However, a considerable share of operating expenses - particularly related to contract labor and software services - are settled in foreign currencies.

The Group does not currently hedge foreign currency exposure with derivatives, but actively monitors its net currency exposure. Ayfie may consider the use of financial derivatives to reduce foreign exchange risk in the future, if deemed appropriate.

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 18.0 MNOK. In November 2024, the

Group successfully completed another private placement raising 14.2 MNOK. Both placements significantly enhancing our liquidity position.

The Group's ability to meet its financial obligations is supported by its going concern assessment, which reflects the Group's strategic initiatives, shareholder support, and liquidity position. Reference is made to the Going Concern section of the financial statements for further details.

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 4.5 - 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 2024 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 00 000	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**
Issue of share capital 14.03.2024	2 898 551	5 797	5 797
Issue of share capital 30.10.2024	3 000 000	6 000	6 000
31.12.2024	**21 011 898**	**42 024**	**42 024**

The Extraordinary General Meeting 3 April 2024 gave the Board of Directors an authorization to increase the Company's share capital by up to NOK 18,011,898 million. The authorization is valid until the Company's annual general meeting in 2025, but no longer than to and including 30 June 2025.

The company's share capital increased from NOK 30,226,694 to NOK 42,023 796 by two capital raises in March and November 2024.

The company has not paid dividends in 2024.

Ownership structure:

Shareholders as of 31 December 2024	Total shares	Ownership	Shareholding/Voting
LANI INVEST AS	2 072 947	10%	10%
SIX-SEVEN AS	1 333 780	6%	6%
DALLAS ASSET MANAGEMENT AS	1 129 847	5%	5%
MERTOUN CAPITAL AS	1 074 514	5%	5%
GODTHÅB HOLDING AS	1 031 943	5%	5%
HAAS AS	1 000 000	5%	5%
CAMACA AS	984 855	5%	5%
SILVERCOIN INDUSTRIES AS	822 244	4%	4%
Citibank, N.A.	800 000	4%	4%
CONVEXA AS	725 567	3%	3%
SONGA CAPITAL AS	620 281	3%	3%
MTB EIENDOMSUTVIKLING AS	516 661	2%	2%
SKADI AS	425 136	2%	2%
LEIJO AS	389 547	2%	2%
HØYLANDET BYGGUTLEIE AS	362 249	2%	2%
GRUNDVIG	353 812	2%	2%
PER-ERIK BURUD AS	329 598	2%	2%
ONETWO3 AS	300 780	1%	1%
NOT TODAY AS	300 000	1%	1%
MEISFJORD HOLDING AS	300 000	1%	1%
Other shareholders	6 138 137	29 %	29 %
Total	**21 011 898**	**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
Lars Nilsen, Board member (Lani Invest AS/Last Invest AS)	10.0%
Andreas Mjølner Akselsen (Haas AS, Godthåb Holding AS)	9,7%
Jan Chr. Opsahl, Board member (Dallas Asset Management AS)	5.0%
Erlend Sogn (Onetwo3)	1,4%
Herman Sjøberg, CEO	0.1%
Total	**15.1%**

Note 4.6 – Share based payments

In April 2024, the Chairman of Ayfie Group AS was granted 375,000 options for shares in the Company, comprising 187,500 options vesting on 2. May 2025 at a strike price of NOK 7 and 187,500 options vesting on 2. May 2026 at a strike price of NOK 8.50.

A share option program for certain employees was resolved in April 2024, comprising a total of 1,285,000 options for shares in the Company. In connection with the new grant, the previous share option plan was cancelled, and the new program was issued as a replacement award

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 457 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 2024

Description	Weighted Average Exercise Price (NOK)	Number of Share Options
Outstanding options 1 January 2024	8.80	1,218,750
Outstanding options 31 December 2024	7.59	945,000
Exercisable at 31 December 2024	–	–

Options granted by strike price

Strike Price (NOK)	Number of Share Options
7.00	702,500
8.50	582,500
Total	1,285,000

Share options held by Executive Management and the Board	Number of share options	% of total
Chairman	375 000	29.2 %
CEO	375 000	29.2 %
Total	**750 000**	**58.4%**

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 NOK 7.00 and NOK 8.50 for the two tranches granted in 2024.

Volatility

The expected volatility is set to 54.06% and 51.55% respectively for the two tranches, 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 2024 replacement award, the weighted average risk-free interest rate applied in the fair value calculation was 4.0% and 3.87% for the respective tranches. This rate was used based on market conditions and Norwegian government bond yields with a maturity similar to the options' expected life.

The Group does not currently apply hedging for share-based payment programs. The fair value recognized in the accounts reflects the difference between the fair value of the new program and the cancelled 2022 program, in line with IFRS 2.

Accounting Treatment of Replacement Awards

The granted options constitute a replacement award for a previously cancelled equity compensation plan. In accordance with IFRS 2, the accounting treatment of a replacement award requires two distinct fair value measurements to be performed: one for the original (cancelled) award at the date of cancellation, and one for the replacement award at the grant date. The incremental fair value—calculated as the excess of the fair value of the replacement award over the fair value of the cancelled award—is recognized as the basis for the new compensation cost.

Notes 5 – Taxes

Note 5.1 – Taxes

NOK 1000	2024	2023
Current income tax expense:		
Tax payable	0	0
Change deferred tax/deferred tax assets	0	0
Total income tax expense	**0**	**0**

Tax payable	2024	2023
Profit before taxes	**(23 289)**	**(25 962)**
Permanent differences[1]	2 705	(2 394)
Change in temporary differences	(26)	(264)
Tax basis	**(20 610)**	**(28 619)**
Use of tax-loss carryforward	0	0
Current taxes according to statutory tax rate 22%	0	0

Deferred tax liabilities/Assets	31.12.2024	31.12.2023
Property, plant and equipment	(144)	(199)
Other current assets	0	0
Other temporary differences	0	30
Losses carried forward (including tax credit)	(236 960)	(216 350)
Basis for deferred tax liabilities (assets):	**(237 104)**	**(216 519)**
Calculated deferred tax	(52 198)	(47 634)
- Deferred tax assets not recognized	52 163	47 634
Deferred tax liability in the balance sheet	**0**	**0**
Deferred tax asset in the balance sheet	**0**	**0**

Reconciliation of income tax expense	2024	2023
Profit before taxes	(23 289)	(25 962)
Expected tax expense (Norway tax rate)	(5 124)	(5 711)
Permanent differences[1]	595	(527)
Effects of foreign tax rates	0	0
Effect of deferred tax asset not recognized	4 529	6 238
Recognized income tax expense	**0**	**0**

[1] Permanent differences are related to SkatteFUNN, costs related to grants, and non-deductible expenses. For further details on the SkatteFUNN adjustments and reversals, reference is made to note 2.5.

The Group has NOK 236 960 thousand (NOK 216 350 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

NOK 1000

Current liabilities	Note	31.12.2024	31.12.2023
Contracted liabilities	4.1, 4.2	9 310	5 601
Salaries and other personnel related costs	4.1, 4.2	2 405	2 537
Other short-term liabilities	4.1, 4.2	3 056	4 891
Total Current liabilities		**14 771**	**13 029**
Non-Current liabilities		**31.12.2024**	**31.12.2023**

Note 6.2 – 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, 2024.

Note 6.3 – Earnings Per Share (EPS)

There has been a variation in the Earnings Per Share (EPS) between 2023 and 2024. In 2023, both the basic and diluted EPS were recorded at -1,87. However, in 2024, the basic EPS increased to -1.18, with the diluted EPS slightly higher at -1.18. This difference in EPS year-over-year is attributable to several operational and financial factors.

The difference in EPS reflects the company's financial performance and operational adjustments during the period.

Note 6.4 – Events after the reporting period

There have been no events after reporting period

Financial Statement-
Parent Company

Statement of income parent company

For the years ended 31 December

Amounts in NOK 1000	Notes	2024	2023
Revenue and other operating income			
Revenue		0	0
Total revenue and other operating income		**0**	**0**
Operating Expenses			
Personnel expenses	2,3	2 544	3 112
Other operating expenses	5.1	4 236	4 519
Total operating expenses		**6 780**	**7 631**
Operating profit or loss		**(6 780)**	**(7 631)**
Finance income and costs			
Other finance income	5.2	282	268
Impairment receivables subsidiaries	5.2,7	16 475	16 789
Impairment subsidiaries	5.2,7	0	372
Other finance expenses	5.2	115	220
Profit or loss before tax		**(23 089)**	**(24 744)**
Income tax expense	6	0	0
Net loss for the year		**(23 089)**	**(24 744)**
Allocated as follows			
Charged to uncovered loss		**(23 089)**	**(24 744)**

Statement of financial position parent company

Amounts in NOK 1000	Notes	31.12.2024	31.12.2023
ASSETS			
Financial assets			
Investment in subsidiaries	7	0	0
Total financial assets			
Total non-current assets		**0**	**0**
Current assets			
Loan to Group companies	7	0	0
Other current assets		548	996
Cash and cash equivalents	4	11 438	2 449
Total current assets		**11 986**	**3 415**
TOTAL ASSETS		**11 986**	**3 415**
EQUITY AND LIABILITIES			
Equity			
Issued share capital	8	42 024	30 227
Other capital reserves		8 437	7 980
Uncovered loss		(41 691)	(39 006)
Total equity		**8 770**	**(799)**
Current liabilities			
Trade and other payables		500	953
Current liabilities to related parties	7	2 120	2 120
Other current liabilities		596	1 141
Total current liabilities		**3 216**	**4 214**
Total liabilities		**3 216**	**4 214**
TOTAL EQUITY AND LIABILITIES		**11 986**	**3 415**

Sign.	Sign	*Sign.*
Lars Boilesen	Andreas Mjølner Akselsen	Jostein Devold
Chairman	Board member	Board member
Sign.	*Sign.*	*Sign.*
Jan Chr. Opsahl	Erlend Sogn	Lars Nilsen
Board member	Board member	Board member
Sign.		
Herman Sjøberg		
Chief executive officer		

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 behavioral considerations.

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

NOK 1000

Personnel expenses	2024	2023
Salaries[1]	2 051	2 654
Social security tax	291	298
Pension costs - defined contribution plans	457	160
Other personnel costs	14	0
Total personnel expenses	**2 544**	**3 112**
Full time equivalent employees as of 31 December	1	1

[1] Including cost of share option program for the Board of NOK 457 thousand (NOK 1 013 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

NOK 1000

Auditor related fees	2024	2023
Fees for audit	383	454
Fees for other services[1]	20	36
Total remuneration to the auditor	**403**	**490**

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:

NOK 1000

Restricted cash	2024	2023
Withholding tax account	72	68
Deposit	0	300
Total restricted cash	**72**	**368**

Note 5 - Bank deposit

Note 5.1 – Other operating expenses

NOK 1000

Other operating expenses	2024	2023
Professional services	1 240	2 741
IT expenses	2 025	977
Other operating expenses	971	801
Total other operating expenses	**4 236**	**4 519**

Note 5.2 – Financial income and expenses

NOK 1000

Financial income and expenses	2024	2023
Financial income		
Interest income	282	251
Foreign exchange gains	0	17
Total finance income	**282**	**268**
Financial expenses		
Impairment loan to subsidiaries	16 475	16 789
Impairment investment in subsidiaries	0	372
Other financial expenses	112	220
Foreign exchange loss	3	0
Total finance cost	**16 590**	**17 381**

Note 6 – Taxes

NOK 1000

Tax base estimation	2024	2023
Ordinary result before tax	(23 089)	(24 744)
Permanent differences	16 949	16 966
Change in temporary differences	(12)	(17)
Tax base	**(6 151)**	**(7 795)**

Temporary differences outlines	2024	2023
Fixed assets	(28)	(40)
Net losses carried forward	(87 536)	(81 385)
Total after net losses carried forward	(87 564)	(81 425)
Differences not included in deferred tax base	(87 564)	(81 425)
Total	-	-
Calculated deferred tax	(19 264)	(17913)
Deferred tax assets not recognized	19 264	17 913
Deferred tax asset (-) / Liability (+)	-	-

Note 7 – Investment in subsidiaries

NOK 1000

Company and location	Acquisition date	Ownership share/ Voting rights	Net loss 2024	Equity 31.12.24	Book value 31.12.24
Ayfie AS (Norway)	01.03.2017	100%	(19 037)	(35 309)	0
Haive AS (Norway)	11.09.2020	100%	(6)	(2 250)	0
Total			**(19 043)**	**(37 559)**	**0**

Note 8 - Equity and shareholders

	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	6 968			9 486
Transferred		(6 986)		6 986	0
Balance as of 31 December 2023	**30 727**	**0**	**7 980**	**(39 006)**	**(799)**

	Issued share capital	Share premium	Other capital reserves	Retained earnings	Total equity
Opening balance 01.01.2024	**30 727**	**0**	**7 980**	**(39 006)**	**(799)**
Loss for the year				(23 089)	(23 089)
Option program			457		457
Share capital increase March 2024	5 797	12 203			18 000
Share capital increase November 2024	6 000	8 200			14 200
Transferred		(20 403)		20 403	0
Balance as of 31 December 2024	**42 024**	**0**	**8 437**	**(41 691)**	**8 770**

Reference is made to note 4.5 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 2024 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 2024 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, 27 March 2025
The Board and CEO of Ayfie International AS

Sign.	Sign	*Sign.*
Lars Boilesen	Andreas Mjølner Akselsen	Jostein Devold
Chairman	Board member	Board member
Sign.	*Sign.*	*Sign.*
Jan Chr. Opsahl	Erlend Sogn	Lars Nilsen
Board member	Board member	Board member
Sign.		
Herman Sjøberg		
Chief executive officer		

Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

To the General Meeting in Ayfie International AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Ayfie International AS (the Company) which comprise:

- The financial statements of the Company, which comprise Statement of financial position as at 31 December 2024 and Statement of income for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the Group, which comprise Consolidated statement of financial position as at 31 December 2024, Consolidated statement of comprehensive income, Consolidated statement of cash flow and 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 statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 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, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024 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)* (the 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.

Material uncertainty related to going concern

We draw attention to note 1.1 in the Financial Statements where the company describes their assessment of the concern assumption. The company incurred losses and a negative cash flow from operations during 2024. These events or conditions, along with other matters as set forth in note 1.1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Board of Directors and Chief Executive Officer (management) are responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

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

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

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

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.
- 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, 27 March 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Are Øverby Svendsen
State Authorised Public Accountant (Norway)

Signeringsside