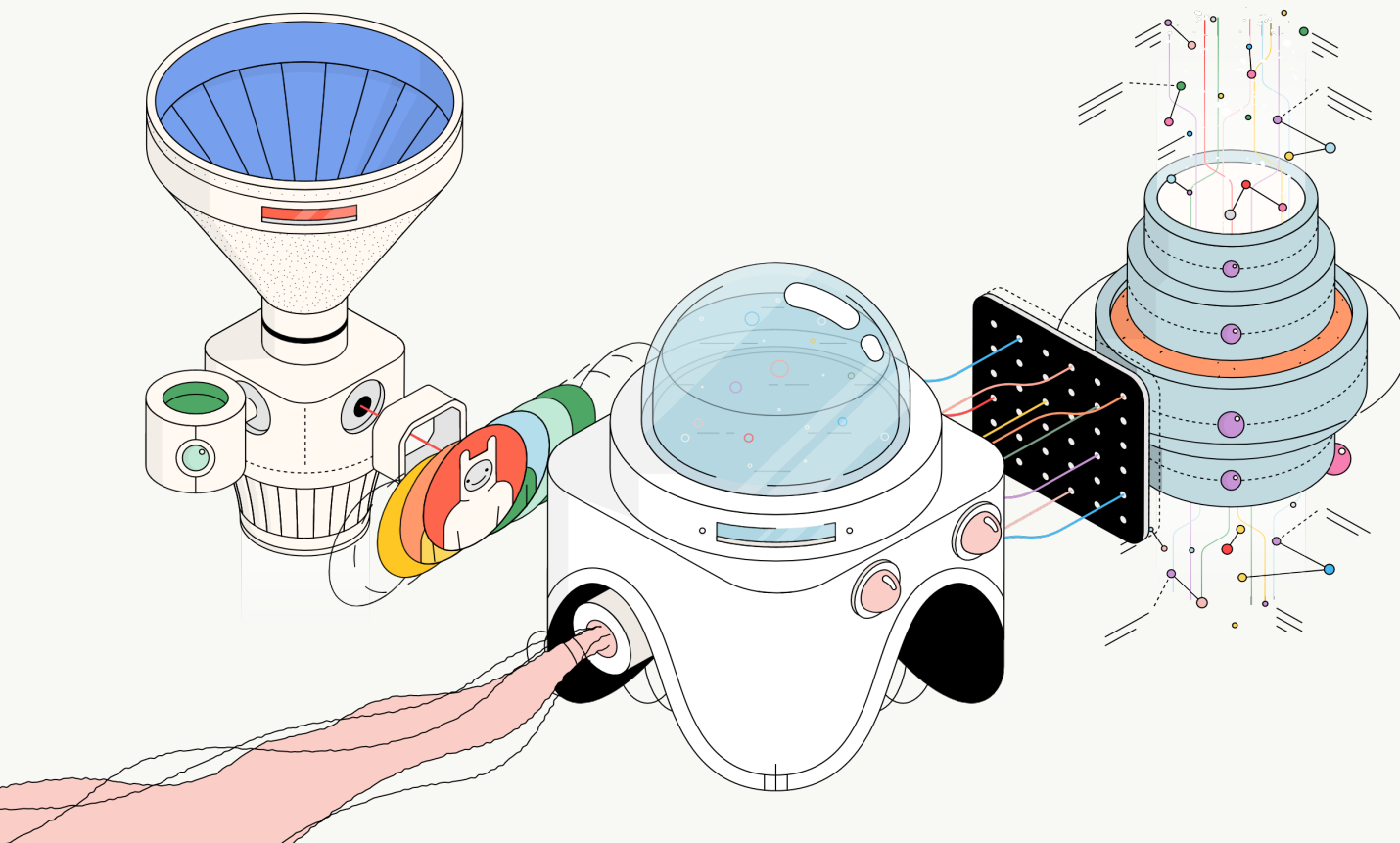


Checkin.com Group AB

Year-end report

January – December 2021



The report in brief

October – December 2021

(compared with the same period previous year)

Net revenue increased to KSEK 13,358 (7,263), which corresponds to a growth of 84 (86)%

Net revenue last twelve months (LTM) amounted to KSEK 38,860 (22,299), which corresponds to a growth of 74 (79)%

Gross profit for the period amounted to KSEK 11,279 (5,764) with a margin of 84 (79)%

EBITDA for the period amounted to KSEK -774 (-407) with a margin of -6 (-6)%

Cash flow from operating activities amounted to KSEK -964 (-1,705)

Net cash amounted to KSEK 69,275 (2,389)

This financial report has been prepared in accordance with International Financial Reporting Standards (IFRS). More detailed information on this can be found in the notes on page 14 onwards.

CEO letter

During the fourth quarter we continue on our current path, once again delivering strong and increasing growth. The numbers assure us that our strategy is right, and compared to Q4 last year we are now in line with our financial target of 86 % Net Revenue Growth. Focusing on the growth Q3 to Q4 also shows that our momentum is significantly stronger than that, with a growth pace between these quarters corresponding to a tripling of our revenue when extrapolated on a yearly basis.

Even though growth is generally strong towards the end of the year it feels like we have reached a whole new level, both in terms of demand and capacity. We have a strong tailwind, driven by several long-term macro trends, such as increased regulations in several of our key markets. As an organisation we have also grasped the opportunities that our strong strategic position has provided, and it is obvious that we at the time of writing have a significantly stronger momentum compared to last year. I therefore count on the growth for the coming quarter to considerably surpass last year's growth.

We are also lucky to have partners who are loyal, and who, in many cases, expand their usage of our software over time. Since we maintain the revenue from our existing partner base, every new partner is additive, making the business spin faster without having to start each quarter catching up with lost revenue. Starting from this quarter we are also reporting the KPI Net Revenue Retention, which for the last year has been 137% on average, clearly showcasing that strength.

We have not yet seen the full impact from our investments in technology and sales organisation, even though the positive effects are starting to show during Q4. The quarter reassures us that we should continue on the set path, and thanks to our high gross margin we can continue to increase our investments in absolute numbers in both of these areas, as our turnover continues to rise. If executed correctly, I have high hopes that increased turnover will result in even stronger growth which in turn further drives turnover, creating a sort of compound interest effect.



During the quarter we also communicated the acquisition of the Estonian AI company Datacorp. I personally believe that this acquisition might turn out to be a key milestone in the company's history. The acquired knowledge and technology within facial recognition is absolute world leading and our joint technical lead will hopefully be a decisive factor mid and long term. It is absolutely essential that we continue to develop high-quality software and it is the strength of our products that enable our strong growth, both now and in the future. Therefore I fully understand everyone that is curious to see more of what is around the corner and I hope to be able to showcase some of our long term research and development later this year, including the parts where Datacorp contributes.

In conclusion we start the new year off with a strong core business with high margins, strong and accelerating growth and a financial position that gives us muscle for additional acquisitions. Our technology portfolio is better than ever and we will continue to work hard every day to build a company that moves fast but long term, thereby creating long-lasting shareholder value.

A handwritten signature in black ink, appearing to read 'Kristoffer Cassel'.

Kristoffer Cassel, CEO and founder
Stockholm, 16 February 2022

Interim report Jan – Dec 2021

Summary of the period

	Oct – Dec		Jan – Dec	
	2021	2020 ¹	2021	2020 ¹
Amount in KSEK				
Net revenue	13,358	7,263	38,860	22,299
Net revenue LTM	38,860	22,299	38,860	22,299
Gross profit	11,279	5,764	32,481	18,066
EBITDA	-774	-407	-2,661	1,676
EBITA	-1,266	-993	-5,915	-649
Operating profit (EBIT)	-1,784	-993	-6,692	-649
Net result	-1,704	-1,057	-6,804	-788
Cash flow from operating activities	-964	-1,705	810	646
Net cash(+)/debt(-)	69,275	2,389	69,275	2,389
Key performance indicators				
Net revenue growth	84%	86%	74%	79%
Net revenue LTM growth	74%	79%	74%	79%
Net revenue retention LTM	137%	151%	137%	151%
Gross margin	84%	79%	84%	81%
EBITDA-margin	-6%	-6%	-7%	8%
EBITA-margin	-9%	-14%	-15%	-3%
Operating margin	-13%	-14%	-17%	-3%
Equity ratio	80%	66%	80%	66%
Data per share in SEK				
Earnings per share, before and after dilution	-0.06	-0.04	-0.27	-0.03

¹ Recalculated to IFRS, see note 4

Financial target

Organic and through acquisitions

86 %

Average increase
of net revenue per year
the next 5 years
equivalent to

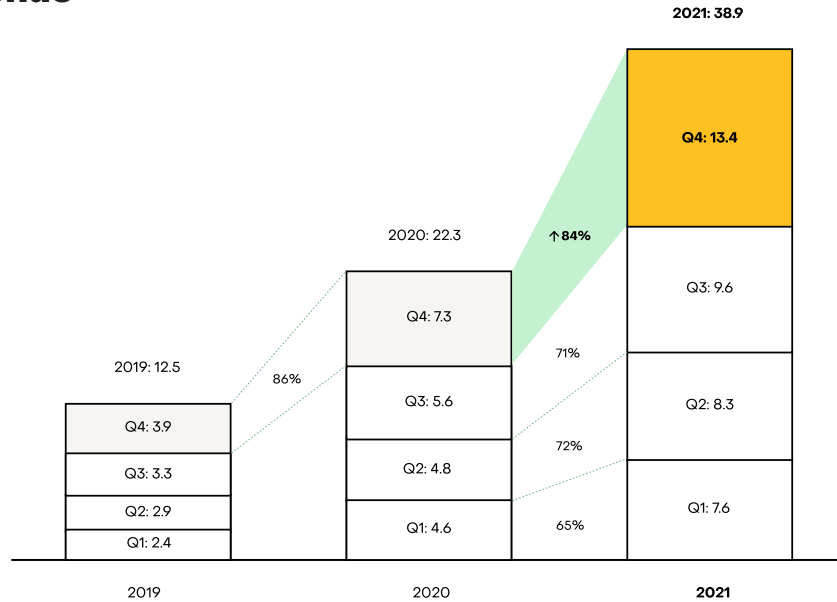
500 MSEK

Net revenue full year 2025

Summary of the period

Net revenue

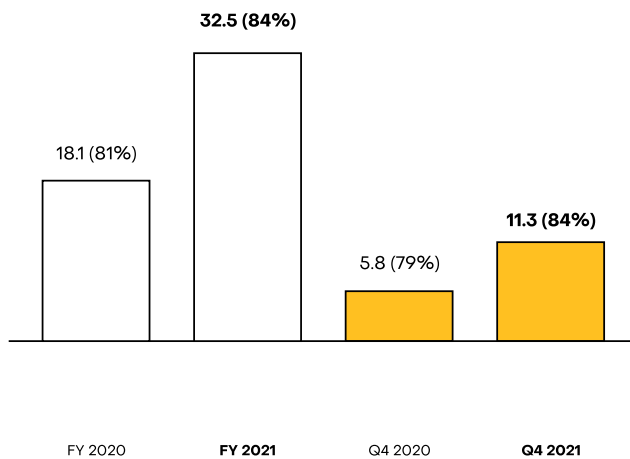
(MSEK)



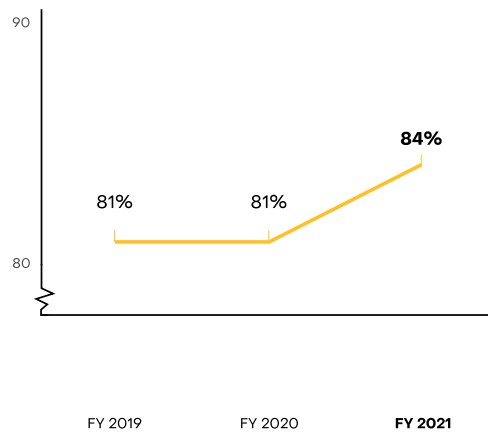
Gross profit and margin

Gross profit

(MSEK)



Gross margin

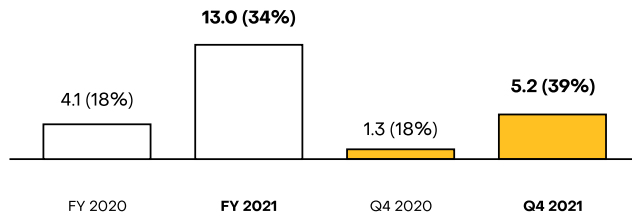


Summary of the period

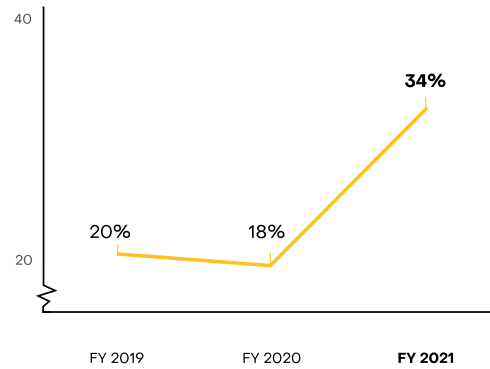
Sales and marketing costs

Sales and marketing costs

(MSEK)



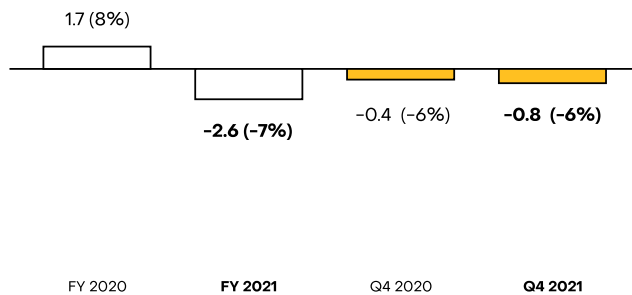
% of Net revenue



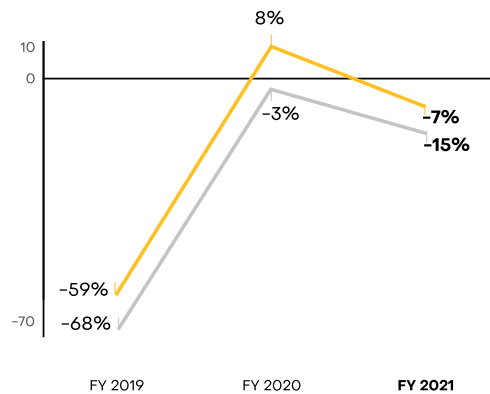
EBITDA

EBITDA

(MSEK)



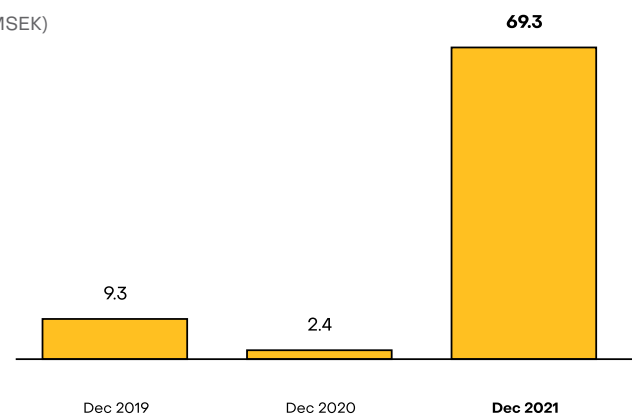
EBITDA- and EBITA-margin



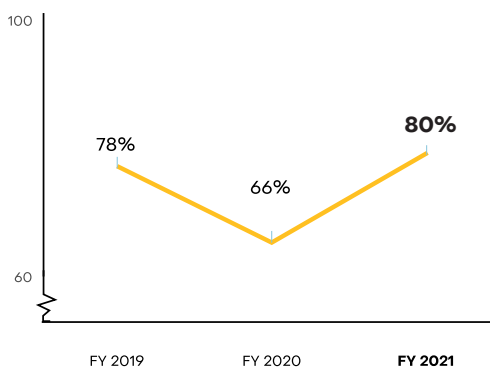
Net cash and Equity ratio

Net cash

(MSEK)



Equity ratio



Financial development¹

October – December 2021

Net revenue

Net revenue for the fourth quarter 2021 amounted to KSEK 13,358 (7,263). This is an increase of 84 (86)% compared to the same period last year. The increase was primarily driven by new customer acquisition, both organic and through acquisition, as well as positive development within existing customers.

Operating costs

The increased costs are explained by both organic growth and growth through acquisition. During the quarter, the direct costs for sold products and services amounted to KSEK -2,079 (-1,499) mainly explained by increased volumes.

Other external costs amounted to KSEK -6,783 (-2,620). The Group's investments in sales and marketing have more than tripled compared to the previous year and accounted to KSEK -5,176 (-1,279), corresponding to 39 (18)% of net revenue during the period. Personnel costs amounted to KSEK -12,198 (-5,249) as a result of an increased number of employees. Other operating expenses amounted to KSEK -774 (-140), where costs related to acquisitions amounted to KSEK -492 (0).

Depreciation of tangible and intangible assets during the period amounted to KSEK -1,011 (-586). Depreciation attributable to the application of IFRS 16 amounts to KSEK -151 (-98).

Income tax

The income tax of the Group for the period amounted to KSEK 104 (0) and refers to the change in deferred tax on identified intangible assets from the acquisition of GetID. The Group's tax loss carry forwards is not capitalized in the balance sheet.

Result of the period

Gross profit for the period amounted to KSEK 11,279 (5,764) with a margin of 84 (79)%. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to KSEK -774 (-407) with a margin of -6 (-6)%. Operating profit amounted to KSEK -1,784 (-993) and Net result amounted to KSEK -1,704 (-1,057).

January – December 2021

Net revenue

Net revenue for the Group's full year amounted to KSEK 38,860 (22,299), corresponding to an increase of 74 (79)% compared to the same period last year. The increase was primarily driven by new customer acquisition, both organic and through acquisition, as well as positive development of existing customers.

Operating costs

The increased costs are explained by both organic growth and growth through acquisition. In the full year of 2021, the direct costs for sold products and services amounted to KSEK -6,379 (-4,233), mainly explained by increased volumes.

Other external costs amounted to KSEK -14,246 (-5,157). The Group's investments in sales and marketing have more than tripled compared to the previous year and accounted to KSEK -13,023 (-4,071), corresponding to 34 (18) % of net revenue of the year. Personnel costs amounted to KSEK -36,707 (-19,142) as a result of an increased number of employees. Other operating expenses amounted to KSEK -2,128 (-286), of which KSEK -1,614 (0) were costs related to acquisitions..

Depreciation of tangible and intangible assets during the period amounted to KSEK -4,030 (-2,325). Depreciation attributable to the application of IFRS 16 amounts to KSEK -604 (-390).

Income tax

The income tax of the Group for the period amounted to KSEK 155 (0) and refers to the change in deferred tax on identified intangible assets from the acquisition of GetID. As of 31 December, the Group's tax loss carry forwards amounted to KSEK 21,326 which is not capitalized in the balance sheet.

Result of the period

Gross profit for the period amounted to KSEK 32,481 (18,066) with a margin of 84 (81)%. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to KSEK -2,661 (1,676) with a margin of -7 (8)%. Operating profit amounted to KSEK -6,692 (-649) and Net result amounted to KSEK -6,804 (-788).

¹Figures in parentheses refer to the corresponding period last year for profit/loss items and year-end 2020 for balance sheet items unless otherwise stated.

Financial position¹

Cash flow

Cash flow from operating activities for the period January to December 2021 amounted to KSEK 810 (646).

Intangible assets

Checkin.com has intangible assets valued at KSEK 114,307 (15,238), of which goodwill amounted to KSEK 70,747 (0) related to the acquisition of GetID. See Note 3 for more information.

Investments in intangible assets during the year amounted to KSEK 18,538 (6,943), of which KSEK 6,501 (1,593) was invested in the fourth quarter. This quarter's investment was fully related to capitalized development costs for new functionality in the Group's software.

Other intangible assets amounted to KSEK 15,621 (0) and consist of intangible assets that were identified upon the acquisition of GetID, as well as domains. See Note 3.

Financing

At the end of the fourth quarter, Checkin.com entered into a new long-term financing arrangement with Nordea as lender, receiving KSEK 20,000 before transaction costs of KSEK 489.

Through share issuances Checkin.com received a total of approximately KSEK 121,000 before issuance costs of a total of KSEK 9,822 taken against equity.

Cash and cash equivalents

As per December 31 2021, cash and cash equivalents amounted to KSEK 91,590 (5,856). Net cash, after deducting interest bearing liabilities, amounted to KSEK 69,275 (2,389).

Equity ratio

As per December 31 2021, total equity for the Group amounted to KSEK 181,722 (19,445). Equity ratio for the Group amounted to 80 (66)%.

Employees

At the end of the period, total number of employees, including consultants, was 62 (29) people, of whom 34 (14) were employed by the Group.

Share option program

Checkin.com Group has issued a share option program for key personnel.

During the year, it was decided to issue an additional 86,722 employee stock options that entitle each option holder to acquire four shares in Checkin.com at a subscription price of SEK 13.0 and a term of three years. At the end of the period, a total number of 204,258 options were issued, which corresponds to a total number of 2,227,464 new shares. This corresponds to a maximum dilution of 7%.

Partners

In December, the Group had 160 revenue generating partners. As per December 31, the three largest contracts were William Hill (iGaming), Admiral Markets (fintech) and Casumo (iGaming). Betcity.nl (iGaming) was the partner with the largest revenue increase in the quarter.

Significant events during the quarter

After the Dutch gaming market was regulated on October 1 with complex regulatory requirements, Checkin.com Group communicated on October 4 that Betcity.nl was live with the Group's software for checkins.

On December 8, Checkin.com Group announced that the company had been granted long-term financing that provided the company with MSEK 20, with Nordea as the lender. The financing enables further investments in growth and is part of the company's ambition to optimize its capital structure.

On December 15, Checkin.com Group announced the acquisition of 100% of the Estonian technology company DATACORP OÜ. The company and its employees specialize in the development of AI software for image analysis based on neural network algorithms, computer vision and machine learning. At the time of publication, the purchase price amounted to approximately MSEK 41 of which MSEK 21 was paid in newly issued shares in Checkin.com and the remaining part with cash. The transaction was completed in January 2022.

In connection with the acquisition, a new share issuance was carried out on December 15, which provided the company with approximately KSEK 56,000 before issuance costs.

Significant events after the quarter

On January 25, the acquisition of the Estonian technology company DATACORP OÜ was completed. The transaction was completed in accordance with the terms communicated in a press release on December 15, including the issue of 352,880 shares.

¹Figures in parentheses refer to the corresponding period last year for profit/loss items and year-end 2020 for balance sheet items unless otherwise stated.

Condensed consolidated statement of comprehensive income

Amount in KSEK	Oct - Dec		Jan - Dec	
	2021	2020 ¹	2021	2020 ¹
OPERATING INCOME				
Net revenue	13,358	7,263	38,860	22,299
Other operating income	1,212	244	1,344	1,252
Capitalized work for own account	6,491	1,593	16,594	6,943
Total	21,061	9,101	56,798	30,494
OPERATING COSTS				
Direct costs	-2,079	-1,499	-6,379	-4,233
Other external costs	-6,783	-2,620	-14,246	-5,157
Personnel costs	-12,198	-5,249	-36,707	-19,142
Depreciation and write-down	-1,011	-586	-4,030	-2,325
Other operating costs	-774	-140	-2,128	-286
Total operating costs	-22,845	-10,094	-63,490	-31,144
Operating profit	-1,784	-993	-6,692	-649
PROFIT AFTER FINANCIAL ITEMS				
Financial costs	-24	-64	-267	-139
Profit after financial costs	-1,808	-1,057	-6,959	-788
Income tax	104	-	155	-
NET RESULT	-1,704	-1,057	-6,804	-788
Other comprehensive income				
<i>Items that may be classified to profit or loss</i>				
Translation differences of foreign operations	-468	-	-450	-
Other comprehensive income for the period	-468	-	-450	-
Total comprehensive income for the period	-2,172	-1,057	-7,254	-788
Total comprehensive income for the year is attributable in its entirety to the parent company's shareholders				
Earnings per share before and after dilution, SEK	-0.06	-0.04	-0.27	-0.03

¹ Recalculated to IFRS, see note 4

Condensed consolidated statement of financial position

Amount in KSEK	31 Dec	31 Dec
	2021	2020 ¹
ASSETS		
Non-current assets		
Capitalized development costs	27,939	13,677
Goodwill	70,747	-
Other intangible assets	15,621	-
Right-of-use assets	10,081	1,561
Inventory	920	92
Other financial receivables	251	190
Total non-current assets	125,560	15,520
Current assets		
Trade receivables	8,179	5,093
Other receivables	1,082	575
Prepaid expenses and accrued income	2,071	2,219
Cash and cash equivalents	91,590	5,856
Total current assets	102,922	13,743
TOTAL ASSETS	228,481	29,263
EQUITY AND LIABILITIES		
Equity		
Share capital	699	67
Unregistered share capital	-	474
Other paid-in capital	198,748	30,597
Translation reserves	-450	-
Retained earnings, including profit for the period	-17,275	-11,692
Total equity attributable to the owners of the Parent Company	181,722	19,445
Non-current liabilities		
Non-current interest-bearing liabilities	17,564	2,867
Long-term lease liability	9,004	1,234
Deferred tax liability	2,699	-
Total non-current liabilities	29,266	4,101
Current liabilities		
Current interest-bearing liabilities	4,751	600
Short-term lease liability	591	373
Trade payables	6,129	2,273
Tax liabilities	642	362
Other liabilities	2,041	361
Accrued expenses and prepaid income	3,338	1,748
Total current liabilities	17,492	5,717
Total liabilities	46,758	9,818
TOTAL EQUITY AND LIABILITIES	228,481	29,263

¹ Recalculated to IFRS, see note 4

Condensed consolidated statement of changes in equity

Amount in KSEK	Attributable to the owners of the parent company					
	Share capital	Unreg. share capital	Other paid-in capital	Trans-lation reserves	Retained earnings incl. profit for the period	Total equity
2020¹						
Opening balance 1 jan 2020	67	-	30,715	-	-10,936	19,846
Profit for the period	-	-	-	-	-788	-788
Total comprehensive income for the period	-	-	-	-	-788	-788
Transactions with shareholders						
Share-based compensations	-	-	-	-	503	503
Ongoing bonus issue	-	472	-	-	-472	-
Ongoing new share issue	-	2	-	-	-	2
Repurchase of share-based compensations	-	-	-118	-	-	-118
Sum transactions with shareholders	-	474	-118	-	32	387
CLOSING BALANCE 31 DEC 2020	67	474	30,597	-	-11,692	19,445
2021						
Opening balance 1 jan 2021	67	474	30,597	-	-11,692	19,445
Profit for the period	-	-	-	-	-6,804	-6,804
Other comprehensive income for the period	-	-	-	-450	-	-450
Total comprehensive income for the period	-	-	-	-450	-6,804	-7,254
Transactions with shareholders						
Share-based compensations	-	-	-	-	1,221	1,221
Issue of shares ²	632	-474	168,152	-	-	168,310
Sum transactions with shareholders	632	-474	168,152	-	1,221	169,531
CLOSING BALANCE 31 DEC 2021	699	-	198,748	-450	-17,275	181,722

¹ Recalculated to IFRS, see note 4

² The amount of the new share issue is shown net after deduction of issuance costs of KSEK 9,822.

Condensed consolidated statement of cash flow

Amount in KSEK	Oct - Dec		Jan - Dec	
	2021	2020 ¹	2021	2020 ¹
OPERATING ACTIVITIES				
Operating profit	-1,784	-993	-6,692	-649
Paid interest	-24	-64	-267	-139
Reversal of depreciation	1,011	586	4,030	2,325
Other items not included in the cash flow	-502	343	1,088	629
Cash flow from operating activities before changes in working capital	-1,299	-128	-1,841	2,166
Cash flow from changes in working capital				
Increase/decrease in operating assets	-1,961	-2,991	-2,365	-3,286
Increase/decrease in operating liabilities	2,296	1,414	5015	1,766
Change in working capital	335	-1,577	2,650	-1,520
Cash flow from operating activities	-964	-1,705	810	646
INVESTING ACTIVITIES				
Investments in intangible assets	-6,501	-1,593	-18,538	-6,943
Investments in tangible assets	-549	-29	-834	-29
Acquisition of subsidiaries	-25	-	-24,452	-
Cash flow from investing activities	-7,075	-1,622	-43,824	-6,972
FINANCING ACTIVITIES				
New share issue	52,962	310	111,178	310
Redemption of warrants	-	-426	-	-426
New loans	19,511	51	19,511	3,000
Amortization of loans	-360	-243	-1,253	-673
Cash flow from financing activities	72,113	-308	129,436	2,211
CASH FLOW FOR THE PERIOD	64,072	-3,636	86,423	-4,115
Cash and cash equivalents at beginning of period	27,883	9,605	5,856	10,097
Exchange difference in cash and cash equivalents	-366	-115	-689	-126
Liquid funds end of period	91,590	5,856	91,590	5,856

¹ Recalculated to IFRS, see note 4

Condensed income statement for the parent company

Amount in KSEK	Jan - Dec	
	2021	2020
OPERATING INCOME		
Net revenue	34,827	22,299
Other operating income	276	1,252
Capitalized work for own account	11,997	6,943
Sum	47,100	30,494
OPERATING EXPENSES		
Direct costs	-4,696	-4,233
Other external costs	-11,215	-5,590
Personnel costs	-32,028	-18,639
Depreciation and write-down	-2,630	-1,935
Other operating expenses	-502	-286
Sum of costs	-51,071	-30,683
Operating profit	-3,971	-188
PROFIT AFTER FINANCIAL ITEMS		
Financial items	-177	-79
Profit after financial items	-4,148	-267
Income tax	-	-
NET PROFIT	-4,148	-267

Condensed balance sheet for the parent company

Amount in KSEK	31 Dec	31 Dec
	2021	2020
ASSETS		
Non-current assets		
Capitalized development costs	23,290	13,677
Other intangible assets	1,754	-
Inventory	456	92
Other non-current assets	83,120	190
Total non-current assets	108,620	13,959
Current assets		
Trade receivables	6,419	5,093
Other receivables	11,329	574
Prepaid expenses and accrued income	1,998	2,219
Cash and cash equivalents	88,272	5,856
Total current assets	108,018	13,742
TOTAL ASSETS	216,638	27,701
EQUITY AND LIABILITIES		
Equity		
Share capital	699	67
Unregistered share capital	-	2
Ongoing bonus issue	-	472
Share premium fund	200,863	30,597
Retained earnings	-12,535	-11,381
Profit for the period	-4,148	-267
Total equity	184,879	19,490
Non-current liabilities		
Debt to credit institutions	17,564	2,867
Total non-current liabilities	17,564	2,867
Current liabilities		
Debt to credit institutions	4,751	600
Trade payables	5,390	2,273
Tax liabilities	642	362
Other liabilities	822	361
Accrued expenses and prepaid income	2,590	1,748
Total current liabilities	14,195	5,344
Total liabilities	31,759	8,211
TOTAL EQUITY AND LIABILITIES	216,638	27,701

Additional information

Auditor

Checkin.com Group's auditor is Ludvig Kollberg, certified auditor at Moore KLN AB. This report has not been subject to review.

Certified advisor

Checkin.com Group shares are listed on Nasdaq First North since May 20, 2021. Companies listed on Nasdaq First North are required to have a Certified Adviser which is, among other things, responsible for supervision and compliance. Checkin.com Group's Certified Adviser is Erik Penser Bank AB.

Forward-looking statements

This report contains forward-looking statements. Such statements are subject to risks and uncertainties. Actual developments may differ materially from the expectations expressed, due to various factors, many of which are beyond the control of Checkin.com Group.

Number of shares

The Group has one share class and each share corresponds to one vote at the General Meeting. At the end of the period, total number of shares before dilution, amounted to 27,963,725. Adjusted for dilution, the number of shares amounted to 29,847,089.

Risks and uncertainties

Checkin.com Group AB is exposed to risks, particularly the dependence on key persons, the ability to manage growth and retain customers, plus the exposure to currency fluctuations. Overall, Covid-19 is considered to have had a limited impact on the company's sales and growth opportunities. A more detailed risk analysis is in the 2021 Prospectus and published at <https://group.checkin.com/investors/>.

Transactions with related parties

No transactions between the Group and its related parties significantly affected the Group's financial position or earnings during the period.

Presentation of the year-end report

This report was submitted for publication on February 16, 07:30 CET. At the same time, the report is available on Checkin.com's website. Checkin.com Group will present the interim report for investors, analysts and media via a webcasted telephone conference, February 16, 08:30 CET.

This statement has been made in a Swedish and English version. In the event of any discrepancies between the Swedish and English version, the Swedish version shall prevail.

Definitions

Rounding off

Since amounts have been rounded off in KSEK, the tables do not always add up.

Number of shares, after dilution

Average number of shares during the period, adjusted for dilution from issued options where both share price and strike price are taken into account.

Gross profit

Net revenue minus direct costs.

Gross margin

Gross profit as a percentage of net revenue.

Direct costs

Costs driven by increased volumes. This includes for example costs for cloud infrastructure and third party services.

EBITA margin

EBITA as a percentage of net revenue.

EBITDA

Earnings before interest, taxes, depreciation and amortization.

EBITDA margin

EBITDA as a percentage of net sales.

Net cash

Cash and bank balances minus interest bearing liabilities.

Net revenue LTM

Net revenue during the last twelve months.

Net revenue retention (NRR)

Net revenue during the quarter minus net revenue from new customers in the quarter, divided by net revenue during the previous quarter.

Net revenue retention LTM

Net revenue during the last twelve months. Average NRR over the last four quarters raised to four.

EBITA

Earnings before interest, tax and amortization of acquired intangible fixed assets.

Equity ratio

Total equity in relation to total assets.

Notes

Note 1 General information

Checkin.com Group AB (Checkin.com), corporate no. 559096-3087, is a parent company incorporated and domiciled in Sweden. The company's registered office is located at Engelbrektsplan 2, 114 34 Stockholm, Sweden.

Unless otherwise stated, all amounts are reported in thousands of kronor (SEK thousand). Information in parentheses refers to the preceding period.

Note 2 Summary of significant accounting principles

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Checkin.com Group AB and its subsidiaries.

2.1 Basis of preparation

This condensed consolidated interim financial report is Checkin.com Group AB's first interim financial report and consolidated financial statements prepared in accordance with IFRS. Historical financial information has been recalculated from January 1, 2019, which is the date of transition to IFRS. From the transition date until August 16, 2021, when World OU with subsidiary GetID OU was acquired, the group consisted only of the parent company.

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board and International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The financial statements have been prepared on a historical cost basis.

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The areas involving significant estimates or judgements are presented in an overview below.

The group tests whether goodwill has suffered any impairment on an annual basis in accordance with the accounting principle presented in note 2.9. Goodwill amounts to SEK 70,747 thousand. The recoverable amount for the cash-generating unit was determined based on value-in-use calculations which require the use of assumptions.

Deferred tax assets are reported to the extent that it is probable that it will be recoverable against future taxable income, against which the temporary differences can be utilised. The group has carried-forward tax losses amounting to SEK 21,326 thousand (2020: SEK 8,713 thousand, 2019: SEK 11,591 thousand) for which no deferred tax asset has been recorded.

Disclosures of the transition from previously applied accounting principles to IFRS and its effect on the Statement of Comprehensive income and Equity of the group are disclosed in Note 4. As IFRS differs from previously applied accounting principles used in previously published annual reports, and the forthcoming annual report will be prepared in accordance with IFRS, the significant accounting principles are presented below.

Accounting principles of the parent company

The significant accounting principles adopted in the preparation of this interim financial report are presented below. These principles have been consistently applied to all the years presented, unless otherwise stated.

The interim financial report of the parent company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Reporting for Legal Entities. RFR 2 states that the parent company in its annual report shall apply International Financial Reporting Standards (IFRS) as adopted by the EU, to the extent this is possible within the framework of the Annual Accounts Act and the Social Security Act, and with regards to the relationship between accounting and taxation. RFR 2 states which exceptions and additions that are to be used in relation to IFRS.

The parent company applies other accounting principles than the group as stated below:

Format

The income statement and balance sheet follow the format of the Annual Accounts Act. The report on changes in equity is presented in the form of the group's presentation but must contain the columns specified in the Annual Accounts Act. Furthermore, there are differences regarding names of line items compared with the consolidated accounts, mainly regarding cash and cash equivalents, financial income and expenses, income tax and equity.

Shares in subsidiaries

Shares in subsidiaries are reported at acquisition cost less any impairment loss. When there is an indication that shares and participations in subsidiaries are impaired, an estimate of the recoverable amount is made. If this is lower than the carrying amount, a write-down is performed. Impairment is recorded within "result from participation in group companies" in the income statement.

Financial instruments

The parent company does not apply IFRS 9. The parent company instead applies the points specified in RFR 2 (IFRS 9 financial instruments). Financial instruments are measured on the basis of acquisition cost. In subsequent periods, financial assets acquired with the intention of being held in the short term will be measured in accordance with the lowest value principle at the lower of acquisition value and market value. When calculating the net sales value of receivables that are reported as current assets, the principles for impairment testing and loss allowance in IFRS 9 shall be applied. For receivables measured at acquisition cost at group level, the loss allowance reported in the group in accordance with IFRS 9 must also be recognised in the parent company.

Leasing

All leasing agreements where the company is the lessee are reported as operational leasing (lease agreements), regardless of whether the agreements are financial or operational. The leasing fee is reported as an expense on a straight-line basis over the leasing period.

2.2 New standards and interpretations not yet adopted

Certain new accounting standards and interpretations enter into force for financial years commencing on or after 1 January 2022 and have not been early adopted by the group. These standards are not expected to have a material impact on the entity.

2.3 Principles of consolidation

2.3.1 Subsidiaries

Subsidiaries are all entities over which the group has control.

The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

2.3.2 Business combinations

The acquisition method of accounting is used to account for all business combinations. This means that the purchase price allocation is prepared as of the time when the acquirer acquires a controlling influence. From this point on, the acquirer and the acquired entity are considered as an accounting entity.

The cost of subsidiaries is the fair value at the time of acquisition of paid assets with the addition of incurred and assumed liabilities and issued equity instruments. The purchase price allocation determines the fair value, with some exceptions, at the time of acquisition of acquired identifiable assets and assumed liabilities.

From the time of acquisition, the acquired company's income and expenses, identifiable assets and liabilities as well as any goodwill arising are included in the consolidated accounts. Profit and other comprehensive income for subsidiaries acquired or divested during the year are reported from the date the acquisition or divestment takes effect, as applicable.

Acquisition-related costs are expensed as incurred in other operating expenses in the group's report of comprehensive income.

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Swedish kronor (SEK), which is the parent company's functional currency and the group's presentation currency.

2.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss, within finance costs.

2.4.3 Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Revenue recognition

2.5.1 Net revenue

The group's revenues are mainly generated from sales of services, Software as a Service (SaaS), attributable to the group's platform. Revenue comes mainly from the sale of services for optimising registration flows online but also from additional services.

The digital platform provides complete and customised check-in solutions that increase the conversion rate of users. The service is subscription-based and Checkin.com offers different monthly packages at fixed prices per month, based on the number of users. If the number of users per month exceeds the agreed amount, the customer will be invoiced an extra fee per user. Revenue attributable to additional users is recognised based on the actual number of users per month.

Additional services are reported as a separate performance obligation. Revenue from additional services is recognised based on the customer's utilisation per month.

In cases where agreements contain variable components such as penalties, revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Revenue is recognised over time, in the period the service is used or over the term of the agreement. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional (that is, only the passage of time is required before the payment is due).

The agreement period is continuous with a general notice period of 3 months. Services are usually invoiced monthly in arrears. The terms of payment vary depending on the type of contract, although the terms generally include a credit period of 30 days. The group does not expect to have any agreements where the time between the handover of the services to the customer and the payment from the customer exceeds one year. As a result, the group does not adjust the transaction price for the effects of a significant financing component.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function responsible for assessing the financial performance and position of the group and making strategic decisions. The CEO has been identified as being the chief operating decision maker.

Checkin.com Group AB's CEO assesses the business's performance based on the group as a whole. Based on this, one reportable operating segment has been identified that consists of the group as a whole. The CEO mainly uses operating profit excluding depreciation (EBITDA) in the assessment of the group's profit.

2.7 Income tax

The tax expense for the period includes current and deferred tax. Tax is reported in the group's statement of comprehensive income, except when the tax refers to items that are reported in other comprehensive income or directly in equity. In such cases, the tax is also reported in other comprehensive income and equity.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. When deemed appropriate, provisions for amounts that are likely to be paid to the tax authority are made.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.8 Leases

The group leases premises. The leasing agreements are normally written for fixed periods of three years, but there may be a possibility of extension. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments with additions for known index related payments as at the commencement date,
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

When determining the length of the leasing agreement, management considers all available information that provides a financial incentive to exercise an extension option or to exercise an option to terminate an agreement. The option to extend or terminate an agreement is only included in the length of the leasing agreement if it is reasonably certain that the agreement will be extended or terminated.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The group applied IFRS 16 on January 1, 2019. During the transition, the modified retrospective method was applied. At the time of the transfer, the right of use asset corresponded with the lease liability, which is why no effect on equity was reported. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date
- any initial direct costs, and
- restoration costs.

Right of use assets are depreciated on a straight-line basis over the shorter of the useful life and the lease term. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period.

There are no other variable lease payments identified in the group's leasing agreements than index increases. When adjustments to lease payments based on an index take effect, the lease liability is revalued and adjusted against the right of use asset.

Payments associated with short-term leases and all leases for which the underlying asset is of low value are expensed on a straight-line basis. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Contracts may contain both lease and non-lease components. The group has chosen to apply the exemption in IFRS 16 which states that non-leasing components do not need to be separated from leasing components.

2.9 Intangible assets

2.9.1 Goodwill

Goodwill arises on the acquisition of subsidiaries and refers to the amount by which the consideration transferred exceeds the fair value of the net identifiable assets acquired. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The carrying amount of the cash-generating unit to which the goodwill is allocated is compared with the recoverable amount, which is the higher of the value in use and the fair value less costs to sell. Any write-down is expensed immediately and will not be reversed. Goodwill is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes. Goodwill is monitored at group level.

2.9.2 Software

Development costs that are directly attributable to the development of software products controlled by the group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs.

Other development costs that do not meet the criteria are expensed as incurred. Development costs previously expensed are not recognised as an asset in a subsequent period.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. The estimated useful life is 3-5 years.

Costs associated with maintaining software are expensed as incurred.

2.9.3 Other intangible assets

Technology and customer relations acquired in a business combination are recognised at fair value at the acquisition date. Technology and customer relationships have a determinable useful life and are reported at historical cost less accumulated amortisation. Amortisation is made on a straight-line basis to distribute the cost of technology and customer relationships over their estimated useful lives of five to eight years. Other intangible assets consist of domains that are estimated to have a definable useful life where amortisation is made on a straight-line basis over the estimated useful life of 10 years.

2.10 Property, plant and equipment

Property, plant and equipment consist of equipment. Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs that meet the asset criterion are included in the asset's carrying amount. Costs for other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

– Equipment: 3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in Other gains/losses (net) profit or loss.

2.11 Impairment of assets

An asset is tested annually to determine if its value is lower than its carrying amount. If such an indication exists, the asset's recoverable amount is calculated. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. When calculating the value in use, the present value is calculated from the future cash flows that the asset is expected to give rise to in the current operations and when it is sold or scrapped. The discount rate used is before tax and reflects market assessments of the time value of money and the risks associated with the asset. An impairment loss recognised in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

In the impairment test, the smallest identifiable group of assets that generates cash inflows is determined. A cash-generating unit is an asset group with essentially independent payments. The consequence is that impairment is estimated for the individual asset when possible, otherwise at the cash-generating unit level. Goodwill is allocated to the cash-generating units that are expected to benefit from synergy effects in attributable business acquisitions and represents the lowest level in the group where group management monitors goodwill.

The impairment on cash-generating units to which goodwill has been allocated is tested at least annually. Other assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount or cash-generating unit exceeds its recoverable amount.

2.12 Financial instruments

The group's financial assets and liabilities consist of other long-term receivables, trade receivables, other receivables, cash and cash equivalents, borrowing (long- and short-term), other liabilities and trade payables.

The carrying amount of the group's borrowing essentially corresponds to its fair value as the interest rate is in parity with current market rates.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

2.12.1 Initial recognition

Financial assets and financial liabilities are reported when the group becomes a party to the instrument's contractual terms. Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset.

At initial recognition, the group measures a financial instrument at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions.

2.12.2 Classification and measurement of financial assets

The group classifies and measures its financial assets in the category amortised cost.

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. The carrying amount of these assets is adjusted with any expected credit losses that have been reported (see Impairment of financial assets below). Interest income from these financial assets is included in finance income using the effective interest rate method.

2.12.3 Derecognition of financial assets

Financial assets, or part of a financial asset, are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and either (i) the group has transferred substantially all the risks and rewards of ownership, or (ii) the group has not transferred substantially all the risks and rewards associated with ownership and the group has not retained control of the asset.

2.12.4 Classification and measurement of financial liabilities

The group subsequently measures all financial liabilities at amortised cost. For accounts payable and other liabilities, the reported values are considered to correspond to the fair value as they are short-term in nature.

Expenses that are directly attributable to raising loans adjust the loan's acquisition value and are deferred according to the effective interest method. All interest-related fees are reported in the income statement and are included in the items "Financial expenses" or "Financial income".

2.12.5 Derecognition of financial liabilities

Financial liabilities are derecognised when the obligations have been settled, cancelled or otherwise terminated. The difference between the carrying amount of a financial liability (or part of a financial liability) that has been eliminated or transferred to another party and the consideration paid, including transferred assets that are not cash or assumed liabilities, is reported in the statement of comprehensive income.

When the terms of a financial liability are renegotiated, and not derecognised, a gain or loss is reported in the statement of comprehensive income. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

2.12.6 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legal right must not be dependent on future events and it must be legally binding on the company and the counterparty both in the normal course of business and in the event of suspension of payments, insolvency or bankruptcy.

2.12.7 Impairment of financial assets

The group assesses the future expected credit losses associated with assets carried at amortised cost. The group reports a loss allowance for such expected credit losses at each reporting date.

For trade receivables, the group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables recognised from initial recognition of the receivables.

The impairment method applied on trade receivables is based on individual assessments of customers using their respective credit rating as a basis. These individual assessments also include forward-looking variables for expected credit losses. As of each balance sheet date, the group assesses whether the credit risk for a financial instrument has increased significantly since the first reporting occasion. In making this assessment, the group uses the change in the risk of default during the expected term of the financial instrument.

2.13 Trade receivables

Trade receivables are amounts attributable to customers relating to goods or services sold that are performed in the day-to-day operations. Trade receivables are classified as current assets. Trade receivables are initially reported at the transaction price. The group holds trade receivables for the purpose of collecting contractual cash flows. Trade receivables are thus valued at subsequent reporting dates at amortised costs with application of the effective interest method.

2.14 Cash and cash equivalents

Cash and cash equivalents only consist of readily available balances at banks and financial institutions.

2.15 Share capital

Share capital represents the quota value of issued shares.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the current business from suppliers. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

There are certain covenants in the loan agreement for the group's borrowings. The covenants are based on certain performance measures which are defined in the loan agreement.

2.18 Government grants

Government grants relating to cost coverage are accrued and reported in the income statement over the same periods as the costs that the grants are intended to compensate for and deducted in the reporting of corresponding costs.

2.19 Employee benefits

2.19.1 Pension obligations

The group only operates defined contribution pension plans. For defined contribution plans, the group pays fixed contributions to a separate legal entity. The group has no legal or informal obligations to pay additional fees if this legal entity does not have sufficient assets to pay all employee benefits related to the employees' service during the current or previous periods. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.19.2 Termination benefits

Termination benefits, to the extent that the benefits do not give the group any future financial benefits, are only reported as a liability and an expense when the company has a legal or informal obligation to either (i) terminate an employee's or group of employees' employments before the normal time for termination of employment, or (ii) provide severance pay by offer to encourage voluntary resignation. Termination benefits are only reported when the group has a detailed plan for the termination and has no realistic possibility of cancelling the plan.

2.20 Share-based payments

The fair value of options granted is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted. The fair value of options granted is calculated using the Black & Scholes valuation model. The options are granted free of charge and settlement is made with shares. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.21 Statement of cash flow

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

2.22 Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Note 3 Business combinations

Business combinations during the financial year 2021

On August 16, Checkin.com acquired 100% of the issued share capital of World OU, including the subsidiary GetID OU. Below, the acquired group is referred to only as GetID. GetID is an Estonian SaaS company that offers services in online identification and face recognition.

The table below summarises the purchase consideration for GetID as well as the fair value of acquired assets and transferred liabilities recognised on the acquisition date.

Purchase consideration per August 16, 2021 (SEK thousand)	
Cash paid	24,495
Equity instruments (880 567 ordinary shares)	57,131
Total purchase consideration	81,626
Reported amounts on identifiable acquired assets and transferred liabilities	
Cash	68
Customer relations	10,068
Technology	4,131
Other intangible assets:	378
Tangible assets	79
Trade receivables and other current receivables	397
Other current assets	1,239
Trade payables and other current payables	-2,377
Deferred tax liability	-2,840
Net identifiable assets acquired	11,145
Goodwill	70,481

The fair value of the 880,567 shares issued as part of the consideration paid for GetID (SEK 57,131 thousand) was based on the published share price on August 16, 2021.

Goodwill

The goodwill is attributable to synergies and other intangible assets that do not meet the criteria for separate accounting. It will not be deductible for tax purposes.

Revenue and profit contribution

GetID contributed revenues of SEK 5,082 thousand and loss of SEK -1,264 thousand to the group for the period from August 16 to December 31, 2021. If the acquisition had occurred on January 1, 2021, consolidated pro-forma revenue and loss for the year ended December 31, 2021 would have been SEK 8,207 thousand and SEK -4,239 thousand respectively. These amounts have been calculated using the subsidiary's results and adjusting them for differences in the accounting policies between the group and the subsidiary, and the additional depreciation and amortisation that would have been charged assuming the fair value adjustments had applied from January 1, 2021, together with the consequential tax effects.

Acquisition-related costs

Acquisition-related costs of SEK 1,218 thousand that were not directly attributable to the issue of shares are included in administrative expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows.

Purchase consideration – cash outflow	2021
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	24,495
Less: Acquired cash and cash equivalents	(68)
Net outflow of cash – investing activities	24,427

There were no acquisitions in the years ending December 31, 2020 or December 31, 2019.

Note 4 First-time adoption of IFRS

Effects of transition to International Financial Reporting Standards (IFRS)

This report is Checkin.com's first report prepared in accordance with IFRS. From the transition date on January 1, 2019 to August 16, 2021, when World OÜ (GetID OÜ) was acquired, the group consisted only of the parent company. The accounting policies set out in Note 2 have been applied for the preparation of the consolidated financial statements for the group at December 31, 2020, for the presentation of the comparative information at December 31, 2019 and for the preparation of the group's opening IFRS statement of financial position at January 1, 2019 (the date of transition to IFRS).

The parent company transitioned to RFR 2 Accounting for legal entities as of January 1, 2019, which is the same time as the group's transition to accounting in accordance with IFRS. The transition has not had any effect on the parent company's income statement, balance sheet or equity.

When preparing the opening IFRS statement of financial position at January 1, 2019 and the statement of financial position at December 31, 2019 and December 31, 2020 in accordance with IFRS, the amounts in previous financial statements were adjusted as they were historically prepared in accordance with BFAR 2012:1 Annual Reports and Consolidated Accounts (K3). An explanation of how the transition from previously applied accounting principles to IFRS has affected the group's results and financial position is disclosed in the tables below and accompanying notes.

Acquisition of GetID

As part of the transition to IFRS, Checkin.com has analysed the purchase price allocation of GetID, which took place on August 16, 2021 and was presented in the third quarter report in 2021. A difference between previously applied accounting principles and IFRS is that more intangible assets in addition to goodwill have been identified. In the acquisition, additional intangible assets, customer relationships (SEK 10,068 thousand) and technology (SEK 4,131 thousand) have been identified, in addition to which a deferred tax liability has been recorded (SEK 2,840 thousand). Goodwill has decreased by the corresponding amount. The acquired technology is amortised over five years, while customer relationships are estimated to have a useful life of eight years.

According to previously applied accounting principles, goodwill was amortised over the period in which it was expected to provide economic benefits. According to IFRS, goodwill is not amortised but instead annual impairment tests are performed. As a result of the transition to IFRS, amortisation reported during the third quarter of 2021 related to goodwill of (SEK 2,080 thousand) has been reversed. Impairment tests performed as of December 31, 2021 did not result in any need for impairment.

According to IFRS 3 Business Combinations, acquisition-related costs that arise in connection with a business combination shall be expensed as incurred. According to previously applied accounting principles acquisition related costs have been included in the purchase price and thus affected goodwill. In 2021, acquisition-related costs amounted to SEK 1,517 thousand.

Impact on statement of cash flows

Consolidated cash flow was unaffected by the transition to IFRS. However, the IFRS adjustments had effects on the presentation format.

The transition to IFRS 16 has an effect on the statement of cash flows where paid leasing fees, which were previously reported during operating activities, have been reclassified to the principal elements of lease payments and interest paid. In accordance with IFRS, the principal element of lease payments is reported in financing activities and interest paid attributable to leasing is reported as interest paid in operating activities. Depreciation on right-of-use assets was reversed in operating activities under Non-cash items. Short-term leases and leases of low-value assets are recognised in cash flow from operating activities.

Reclassifications under IAS 1 Presentation of financial Statements

Reclassifications have been made of certain items in the financial statements upon transition to IFRS.

"Cash and bank" is called "Cash and cash equivalents", "Other interest income and similar profit items" is called "Financial income", "Interest expenses and similar loss items" is called "Financial expenses", "Share premium fund" is called "Other contributed capital" and "Tax on profit for the year" is called "Income tax".

Compared with previously applied accounting principles, items are to be reported in connection with the income statement in Other comprehensive income. These are reported by the group in a separate report called Consolidated statement of comprehensive income. Transactions that are reported in the statement of comprehensive income for the group include exchange rate differences.

Exemptions elected when transitioning to IFRS

The transition to IFRS is reported in accordance with IFRS 1 First time Adoption of International Financial Reporting Standards. The main rule is that all applicable IFRS and IAS standards that were in force and endorsed by the EU on December 31, 2020 shall be applied retrospectively.

However, IFRS 1 contains transitional provisions that allow companies to elect one or more exemption from retrospective application. The exemptions from full retrospective application of IFRS that the group has elected when transitioning from previously applied accounting principles to IFRS are as follows:

IFRS 16 Leases

Checkin.com has elected to apply IFRS 16 from the date of transition (January 1, 2019) and prospectively. The exemption means that the lease liability is measured at the present value of the remaining lease payments at the date of transition discounted by the lessee's incremental borrowing rate. The right of use asset is measured at an amount corresponding to the lease liability. All leasing agreements must be treated in the same way during the transition to IFRS, regardless of their previous classification according to local GAAP (K3). This is because IFRS does not make any difference to whether a leasing agreement in accordance with previously applied accounting principles was reported as operating or finance leases. The group has also elected to apply the following, based on IFRS 1, at the date of transition:

- The group has chosen to use hindsight, such as determining the lease term if the contract contains options to extend or terminate the lease or if the contract includes a purchase option which has been executed.

- Short-term leases (leases where the original lease period is long term, but where the remaining lease period is less than 12 months) have not been included in the calculation of the lease liability.

- A right-of-use asset or lease liability is not recognised for leases where the underlying asset has a low value.

Reconciliation of previously applied accounting principles and IFRS

In accordance with IFRS 1, the group must present reconciliations of equity and total comprehensive income reported under previously applied accounting principles, and equity and total comprehensive income under IFRS.

See next page for transition tables.

Income statement	January - December 2019				January - December 2020			
	Notes	According to previous accounting principles	Total impact of transition to IFRS	According to IFRS	Notes	According to previous accounting principles	Total impact of transition to IFRS	According to IFRS
SEK thousand								
Revenue		12,470		12,470		22,299		22,299
Capitalized work for own account		6,020		6,020		6,943		6,943
Other operating income		84		84		1,252		1,252
Total		18,574		18,574		30,494		30,494
Direct costs		-2,343		-2,343		-4,233		-4,233
Other external costs	a)	-5,917	432	-5,485	a)	-5,589	432	-5,157
Personnel costs	b)	-17,577	-325	-17,902	b)	-18,639	-503	-19,142
Depreciation, amortization and impairment of intangible and tangible assets	a)	-725	-390	-1,115	a)	-1,935	-390	-2,325
Other operating costs		-151		-151		-286		-286
Total operating costs		-26,712	-283	-26,995		-30,682	-461	-31,144
Operating profit		-8,138	-283	-8,421		-188	-461	-649
Financial costs	a)	-238	-70	-308	a)	-79	-59	-139
Financial costs – net		-238	-70	-308		-79	-59	-139
Profit before income tax		-8,376	-353	-8,729		-267	-521	-788
Income tax		-861		-861				
Profit for the period		-9,237	-353	-9,590		-267	-521	-788
Profit for the period attributable to:								
Shareholders of the parent company		-9,237	-353	-9,590		-267	-521	-788
Total comprehensive income for the period		-9,237	-353	-9,590		-267	-521	-788

Income statement	Quarter 4 2019				Quarter 4 2020			
	Notes	According to previous accounting principles	Total impact of transition to IFRS	According to IFRS	Notes	According to previous accounting principles	Total impact of transition to IFRS	According to IFRS
SEK thousand								
Revenue		3,900		3,900		7,263		7,263
Capitalized work for own account		2,168		2,168		1,593		1,593
Other operating income		23		23		244		244
Total		6,090		6,090		9,101		9,101
Direct costs		-766		-766		-1,499		-1,499
Other external costs	a)	-3,080	108	-2,972	a)	-2,728	108	-2,620
Personnel costs	b)	-6,168	-92	-6,260	b)	-5,021	-229	-5,249
Depreciation, amortization and impairment of intangible and tangible assets	a)	-212	-98	-310	a)	-488	-98	-586
Other operating costs		-17		-17		-140		-140
Total operating costs		-10,244	-81	-10,325		-9,876	-218	-10,094
Operating profit		-4,154	-81	-4,235		-775	-218	-993
Financial costs	a)	-200	-18	-218	a)	-49	-15	-64
Financial costs – net		-200	-18	-218		-49	-15	-64
Profit before income tax		-4,354	-99	-4,453		-824	-233	-1,057
Income tax		-861		-861				
Profit for the period		-5,215	-99	-5,314		-824	-233	-1,057
Profit for the period attributable to:								
Shareholders of the parent company		-5,215	-99	-5,314		-824	-233	-1,057
Total comprehensive income for the period		-5,215	-99	-5,314		-824	-233	-1,057

Balance sheet	01-Jan-19				31-Dec-19				31-Dec-20			
SEK thousand	Notes	According to previous accounting principles	Total impact of transition to IFRS	According to IFRS	Notes	According to previous accounting principles	Total impact of transition to IFRS	According to IFRS	Notes	According to previous accounting principles	Total impact of transition to IFRS	According to IFRS
ASSETS												
Non-current assets												
Capitalized development costs			3,322	3,322		8,640		8,640		13,677		13,677
Right-of-use assets	a)		2,342	2,342	a)		1,952	1,952	a)		1,561	1,561
Inventory						91		91		92		92
Other non-current receivables			190	190		190		190		190		190
Deferred tax assets			861	861								
Total non-current assets			4,373	2,342		8,921	1,952	10,873		13 959	1,561	15,520
Current assets												
Trade receivables			588	588		2,528		2,528		5,093		5,093
Other current receivables			12	12		130		130		575		575
Prepaid expenses och accrued income			1,149	1,149		1,943		1,943		2,219		2,219
Cash and cash equivalents			5,354	5,354		10,097		10,097		5,856		5,856
Total current assets			7,103	7,103		14,697		14,697		13,743		13,743
TOTAL ASSETS			11,476	2,342		23,618	1,952	25,570		27,701	1,561	29,263

Balance sheet	01-Jan-19				31-Dec-19				31-Dec-20			
SEK thousand	Notes	According to previous accounting principles	Total impact of transition to IFRS	According to IFRS	Notes	According to previous accounting principles	Total impact of transition to IFRS	According to IFRS	Notes	According to previous accounting principles	Total impact of transition to IFRS	According to IFRS
LIABILITIES AND EQUITY												
Share capital			61	61		67		67		67		67
Unregistered capital										474		474
Other paid in capital			10,996	10,996		30,715		30,715		30,597		30,597
Retained earnings including profit or loss for the year			-1,671	-1,671	a)	-10,908	-28	-10,936	a)	-11,647	-46	-11,692
Total equity attributable to shareholders of the parent company			9,386	9,386		19,874	-28	19,846		19,491	-46	19,445
Non-current liabilities												
Liabilities to credit institutions			767	767		567		567		2,867		2,867
Lease liabilities	a)		1,980	1,980	a)		1,607	1,607	a)		1,234	1,234
Total non-current liabilities			767	1,980		567	1,607	2,174		2,867	1,234	4,101
Current liabilities												
Liabilities to credit institutions			200	200		200		200		600		600
Lease liabilities	a)		362	362	a)		373	373	a)		373	373
Trade payables			571	571		844		844		2,273		2,273
Current tax liabilities			40	40		158		158		362		362
Other payables			178	178		459		459		361		361
Accrued expenses and deferred income			333	333		1,517		1,517		1,748		1,748
Total current liabilities			1,323	362		3,178	373	3,551		5,344	373	5,717
TOTAL LIABILITIES AND EQUITY			11,476	2,342		23,618	1,952	25,570		27,701	1,561	29,263

Explanation to transition note

a) Leasing

At the time of transition to IFRS, the group recognises a right-of-use asset and a lease liability in the statement of financial position for leasing agreements that, according to previously applied principles, are classified as operating leasing agreements or financial leasing agreements. Thus, the group reverses effects regarding the agreements that under previously applied accounting principles have been reported as financial leasing agreements.

As of January 1, 2019, the lease liability has been measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The incremental borrowing rate as of January 1, 2019 amounted to 3%. Right-of-use assets are measured at an amount corresponding to the lease liability adjusted for prepaid lease fees related to the lease agreement reported in the statement of financial position immediately before the transition date to IFRS.

In the statement of comprehensive income, right-of-use assets are depreciated on a straight-line basis over the length of the leasing agreement and an interest is calculated on the leasing liability with a fixed interest rate for the liability recognised during the respective period. In the statement of comprehensive income, depreciation of right-of-use assets and an interest expense are recognised among financial expenses, instead of leasing fees that were previously reported among other external costs.

b) Other adjustments

During the years 2018–2021, the group issued employee stock options. Upon the transition to IFRS, expenses attributable to the employee stock options have been recognised over the employee stock options' vesting period. This has had an effect on the year's earnings of SEK 325 thousand (2019) and SEK 390 thousand (2020).

Note 5 Exchange rates

2021					2021				
Average exchange rate					Balance day rate				
	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec	31 Mar	30 Jun	30 Sep	31 Dec	
Euro (EUR)	10.118	10.128	10.152	10.123	10.234	10.125	10.201	10.250	

The Board of Directors' assurance

The Board of Directors and the CEO confirm that this report provides a fair overview of the company's operations, position and results.

Stockholm, February 16 2022

Anders Borg

Chairman of the Board

Kristoffer Cassel

CEO and Board member

Birgitta Hagenfeldt

Board member

Wilhelm Risberg

Board member

Maria McDonald

Board member

Michal Stala

Board member

Checkin.com in short

Checkin.com Group (Checkin.com) was founded 2017 with the idea of establishing a new Internet standard for checkins – similar to how online payment suppliers have created simple, safe, and efficient solutions for online transactions (“checkouts”). Checkin.com has since then been established as a fast growing actor on the global market for how end-users register, identify themselves and log-in online, collectively called checkin. During 2021 Checkin.com Group acquired the rapidly growing Estonian tech company GetID. During 2021, the Group acquired another Estonian technology company, DataCorp, with closing in January 2022.

Checkin.com Group's software is an end-to-end solution for how users become customers online, and combines multiple UX-systems (user experience), data sources, and identity solutions to instantly configure individually adapted checkin experiences for each end-user. Thanks to Checkin.com's software framework the user conversion for their Partner's increase at the same time as necessary identification and regulatory compliance is ensured. During 2021 the Group's platform handled millions of checkin sessions from more than 165 countries.

Checkin.com Group currently targets primarily three main partner verticals, financial technology (fintech), iGaming and subscription services. The market for each vertical sees strong growth, and Checkin.com sees great potential to grow together with their partners. The Group assesses that the global market for checkins is major, fragmented and unsaturated and the Group sees great opportunity for growth in additional verticals.

Checkin.com Group's share is since May 2021 listed on Nasdaq First North Growth Market under the trading symbol "CHECK".

Vision and business idea

Checkin.com's vision is to change how end-users register, identify themselves and log-in, checkin, with products and brands online.

The business idea is to provide complete and individually adapted checkin solutions that increase user conversion for the Group's partners.

Business model

The Group's product is delivered through a cloud based software, Software as a Service, where the partners subscribe to monthly packages. Checkin.com offers various monthly packages at fixed prices, based on volume and additional services. The business model also includes a smaller variable component for volumes above the fixed packages.

Upcoming reports

Annual report 2021:	22 April 2022
Interim report quarter 1 2022:	19 May 2022
Annual general meeting 2022:	30 May 2022
Interim report quarter 2 2022:	25 August 2022
Interim report quarter 3 2022:	8 November 2022
Year-end report 2022:	9 February 2023

Kontakt

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