



ANNUAL REPORT

2021



We transform how people work.

About Cyviz

Cyviz AS ("Cyviz" or the "Company") was established in 1998 and is headquartered in Stavanger, Norway. The Company has 100% ownership of the following subsidiaries: Cyviz LLC (USA), Cyviz Limited (United Kingdom), Cyviz Pty Ltd (Australia) and Cyviz Pte Ltd (Singapore). Cyviz is represented in United Arab Emirates and Saudi Arabia through branch offices.

Cyviz is a global technology provider for comprehensive conference and control rooms as well as command and experience centers. Since 1998, Cyviz has simplified the way the digital workforce connect, visualize, and collaborate across technologies and critical data. The IT-driven turnkey solutions are easy to deploy, manage and support. Today, Cyviz serves global enterprises and governments with the highest requirements for usability, security and quality. The cross platform experience Cyviz delivers to manage and control systems and resources across the enterprise makes Cyviz the preferred choice for customers with complex needs.

With Cyviz technology, we believe that customers from any industry can leverage the power of digital collaboration keeping distributed workforces motivated, satisfied, and productive without jeopardizing security and TCO (Total Cost of Ownership)

The Company has Cyviz Experience Centers in Norway, United Kingdom, United States, United Arab Emirates, Singapore, Saudi Arabia and Indonesia to showcase technology and user experience.

Cyviz is listed on Euronext Growth at the Oslo Stock Exchange.

Financial review

(Numbers for the corresponding period in 2020 in parentheses)

Cyviz reported consolidated operating income of NOK 323 million in 2021 (NOK 217 million). The Parent Company, Cyviz AS, reported operating income of NOK 206 million in 2021 (NOK 143 million). Order intake for 2021 was NOK 402 million (NOK 179 million), representing an increase of 124% compared to 2020. The increase in revenues and order intake is for a large part attributable to effects of investments made and initiatives taken early in 2021 in sales capacity, as well as strong partnerships and positions in high growth markets.

Cyviz reported a consolidated operating loss of NOK 31,5 million in 2021 (loss of NOK 19,5 million), whilst the reported operating loss for Cyviz AS was NOK 16,1 million in 2021 (loss of NOK 25,7 million).

The operating loss in 2021 is primarily a consequence of growth initiatives (mainly in sales capacity) whereby onboarding, sales cycle and delivery time leads to income lagging increased personnel costs. With the strong growth in order intake, it is fair to state that these initiatives so far seem to be paying off in line with expectations. 2020 was to a large degree influenced by COVID-19 which reduced Cyviz' ability to sell and deliver, but also required the Company to reduce costs. Although most regions continued to be adversely impacted by COVID-19 throughout 2021, the negative implications gradually normalized through the year.

Cyviz reported consolidated net financial income of NOK 2,8 million in 2021 (expense of NOK 13,8 million) primarily improved by a strengthened balance sheet and currency fluctuations. For Cyviz AS, reported net financial income was NOK 3,0 million in 2021 (expense of NOK 14,7 million).

Cyviz' tax expenses were NOK 1,1 million in 2021 (NOK 0,2 million). For Cyviz AS the tax expenses amounted to NOK 0,9 million (NOK 0,2 million). By end of 2021, the Group has NOK 159 million (NOK 143 million) of tax losses carried forward.

Cyviz reported consolidated net loss of NOK 29,8 million in 2021 (NOK 33,6 million). For Cyviz AS, the reported net loss was NOK 14,1 million in 2021 (NOK 40,6 million).

Cyviz reported a consolidated net cash flow from operating activities of NOK -22,1 million in 2021 (NOK -1,1 million). The main reason why the negative cash flow is higher than the EBITDA of NOK -14,8 million is an increased working capital by NOK 11,2 million which is related to the increased operational activity. Net cash flow from operating activities for the parent company was NOK -27,2 million in 2021 (NOK 2,7 million).

Consolidated net cash flow from investing activities amounted to NOK -25,2 million in 2021 (NOK -17,9 million). For Cyviz AS, the amount was NOK -21,9 million in 2021 (NOK -18,5 million). Investments in 2021 were mainly related to development of new technology and a new ERP-system for the Group.

For the Group and the parent company, Cyviz AS, net cash flows from financing activities was NOK 48,5 million in 2021 (NOK 58,7 million) arising from a directed share issue towards Karbon Invest AS in March 2021.

Total assets for the Group were NOK 218,2 million at the end of 2021 (NOK 173,3 million). Total assets for the parent company, Cyviz AS, were NOK 214,0 million at the end of 2021 (NOK 156,7 million).

The Group's total equity at the end of 2021 was NOK 123,0 million (NOK 106,3 million). Cyviz AS' equity was NOK 148,4 million at the end of 2021 (NOK 113,9 million).

The Group's cash and cash equivalents were NOK 48,5 million at the end of 2021 (NOK 47,4 million). The corresponding figure for the parent company was NOK 44,0 million at the end of 2021 (NOK 44,5 million).

By the end of 2021, the Group had net assets of NOK 38,5 million (NOK 37,4 million). The parent company, Cyviz as, had net assets of NOK 34,0m (NOK 34,5m).

In the opinion of the Board of Directors, the income statement and balance sheet give a satisfactory representation of the result in 2021 and for the financial position at year end 2021.

Going concern

The Company's Board of Directors have concluded that it is appropriate for the financial statements to continue to be prepared under the going concern basis of accounting. Pursuant to section 3-3 (a) of the Norwegian Accounting Act, it is confirmed that the conditions for assuming that the Company and the Group are a going concern are present, and that the financial statements have been prepared based on this assumption.

Research and development

The Group has in 2021 continued to invest in research and development (R&D). This activity primarily takes place at the headquarter in Sandnes, and in the subsidiary Cyviz Ltd. in Edinburgh (Scotland). A total of 14 employees work full time with R&D. In addition, external expertise is used when needed. In 2021, a total of NOK 17,8 million was invested in R&D, of which NOK 2,6 million was financed by subsidies from SkatteFunn.

The Company's ability to develop, renew and improve its products has been crucial to the growth in the Company in recent years and further focus on R&D is an important part of the Company's strategy.

Organization and staff

During 2021, Cyviz invested heavily in its organization and had a total of 147 employees at year-end, representing an increase of 57 employees compared to year-end 2020. The average number of full-time equivalent employees in 2021 was 128 for the Group including 69 in the parent company. All recruitments in Cyviz are controlled and quality checked, and onboarding programs are tailor made to reflect both a local and a Group perspective. Trainings are given in Cyviz' values, vision, and mission as well as key policies such as code of conduct, anti-corruption and relevant IT and data policies.

The health and well-being of Cyviz' employees is paramount to maintaining successful operations and to provide value to both customers and shareholders. The Company reported sick leave of 163 days in 2021, which corresponds to 0,41 % of total working hours. In 2021, no injuries occurred to personnel which then led to absence from work. The Board of Directors considers the working environment in the Company to be satisfactory.

Cyviz performs an annual satisfaction survey to oversee all employees' well-being and provides the opportunity to give feedback to the management. The results in 2021 were good with improved results in most areas compared to previous years. This is especially encouraging given the period of pandemic during 2021.

At the end of 2021, the Group had 26 female and 121 male employees. The corresponding figures for the parent company were 17 and 64 employees, respectively. The Board of Directors consists of one female and three male members. Cyviz has a non-discriminatory, fair and benchmarked wage and benefit structure. Group employees are treated in a non-discriminatory manner.

Sustainability

Due to the nature of our proposition, offering a platform for seamless remote participation, collaboration and content management we are helping customers reduce carbon footprint and promote virtual engagement as a work form.

The Cyviz product portfolio and solution suite compensates for business travel and increases efficiency and the collaborative experience. Cyviz directly attributes to support the United Nations Sustainable Development Goals (SDG's) including SDG 9 Industry, Innovation & Infrastructure and SDG 13 Climate Action.

The scope of Cyviz driven ESG initiatives encompasses all aspects of the business, from procurement through to delivery covering both Cyviz supply chain and external partners.

As part of its downstream actions, Cyviz is consistently monitoring the lifecycle of our products and the solutions we deliver. A circular economy approach to further support the longevity of our solutions and ambition to reduce carbon footprint.

Risk management

The Company is exposed to different types of risk, including risk associated to currency, liquidity, profitability, interest rate, credit, HSE, cybersecurity and supply chain.

As part of our business model Cyviz is trading extensively with international customers across currencies. As a consequence, a significant proportion of the Company's assets and liabilities are nominated in foreign currencies. A strengthening of the NOK versus relevant foreign currencies may have a negative impact on the company's cash flow, results and equity. The Company has implemented a currency strategy to reduce risk with forward contracts hedging a significant part of expected net cash flow in USD 12 months forward.

Liquidity risk is related to whether the Company has sufficient capital to cover current obligations. The Group manages liquidity risk based on next 12 months' budget and quarterly updates to forecasts. The Company's interest-bearing debt consists of a long-

term loan from Innovation Norway of NOK 10 million. In addition, the Company has an overdraft facility from DNB Bank ASA of NOK 50 million. There are various conditions attached to the overdraft facility with DNB Bank ASA, including that the value of the assets pledged as collateral for the credit facility must be above certain levels, as well as levels of operating profit and equity ratio. Liquidity risk is related to profitability. As further described in the Outlook section, there are strong underlying indications that the Company is on the path to profitability.

The Company is exposed to changes in interest rates based on interest-bearing debt and floating interest rates, currently the Company has a net cash position.

The Company's customers are mainly larger renowned customers. In addition, Cyviz uses various forms of credit facilities including hedging to reduce risk. Cyviz has not experienced increased losses or material changes in credit risk due to COVID-19.

The invasion of Ukraine by Russia in 2022 has increased the geopolitical risk in the market in general, as well as risks related to business operations, supply chain and cyber-security i. With respect to business priorities and focus from potential partners and customers, Cyviz is monitoring the situation closely. Contingency plans have been developed for different scenarios and The Company has increased monitoring and awareness related to cyber-security. Cyviz has the health and safety of our people and our partners as a top priority.

Cyviz holds and maintains a Directors and Officers Liability Insurance on behalf of the members of the Board of Directors and Company officers. The insurance includes controlled subsidiaries and is issued by a reputable insurer and the coverage is considered as reasonable. The insurance covers personal legal liabilities including defence and legal costs for directors and officers of Cyviz AS and subsidiaries.

Outlook

In 2022, Cyviz will continue its focus on profitable growth. Growth and profitability are closely linked to economies of scale and the performance with respect to order intake is a strong indication that the investments made through 2021 in growth initiatives are paying off. We expect the increased order reserve to convert to profitable income in the coming quarters with a positive impact on the overall profitability for the Company.

The company expects the demand for Cyviz' solutions to continue growing across all regions and key verticals. A key driver is expected to be the return to a new normal post COVID-19. The increased demand for hybrid work, ease of use and manageability will require investments in multi-purpose digital solutions such as Cyviz. In addition, our customers are becoming increasingly aware of the need of scalability in their IT infrastructure, such as the ability to remotely monitor, manage and maintain solutions core to Cyviz products and solution. Standardized software is a prerequisite for remote upgrade,

management and support to fulfill the required expectations with respect to user experience and cyber-security requirements.

Cyviz is perfectly positioned to capitalize on these rapidly growing market trends, with the shift towards cloud and solutions as a service (SaaS). Based on a unique and truly scalable technology platform, a global footprint, as well as a strong organization and culture showing ability to exceed customer expectations, the CEO and Board of Directors are confident that Cyviz is on the path of sustainable profitable growth.

Sandnes, 5 May 2022

Rune Syversen
Chairman of the Board

Ingeborg Molden Hegstad
Board Member

Patrick H. Kartevoll
Board Member

Thomas S. Wrede-Holm
Board Member

Espen K. Gylvik
CEO

Consolidated income statement

NOK 1 000	Note	2021	2020
Operating income			
Revenue	1,13	322 668	217 362
Total operating income		322 668	217 362
Operating expenses			
Cost of materials	1	180 494	115 675
Salary and personnel expenses	4,14	117 911	71 403
Depreciation	2,3	16 681	16 960
Other operating expenses	3,14	39 038	32 849
Total operating expenses		354 124	236 886
Operating profit (loss)		-31 456	-19 525
Financial income and expenses			
Interest income		225	74
Net currency gains (losses)		3 417	-5 434
Interest expenses		-795	-8 465
Net financial income and expenses		2 847	-13 825
Profit (loss) before tax		-28 609	-33 350
Income tax	15	1 152	235
Net profit (loss)		-29 761	-33 585

Consolidated statement of financial position

NOK 1 000	Note	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Intangible assets			
Research and development		31 164	25 945
Licenses, patents, other		13 956	8 481
Total intangible assets	2,4	45 120	34 426
Tangible fixed assets			
Property, plant & equipment	3,11	8 467	10 524
Total tangible fixed assets		8 467	10 524
Total non-current assets		53 588	44 949
Current assets			
Inventories	6,11	23 115	15 855
Receivables			
Accounts receivable	11	81 973	55 584
Other receivables	12	11 057	9 480
Total receivables	5	93 030	65 064
Cash and cash equivalents	7	48 510	47 444
Total current assets		164 655	128 363
Total assets		218 242	173 312

Consolidated statement of financial position

NOK 1 000	Note	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	8	14 174	12 909
Share premium		108 809	93 346
Total paid-in capital		122 983	106 255
Total equity	9	122 983	106 255
Liabilities			
Non-current liabilities			
Provisions	10	3 964	2 987
Long-term interest bearing loans	11	10 000	10 000
Total non-current liabilities		13 964	12 987
Current liabilities			
Overdraft facility	11	0	0
Contract liabilities		11 555	4 891
Accounts payable		46 723	24 288
Public duties payable		6 471	8 583
Other current liabilities		16 547	16 308
Total current liabilities		81 295	54 070
Total liabilities		95 259	67 057
Total equity and liabilities		218 242	173 312

Sandnes, 5 May 2022

Rune Syversen
Chairman of the Board

Ingeborg Molden Hegstad
Board member

Thomas S. Wrede-Holm
Board member

Patrick Hegge Kartevoll
Board member

Espen Gylvik
CEO

Consolidated statement of cash flows

NOK 1 000	Note	2021	2020
Cash flows from operating activities			
Profit (loss) before tax		-28 609	-33 350
Option expense	14	46	235
Income tax paid	15	-316	-235
Depreciation, amortization and impairment	2,3	16 681	16 960
Change in accounts receivable		-26 389	9 737
Change in inventories		-7 260	2 565
Change in accounts payable		22 434	-11 341
Change in other accruals and prepayments		1 278	14 311
Net cash flow from operating activities		-22 134	-1 118
Cash flows from investment activities			
Purchase of fixed assets	2,3	-25 190	-17 854
Net cash flow from investment activities		-25 190	-17 854
Cash flows from financing activities			
Proceeds from capital increase	9	48 495	99 407
Proceeds from new interest bearing loans	11	0	5 000
Net change in overdraft facility	11	0	-45 664
Net cash flow from financing activities		48 495	58 743
Currency effects		-105	45
Net changes to cash and cash equivalents		1 066	39 815
Cash and cash equivalents per 1.1.		47 444	7 628
Cash and cash equivalents per 31.12.	7,11	48 510	47 444

Notes to the financial statements

Note 1 – General accounting policies

Basis for preparation

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

All amounts are presented in thousands of NOK (TNOK), unless otherwise clearly stated.

Group composition

In addition to the parent entity, Cyviz AS, the Group also includes the subsidiaries Cyviz LLC, Cyviz Ltd, Cyviz Pte Ltd and Cyviz Pty Ltd, incorporated in USA, UK, Singapore and Australia, respectively. In addition Cyviz Middle East AS was a separate subsidiary of the Group until it merged with Cyviz AS in 2020. The consolidated financial statements show these units as one single economic entity.

The consolidated financial statements have been prepared in accordance with uniform policies by converting the subsidiaries to the same principles as the parent company.

Classification of items in the statement of financial position

Assets intended for long-term ownership or use are classified as non-current assets. Assets associated with the normal operating cycle are classified as current assets. Receivables are classified as current assets if they fall due within one year. Analogue criteria are applied to liabilities. Non-current liabilities also includes next year's installments.

Foreign currency translation

The functional currency of the parent entity is NOK. For consolidation purposes, the results and financial positions of all the Group's entities that have a functional currency other than NOK are translated using the exchange rates prevailing at the end of each reporting period. Income and expenses are translated using monthly average exchange rates, this being a reasonable approximation for estimating actual rate. Exchange differences arising from this translation are recognized directly in equity.

Statement of cash flows

The cash flow statement is prepared using the indirect method. Interest received and paid is presented as cash flows from operating activities. Cash and cash equivalents consist entirely of bank deposits.

Adjustments following Q4 reporting

In connection with the preparation and audit of the annual financial statements, some discrepancies related to incorrectly classified project revenue (assets) have been identified. Consequently Accounts Receivable have been increased by TNOK 3 745 and Contract Liabilities have been increased by TNOK 3 745 compared to the reported annual figures in the Q4 report.

Note 2 – Intangible assets

Significant accounting policies

Expenditures on research and development are recognized as assets to the extent that they are part of projects generating identifiable intangible assets, of which future economic benefits can be attributed. Expenses related to projects not meeting these criteria are charged to the income statement as they accrue. When there are indications of impairment, an estimate of value in use is calculated. An impairment loss is recognized in the income statement to the extent that carrying amount exceeds the value in use.

Capitalized development costs

The Group has capitalized TNOK 15 236 in connection with the development of its visualization technology in 2021. The work is mainly performed by Cyviz own employees in Sandnes, Norway and in the subsidiary Cyviz Ltd in Edinburgh, Scotland. Cyviz AS has all the commercial rights to the developed products. Annual depreciation is calculated and recognized in the income statement from the time when the products are fully developed and ready for commercial use.

Specification of research and development expenses

(amounts in NOK 1000)	2021	2020
Visualization technology	17 826	13 974
Government grants	-2 589	-2 281
Total research and development expenses	15 236	11 692
Capitalized as intangible assets	15 236	11 692
Charged to income statement	0	0

Specification of intangible assets

(amounts in NOK 1000)	Development	Licenses, patents etc.	Total
Cost 01.01.	126 981	12 544	139 525
Additions	15 236	5 475	20 711
Cost 31.12.	142 217	18 019	160 236
Accumulated depreciation 01.01.	100 012	4 063	104 075
Depreciations for the year	11 041	0	11 042
Accumulated depreciation 31.12.	111 053	4 063	115 117
Book value 31.12.	31 164	13 956	45 120
Economic useful life	5 years	5 years	
Depreciation schedule	Linear	Linear	

Note 3 – Property, plant & equipment

Significant accounting policies

Property, plant & equipment are recognized in the statement of financial position at cost less accumulated depreciation and impairment losses. The cost price of such assets is the purchase price including expenses directly attributable to the purchase of the asset. Expenditures incurred after the asset has been put into use, such as ongoing daily maintenance, are recognized as expenses in the period in which they were incurred, except for expenditures expected to generate future economic benefits that are recognized as a part of the asset. Leases for premises are treated as operating leases, with lease payments recognized as expense as they occur.

Specification of property, plant & equipment

(amounts in NOK 1000)

Cost 01.01.	69 417
Additions	4 479
Cost 31.12.	73 896
Accumulated depreciation 01.01.	59 152
Depreciations for the year	5 639
Accumulated depreciation 31.12.	64 791
Currency translation effects	-637
Book value 31.12.	8 467

Economic useful life	3-10 years
Depreciation schedule	Linear

Specification of leases for premises

(amounts in NOK 1000)	Annual payments	Remaining term
Offices in Norway	3 800	1-3 years
Offices in UK	1 400	1-2 years
Offices in USA	2 900	1-2 years
Offices in Middle East and Asia	3 600	1-2 years
Total lease expense	11 700	

Note 4 – Government grants**Significant accounting policies**

The group receives government grants in relation to its research and development activities. When such grants are received to carry out certain activities or compensate specific expenses, the grant is recognized in the income statement over the same period as the associated costs. Grants that compensate the group for the cost of an asset are deducted from the asset's acquisition cost when it is recognized in the statement of financial position.

SkatteFUNN

SkatteFUNN is granted by the Research Council of Norway and is received as a deduction in tax payable or a cash payment, to the extent there is no tax payable to deduct it from.

Cyviz AS has been granted SkatteFUNN for two projects related to its ongoing development activities. As these projects meet the criterias for recognition as assets, the grant is deducted from the acquisition cost. Refer to note 2 for further information about these development projects.

Note 5 – Receivables**Significant accounting policies**

Accounts receivable and other receivables are recognized in the statement of financial position at face value, after deduction of expected loss. Provision for loss on receivables is estimated on the basis of an individual assessment of each receivable.

Specification of receivables

(amounts in NOK 1000)	2021	2020
Accounts receivable at face value	86 648	60 528
Provision for expected credit losses	-4 677	-4 944
Accounts receivable	81 972	55 584
SkatteFUNN (government grant)	2 589	2 281
Prepayments	7 394	5 615
Other	1 074	1 584
Other receivables	11 057	9 480

Note 6 – Inventories

Significant accounting policies

The inventory of purchased goods is recognized to the lower of purchase cost or market value.

Specification of inventories

(amounts in NOK 1000)	2021	2020
Acquisition cost	23 115	17 232
Provision for obsolescence	0	-1 377
Inventories	23 115	15 855

Note 7 – Bank deposits and restricted cash

Significant accounting policies

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

Restricted cash

(amounts in NOK 1000)	2021	2020
Payroll tax account	2 016	1 461

Note 8 – Share capital and shareholder information

Share capital per 31.12.21

	Shares	Par value (NOK)	Share capital
Ordinary shares	12 885 597	1,10	14 174

All shares have equal voting and dividend rights.

In addition to the currently outstanding shares, Cyviz AS also has 229 300 options outstanding (refer to note 14 for more information).

Significant shareholders per 31.12.21

	Shares	Ownership
Investinor Direkte AS	4 911 267	38,1 %
Karbon Invest AS	1 919 367	14,9 %
Spinoza AS	464 173	3,6 %
Silvercoin Industries AS	455 021	3,5 %
Camaca AS	283 791	2,2 %
Corporate Investment Consulting AS	251 500	2,0 %
Lin AS	217 278	1,7 %
Solan Capital AS	215 000	1,7 %
Six-Seven AS	205 122	1,6 %
Norport AS	205 098	1,6 %
K.A. Fem AS	200 000	1,6 %
Sakk AS	152 309	1,2 %
Nordnet Livsforsikring AS	142 489	1,1 %
UBS AG London Branch	132 580	1,0 %
Sæter	130 354	1,0 %
Citibank, N.A.	121 488	0,9 %
Skagenkaien Venture AS	102 426	0,8 %
Thabo Energy AS	100 000	0,8 %
Cat Invest 1 AS	96 701	0,8 %
Cime AS	89 485	0,7 %
Total (20 largest shareholders)	10 395 449	80,7 %
Other shareholders	2 490 148	19,3 %
Total	12 885 597	100,0 %

Chairman of the Board Rune Syversen has an indirect ownership of 4%.

CEO Espen Kristian Gylvik has an indirect ownership of 0,3%.

Shareholders associated with leading roles

	Shares	Options	Role
Espen Gylvik	89 485	51 800	CEO

Note 9 – Equity

Specification of equity

(amounts in NOK 1000)	Share capital	Share premium	Other paid-in equity	Sum
Equity as per 31.12.2020	12 909	93 346	0	106 255
Net profit (loss)		-29 715	-46	-29 761
Capital increase	1 265	47 230		48 495
Share-based compensation			46	46
Currency translation differences		-2 052		-2 052
Equity as per 31.12.2021	14 174	108 809	0	122 983

Note 10 – Provisions and other current liabilities

Significant accounting policies

Provisions and other current liabilities are mainly related to goods or services received, wages to employees or other expenses related to performed activities. Amounts that falls due within the next twelve months are classified as current liabilities and measured at nominal value. Provisions that falls due later than twelve months are classified as non-current and are discounted when the effect of this is considered material.

Non-current provisions

Non-current provision relates to end-of-service gratuity earned by employees working in U.A.E and Kingdom of Saudi Arabia. The employee will generate a sum for payment for each year one is employed by the company in accordance with applicable laws in U.A.E and KSA. The obligation is settled through cash payment on termination of the employment. The schemes are regarded as unfunded defined benefit schemes measured at settlement value. Service cost, payments and remeasurements are recognised net as personnel expense.

Note 11 – Interest bearing loans

Significant accounting policies

Non-current interest bearing loans are initially measured at face value, less admission costs, and subsequently measured at amortized cost. Differences between face value and carrying amount are amortized linearly over the period of maturity. As long as the Group are complying with the loan terms and the agreed maturity reaches beyond twelve months, interest bearing loans are classified as non-current liabilities. Next year's payments are included in non-current liability, and not presented separately. In the event of a breach of the loan terms, that enable the lender to demand immediate repayment, the liability is reclassified to current liabilities.

Overdraft facility

Cyviz has established an overdraft facility with a limit of NOK 50 million. The main lending term is that the drawn amount shall not exceed sum of 60% of accounts receivables, 50% of inventory, and a base of NOK 2.5 million. In addition, the equity ratio shall be minimum 40% measured yearly.

Innovation Norway

For the loan from Innovation Norway, an interest and installment exemption applies until November 2021 and November 2022, respectively. The loan is to be repaid over 7 years, with the first installment in November 2022. The loan carries an annual interest rate, currently at 4,1 %.

Pledged assets

Accounts receivable, fixed assets and inventories are pledged as security for the overdraft facility and the loan from Innovation Norway.

Specification of interest bearing loans

(amounts in NOK 1000)	2021	2020
Innovation Norway	10 000	10 000
Total interest bearing loans	10 000	10 000
Long-term	10 000	10 000
Short-term	0	0

Specification of movements in interest bearing loans

(amounts in NOK 1000)	2021	2020
Balance 01.01.	10 000	35 683
Cash flows from new loans	0	5 000
Cash flows from repayments (ex. interest)	0	0
Cash flows from interest payments	0	-231
Accrued interest	0	7 587
Converted to equity	0	-38 038
Balance 31.12.	10 000	10 000

Contractual payments on loans

(amounts in NOK 1000)	Book amount	Next year	Year 2-5
Nominal amount inc. interest	10 000	1 315	9 973

Carrying amount of assets pledged as security

(amounts in NOK 1000)	2021	2020
Property, plant & equipment	3 704	6 693
Accounts receivable	49 010	34 953
Inventories	12 652	14 172
Total	65 366	55 818

Note 12 – Financial instruments

Significant accounting policies

The group uses currency forward contracts to hedge currency risk relating to sales in USD. However, the group does not apply hedge accounting. Open agreements at the reporting date are recognized at fair value, based on MTM-report from DNB. Unrealized gains or losses are presented as other receivables or other current liabilities, respectively. Both the contractual payments and the movement in unrealized gains or losses are recognized in the income statement as net currency gains (losses).

Open currency forward contracts at the reporting date

(amounts in NOK 1000)	Trade date	Maturity date	Carrying amount
Sell USD 750 000 @ NOK 8.49	09.04.2021	15.03.2022	-258
Sell USD 2 750 000 @ NOK 8.66	13.09.2021	15.03.2022	-477
Sell USD 1 000 000 @ NOK 8.92	19.11.2021	15.03.2022	87
Sell USD 500 000 @ NOK 8.95	23.11.2021	15.03.2022	57
Sell USD 500 000 @ NOK 9,06	26.11.2021	15.03.2022	112
Unrealized gain (loss)			-478
Unrealized gain (loss) last year			998

Note 13 – Revenues

Significant accounting policies

Cyziz revenues consist of goods, installation services, software licenses and service agreements. Revenues for goods are recognized at the time of delivery. Delivery is defined as the time when risk and control of the goods are transferred to the customer. Revenue for installation services are recognized when performed. Revenue for software licenses and service agreements are accrued over the service agreement period.

Revenues by business area

(amounts in NOK 1000)	2021	2020
Energy	31 299	38 402
Corporate	186 113	84 587
Government & Defense	89 597	61 343
Other	15 659	33 030
Total	322 668	217 362

Revenues by geography

(amounts in NOK 1000)	2021	2020
Europe, Middle East and Africa (EMEA)	138 821	110 324
Americas	146 608	91 632
Other	37 239	15 405
Total	322 668	217 362

Note 14 – Personnel expenses, remunerations**Significant accounting policies**

Personnel costs are expensed as the employees earn the right to the payment of wages for hours worked. Payments to defined contribution pension are expensed over the period in which the employees earn the right to the deposit. Personnel costs related to research and development projects are capitalized to the extent that the conditions for this are met. Expenses relating to share option schemes for employees are accounted for in accordance with NRS 15A and based on measurement of the options at the grant date using the Black-Scholes model.

Pensions

The group mainly uses defined contribution pension plans for its employees, in accordance with local requirements in the country of employment.

Capitalized development costs

Reference is made to note 2 for further information regarding research and development projects.

Specification of personnel costs

(amounts in NOK 1000)	2021	2020
Wages	108 453	71 463
Government grants	0	-3 942
Social security tax	7 399	6 810
Capitalized development costs	-8 039	-8 390
Other personnel costs	10 099	5 461
Total	117 911	71 403

Number of employees

(average FTE for the period)	2021	2020
Norway	41	37
Other	68	71
Total	109	108

Key management compensation

(amounts in NOK 1000)	CEO	Board of Directors
Salary	2 053	606
Bonus	300	0
Other benefits	181	0
Total	2 534	606

There are no loans or financial guarantees granted to the Board of Directors or executive management.

Share option program

A share option program was established in October 2019 for the Company's management and employees with a maximum aggregate size corresponding to a number of 255 300 new shares in the Company. The share options vests with 3/5 on 1 May 2021, 1/5 on 1 May 2022 and 1/5 on 1 May 2023, contingent on employment at the vesting date. The options may be exercised in whole or in part within 45 days from the vesting date. The strike price for new shares under the program is NOK 26.70 per share.

Share options outstanding

(amounts in NOK 1000)	Number of options
Outstanding options 31. december 2020	255 300
New options granted	0
Exercised options	0
Forfeited options	-51 000
Outstanding options 31. december 2021	204 300

Option costs recognized as personnel expense amounts to TNOK 46 in 2021 (2020 : TNOK 235).

Valuation assumptions for share options

	May 2021	May 2022	May 2023
Price of underlying share	20,00	20,00	20,00
Strike price	26,70	26,70	26,70
Average risk free interest rate	1,55 %	1,55 %	1,55 %
Expected term (years)	1,6	2,6	3,6
Volatility	30 %	30 %	30 %
Fair value of the option at grant date (NOK)	0,93	1,79	2,61

Specification of auditors remuneration

(amounts in NOK 1000)	2021	2020
Statutory audit fee	899	699
Tax advisory services*	350	45
Other non-auditing services	75	74
Total	1 324	817

Reported amounts are exclusive of VAT.

* Fees for Advokatfirmaet PricewaterhouseCoopers: TNOK 335.

Note 15 – Income tax

Significant accounting policies

The income tax expense in the income statement includes the tax payable for the period and changes in deferred tax. Tax payable and deferred tax is calculated using tax rates and tax legislation that have been enacted at the end of the reporting period. Deferred tax is calculated on all temporary differences between tax base and amount recognized in the statement of financial position. In addition deferred tax is also calculated on tax loss carryforward at the end of the reporting period. Deferred tax assets are only recognized to the extent that it is probable that future taxable income will be generated against which it can be utilized. Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset them.

Basis for recognition of deferred tax asset

Based on an overall assessment of the group's historical earnings and the outlook for future taxable profits, the deferred tax assets were derecognized in 2019. There are no significant factors in 2021 indicating any need to change this assessment at the present time.

Specification of income tax expense

(amounts in NOK 1000)	2021	2020
Tax payable in Norway	0	0
Tax payable in other countries	1 152	235
Change in deferred tax	0	0
Tax relating to prior periods	0	0
Income tax expense	1 152	235

Reconciliation of tax expense with tax calculated at nominal rate

(amounts in NOK 1000)	2021	2020
Result before tax	-28 609	-33 350
Tax at nominal rate (22 %)	-6 294	-7 337
Government grants	-570	-1 461
Other permanent differences	1 384	196
Change in deferred tax not recognized	6 631	8 836
Income tax expense	1 152	235

Specification of deferred tax

(amounts in NOK 1000)

	2021	2020	Change
Inventory	326	-303	629
Accounts receivable	-3 163	-1 080	-2 083
Provisions	128	-657	785
Fixed assets	3 253	857	2 395
Other differences	-4 769	-2 058	-2 711
Net deferred tax on temporary differences	-4 225	-3 241	-985
Tax loss carryforward	-37 557	-31 910	-5 646
Total deferred tax	-41 782	-35 151	-6 631
Deferred tax not recognized	-41 782	-35 151	-6 631
Deferred tax recognized	0	0	0

Of the deferred tax assets related to tax loss carryforwards, around 80 % is in Norway, where it may be carried forward for an indefinite time.

Note 16 – Related parties

There no related party transactions in 2021.

Note 17 – Events after the reporting period

The Russia-Ukraine conflict, which remains ongoing at the date of this report, has resulted in a rapidly evolving geo-political situation and introduced a new set of challenges. In order to mitigate the potential impact on the company's operation particularly in respect of potential interruptions of supply chains and cyber risk, Cyviz is monitoring international sanctions and trade control legislation closely and has enforced control mechanisms to manage the elevated security threats imposed to the industry.

Income statement

NOK 1 000	Note	2021	2020
Operating income			
Revenue	14	185 759	132 237
Other operating income	17	20 307	11 013
Total operating income		206 067	143 250
Operating expenses			
Cost of materials		107 287	72 020
Salary and personnel expenses	15	64 782	47 768
Depreciation	2,3	15 057	15 383
Other operating expenses	15	35 087	33 783
Total operating expenses		222 213	168 954
Operating profit (loss)		-16 146	-25 704
Financial income and expenses			
Interest income from group companies		425	448
Other interest income		225	24
Net currency gains (losses)		4 633	-6 549
Interest expenses		-794	-8 414
Other financial expenses		-1 477	-202
Net financial income and expenses		3 012	-14 694
Profit (loss) before tax		-13 134	-40 398
Income tax	16	931	195
Net profit (loss)		-14 065	-40 594
Allocation of net profit (loss)			
Transferred from share premium		-14 019	-93 334
Transferred from other paid-in equity		-46	-1 718
Transferred to/(from) retained equity		0	54 459
Total allocated		-14 065	-40 594

Statement of financial position

NOK 1 000	Note	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Intangible assets			
Research and development		31 995	27 736
Licenses, patents, other		14 018	8 481
Total intangible assets	2,4	46 013	36 217
Tangible fixed assets			
Property, plant & equipment	3,12	3 704	6 693
Total tangible fixed assets		3 704	6 693
Financial fixed assets			
Investments in subsidiaries	5	8 798	296
Long term receivables from group entities	6	874	13
Total financial fixed assets		9 672	309
Total non-current assets		59 389	43 219
Current assets			
Inventories	7,12	12 652	11 517
Receivables			
Accounts receivable	12	49 010	40 622
Short term receivables from group entities	12	41 889	9 829
Other receivables	13	7 859	6 938
Total receivables	6	98 758	57 389
Cash and cash equivalents	8	43 968	44 546
Total current assets		155 378	113 453
Total assets		214 767	156 672

Statement of financial position

NOK 1 000	Note	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	9	14 174	12 909
Share premium		134 191	100 980
Total paid-in capital		148 365	113 889
Total equity	10	148 365	113 889
Liabilities			
Non-current liabilities			
Provisions	11	3 964	2 987
Long-term interest bearing loans	12	10 000	10 000
Total non-current liabilities		13 964	12 987
Current liabilities			
Overdraft facility	12	0	0
Short-term interest bearing loans	12	0	0
Contract liabilities		11 028	2 795
Accounts payable		22 935	11 071
Public duties payable		4 517	4 821
Other current liabilities		13 957	11 108
Total current liabilities		52 437	29 795
Total liabilities		66 401	42 783
Total equity and liabilities		214 767	156 672

Sandnes, 5 May 2022

Rune Syversen
Chairman of the Board

Ingeborg Molden Hegstad
Board member

Thomas S. Wrede-Holm
Board member

Patrick Hegge Kartevoll
Board member

Espen Gylvik
CEO

Statement of cash flows

NOK 1 000	Note	2021	2020
Cash flows from operating activities			
Profit (loss) before tax		-13 134	-40 398
Option expense	15	46	235
Income tax paid	16	-931	-195
Depreciation, amortization and impairment	2,3	15 057	15 383
Change in accounts receivable		-8 388	6 870
Change in inventories		-1 134	1 041
Change in accounts payable		11 864	-12 011
Write down of intercompany receivables	6	0	2 500
Change in other accruals and prepayments		-30 589	29 271
Net cash flow from operating activities		-27 210	2 695
Cash flows from investment activities			
Purchase of fixed assets	2,3	-21 863	-18 499
Proceeds from sale of fixed assets		0	0
Net cash flow from investment activities		-21 863	-18 499
Cash flows from financing activities			
Proceeds from capital increase	10	48 495	99 407
Proceeds from new interest bearing loans	12	0	5 000
Net change in overdraft facility	12	0	-45 664
Net cash flow from financing activities		48 495	58 743
Net changes to cash and cash equivalents		-579	42 938
Cash and cash equivalents per 1.1.		44 546	1 609
Cash and cash equivalents per 31.12.	8	43 968	44 546

Notes to the financial statements

Note 1 – General accounting policies

Basis for preparation

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

The functional currency of the company is NOK, and all amounts are presented in thousands of NOK (TNOK), unless otherwise clearly stated.

Classification of items in the statement of financial position

Assets intended for long-term ownership or use are classified as non-current assets. Assets associated with the normal operating cycle are classified as current assets. Receivables are classified as current assets if they fall due within one year. Analogue criteria are applied to liabilities. Non-current liabilities also includes next year's installments.

Statement of cash flows

The cash flow statement is prepared using the indirect method. Interest received and paid is presented as cash flows from operating activities. Cash and cash equivalents consist entirely of bank deposits.

Note 2 – Intangible assets

Significant accounting policies

Expenditures on research and development are recognized as assets to the extent that they are part of projects generating identifiable intangible assets, of which future economic benefits can be attributed. Expenses related to projects not meeting these criteria are charged to the income statement as they accrue. When there are indications of impairment, an estimate of value in use is calculated. An impairment loss is recognized in the income statement to the extent that carrying amount exceeds the value in use.

Capitalized development costs

The company has capitalized TNOK 15 236 in connection with the development of its visualization technology in 2021. The work is mainly performed by Cyviz own employees in Sandnes, Norway and in the subsidiary Cyviz Ltd in Edinburgh, Scotland. Cyviz AS has all the commercial rights to the developed products. Annual depreciation is calculated and recognized in the income statement from the time when the products are fully developed and ready for commercial use.

Specification of research and development expenses

(amounts in NOK 1000)	2021	2020
Visualization technology	17 826	15 264
Government grants	-2 589	-2 310
Total research and development expenses	15 236	12 954
Capitalized as intangible assets	15 236	12 954
Charged to income statement	0	0

Specification of intangible assets

(amounts in NOK 1000)	Development	Licenses, patents etc.	Total
Cost 01.01.	106 159	12 091	118 250
Additions	15 236	5 475	20 711
Cost 31.12.	121 395	17 566	138 962
Accumulated depreciation 01.01.	78 297	3 610	81 907
Depreciations for the year	11 041	0	11 042
Accumulated depreciation 31.12.	89 338	3 611	92 949
Book value 31.12.	32 057	13 956	46 013
Economic useful life	5 years	5 years	
Depreciation schedule	Linear	Linear	

Note 3 – Property, plant & equipment

Significant accounting policies

Property, plant & equipment are recognized in the statement of financial position at cost less accumulated depreciation and impairment losses. The cost price of such assets is the purchase price including expenses directly attributable to the purchase of the asset. Expenditures incurred after the asset has been put into use, such as ongoing daily maintenance, are recognized as expenses in the period in which they were incurred, except for expenditures expected to generate future economic benefits that are recognized as a part of the asset. Leases for premises are treated as operating leases, with lease payments recognized as expense as they occur.

Specification of property, plant & equipment

(amounts in NOK 1000)

Cost 01.01.	39 261
Additions	1 152
Disposals	-1 327
Cost 31.12.	39 086
Accumulated depreciation 01.01.	32 691
Depreciations for the year	4 017
Disposals	-1 327
Accumulated depreciation 31.12.	35 381
Book value 31.12.	3 704
Economic useful life	3-10 years
Depreciation schedule	Linear

Specification of leases for premises

(amounts in NOK 1000)	Annual payments	Remaining term
Offices in Norway	3 800	1-3 years
Offices in Middle East and Asia	3 600	1-2 years
Total lease expense	7 400	

Note 4 – Government grants**Significant accounting policies**

The company receives government grants in relation to its research and development activities. When such grants are received to carry out certain activities or compensate specific expenses, the grant is recognized in the income statement over the same period as the associated costs. Grants that compensate the group for the cost of an asset are deducted from the asset's acquisition cost when it is recognized in the statement of financial position.

SkatteFUNN

SkatteFUNN is granted by the Research Council of Norway and is received as a deduction in tax payable or a cash payment, to the extent there is no tax payable to deduct it from.

Cyviz AS has been granted SkatteFUNN for two projects related to its ongoing development activities. As these projects meet the criterias for recognition as assets, the grant is deducted from the acquisition cost. Refer to note 2 for further information about these development projects.

Note 5 – Investments in subsidiaries**Significant accounting policies**

Investments in subsidiaries are recognized using the cost method. The investments are valued at the acquisition cost unless a write-down of the investment has been necessary. Impairment losses are reversed when the basis for impairment is no longer present.

Specification of subsidiaries

(amounts in NOK 1000)	Place of incorporation	Ownership	Carrying amount
Cyviz LLC	Arlington, Virginia, USA	100 %	296
Cyviz LIMITED	Edinburgh, UK	100 %	8 502
Cyviz Pte Ltd.	Singapore	100 %	0
Cyviz Pty Ltd.	Perth, Australia	100 %	0
Total			8 798

Voting share coincides with ownership share for all investments.

Note 6 – Receivables

Significant accounting policies

Accounts receivable and other receivables are recognized in the statement of financial position at face value, after deduction of expected loss. Provision for loss on receivables is estimated on the basis of an individual assessment of each receivable.

Specification of receivables

(amounts in NOK 1000)	2021	2020
Receivables at face value	14 944	14 084
Provision for expected credit losses	-14 070	-14 070
Long term receivables from group entities	874	13
Accounts receivable at face value	53 687	45 566
Provision for expected credit losses	-4 677	-4 944
Accounts receivable	49 010	40 622
Receivables at face value	56 139	30 079
Provision for expected credit losses	-14 250	-20 250
Short term receivables from group entities	41 889	9 829
SkatteFUNN (government grant)	2 589	2 310
Prepayments	4 196	3 526
Other	1 074	1 101
Other receivables	7 859	6 938

Note 7 – Inventories

Significant accounting policies

The inventory of purchased goods is recognized at the lower of purchase cost or market value.

Specification of inventories

(amounts in NOK 1000)	2021	2020
Acquisition cost	12 652	12 894
Provision for obsolescence	0	-1 377
Inventories	12 652	11 517

Note 8 – Bank deposits and restricted cash**Significant accounting policies**

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

Restricted cash

(amounts in NOK 1000)

	2021	2020
Payroll tax account	2 016	1 461

Note 9 – Share capital and shareholder information**Share capital per 31.12.21**

	Shares	Par value (NOK)	Share capital
Ordinary shares	12 885 597	1,10	14 174

All shares have equal voting and dividend rights. Refer to note 18 for information regarding share issues after the reporting period.

In addition to the currently outstanding shares, the company also has 229 300 options outstanding (refer to note 15 for more information).

Significant shareholders per 31.12.21

	Shares	Ownership
Investinor Direkte AS	4 911 267	38,1 %
Karbon Invest AS	1 919 367	14,9 %
Spinoza AS	464 173	3,6 %
Silvercoin Industries AS	455 021	3,5 %
Camaca AS	283 791	2,2 %
Corporate Investment Consulting AS	251 500	2,0 %
Lin AS	217 278	1,7 %
Solan Capital AS	215 000	1,7 %
Six-Seven AS	205 122	1,6 %
Norport AS	205 098	1,6 %
K.A. Fem AS	200 000	1,6 %
Sakk AS	152 309	1,2 %
Nordnet Livsforsikring AS	142 489	1,1 %
UBS AG London Branch	132 580	1,0 %
Sæter	130 354	1,0 %
Citibank, N.A.	121 488	0,9 %
Skagenkaien Venture AS	102 426	0,8 %
Thabo Energy AS	100 000	0,8 %
Cat Invest 1 AS	96 701	0,8 %
Cime AS	89 485	0,7 %
Total (20 largest shareholders)	10 395 449	80,7 %
Other shareholders	2 490 148	19,3 %
Total	12 885 597	100,0 %

Chairman of the Board Rune Syversen has an indirect ownership of 4%.

CEO Espen Kristian Gylvik has an indirect ownership of 0,3%.

Shareholders associated with leading roles

	Shares	Options	Role
Espen Gylvik	89 485	51 800	CEO

Note 10 – Equity

Specification of equity

(amounts in NOK 1000)	Share capital	Share premium	Other paid-in equity	Sum
Equity as per 31.12.2020	12 909	100 980	0	113 889
Capital increase	1 265	47 230	0	48 495
Share-based compensation	0	0	46	46
Net profit (loss)	0	-14 019	-46	-14 065
Equity as per 31.12.2021	14 174	134 191	0	148 365

Note 11 – Provisions and other current liabilities

Significant accounting policies

Provisions and other current liabilities are mainly related to goods or services received, wages to employees or other expenses related to performed activities. Amounts that falls due within the next twelve months are classified as current liabilities and measured at nominal value. Provisions that falls due later than twelve months are classified as non-current and are discounted when the effect of this is considered material.

Non-current provisions

Non-current provision relates to end-of-service gratuity earned by employees working in U.A.E and Kingdom of Saudi Arabia. The employee will generate a sum for payment for each year one is employed by the company in accordance with applicable laws in U.A.E and KSA. The obligation is settled through cash payment on termination of the employment. The schemes are regarded as unfunded defined benefit schemes measured at settlement value. Service cost, payments and remeasurements are recognized net as personnel expense.

Note 12 – Interest bearing loans

Significant accounting policies

Non-current interest bearing loans are initially measured at face value, less admission costs, and subsequently measured at amortized cost. Differences between face value and carrying amount are amortized linearly over the period of maturity. As long as the company are complying with the loan terms and the agreed maturity reaches beyond twelve months, interest bearing loans are classified as non-current liabilities. Next year's payments are included in non-current liability, and not presented separately. In the event of a breach of the loan terms, that enable the lender to demand immediate repayment, the liability is reclassified to current liabilities.

Overdraft facility

Cyviz has established an overdraft facility with a limit of NOK 50 million. The main lending term is that the drawn amount shall not exceed sum of 60% of accounts receivables, 50% of inventory, and a base of NOK 2.5 million. **In addition, the equity ratio shall be minimum 40% measured yearly.**

Innovation Norway

For the loan from Innovation Norway, an interest and installment exemption applies until November 2021 and November 2022, respectively.. The loan is to be repaid over 7 years, with the first installment in November 2022. The loan carries an annual interest rate, currently at 3,7 %.

Specification of interest bearing loans

(amounts in NOK 1000)	2021	2020
Innovation Norway	10 000	10 000
Total interest bearing loans	10 000	10 000
Long-term	10 000	10 000
Short-term	0	0

Specification of movements in interest bearing loans

(amounts in NOK 1000)	2021	2020
Balance 01.01.	10 000	35 683
Cash flows from new loans	0	5 000
Cash flows from repayments (ex. interest)	0	0
Cash flows from interest payments	0	-231
Accrued interest	0	7 587
Converted to equity	0	-38 038
Balance 31.12.	10 000	10 000

Contractual payments on loans

(amounts in NOK 1000)	Book amount	Next year	Year 2-5
Nominal amount inc. interest	10 000	1 315	9 973

Carrying amount of assets pledged as security

(amounts in NOK 1000)	2021	2020
Property, plant & equipment	3 704	6 693
Accounts receivable	49 010	40 622
Group receivables	41 889	9 829
Inventories	12 652	11 517
Total	107 254	68 661

Note 13 – Financial instruments
Significant accounting policies

The company uses currency forward contracts to hedge the currency risk relating to sales in USD. However, the company does not apply hedge accounting. Open agreements at the reporting date are recognized at fair value, based on MTM-report from DNB. Unrealized gains or losses are presented as other receivables or other current liabilities, respectively. Both the contractual payments and the movement in unrealized gains or losses are recognized in the income statement as net currency gains (losses).

Open currency forward contracts the reporting date

(amounts in NOK 1000)	Trade date	Maturity date	Carrying amount
Sell USD 750 000 @ NOK 8.49	09.04.2021	15.03.2022	-258
Sell USD 2 750 000 @ NOK 8.66	13.09.2021	15.03.2022	-477
Sell USD 1 000 000 @ NOK 8.92	19.11.2021	15.03.2022	87
Sell USD 500 000 @ NOK 8.95	23.11.2021	15.03.2022	57
Sell USD 500 000 @ NOK 9,06	26.11.2021	15.03.2022	112
Unrealized gain (loss)			-478
Unrealized gain (loss) last year			998

Note 14 – Revenues

Significant accounting policies

Cyviz revenues consist of goods, installation services, software licences and service agreements. Revenues for goods are recognized at the time of delivery. Delivery is defined as the time when risk and control of the goods are transferred to the customer. Revenue for installation services are recognized when performed. Revenue for software licences and service agreements are accrued over the service agreement period.

Revenues by business area

(amounts in NOK 1000)	2021	2020
Energy	26 751	29 899
Corporate	80 048	18 890
Government & Defense	48 963	48 882
Other	29 997	34 567
Total	185 759	132 237

Revenues by geography

(amounts in NOK 1000)	2021	2020
Europe, Middle East and Africa (EMEA)	126 532	104 941
Americas	21 150	13 545
Other	38 077	13 751
Total	185 759	132 237

Note 15 – Personnel expenses, remunerations**Significant accounting policies**

Personnel costs are expensed as the employees earn the right to the payment of wages for hours worked. Payments to defined contribution pension are expensed over the period in which the employees earn the right to the deposit. Personnel costs related to research and development projects are capitalized to the extent that the conditions for this are met. Expenses relating to share option schemes for employees are accounted for in accordance with NRS 15A and based on measurement of the options at the grant date using the Black-Scholes model.

Pensions

The company has established a defined contribution scheme in accordance with the requirements of the Norwegian Act on Mandatory Occupational Pensions ("OTP") for its employees in Norway. Employees in other countries are covered by similar schemes in accordance with local requirements.

Capitalized development costs

Reference is made to note 2 for further information regarding research and development projects.

Specification of personnel costs

(amounts in NOK 1000)	2021	2020
Wages	62 654	47 492
Pension contributions	2 175	2 023
Social security tax	5 800	5 012
Capitalized development costs	-8 039	-8 390
Other personnel costs	2 192	1 631
Total	64 782	47 768

Number of employees

(average FTE for the period)	2021	2020
Norway	33	37
Other	48	34
Total	81	71

Key management compensation

(amounts in NOK 1000)	CEO	Board of Directors
Salary	2 053	606
Bonus	300	0
Other benefits	181	0
Total	2 534	606

There are no loans or financial guarantees granted to the Board of Directors or executive management.

Share option program

A share option program was established in October 2019 for the Company's management and employees with a maximum aggregate size corresponding to a number of 255 300 new shares in the Company. The share options vests with 3/5 on 1 May 2021, 1/5 on 1 May 2022 and 1/5 on 1 May 2023, contingent on employment at the vesting date. The options may be exercised in whole or in part within 45 days from the vesting date. The strike price for new shares under the program is NOK 26.70 per share.

Share options outstanding

(amounts in NOK 1000)	Number of options
Outstanding options 31. december 2020	255 300
New options granted	0
Exercised options	0
Forfeited options	-51 000
Outstanding options 31. december 2021	204 300

Option costs recognized as personnel expense amounts to TNOK 46 in 2021 (2020 : TNOK 235).

Valuation assumptions for share options

	May 2021	May 2022	May 2023
Price of underlying share	20,00	20,00	20,00
Strike price	26,70	26,70	26,70
Average risk free interest rate	1,55 %	1,55 %	1,55 %
Expected term (years)	1,6	2,6	3,6
Volatility	30 %	30 %	30 %
Fair value of the option at grant date (NOK)	0,93	1,79	2,61

Specification of auditors remuneration

(amounts in NOK 1000)	2021	2020
Statutory audit fee	899	532
Technical compilation	75	0
Tax advisory services*	335	12
Other non-auditing services	15	65
Total	1 324	608

Reported amounts are exclusive of VAT.

* Fees for Advokatfirmaet PricewaterhouseCoopers: TNOK 335.

Note 16 – Income tax

Significant accounting policies

The income tax expense in the income statement includes the tax payable for the period and changes in deferred tax. Tax payable and deferred tax is calculated using tax rates and tax legislation that have been enacted at the end of the reporting period. Deferred tax is calculated on all temporary differences between tax base and amount recognized in the statement of financial position. In addition deferred tax is also calculated on tax loss carryforward at the end of the reporting period. Deferred tax assets are only recognized to the extent that it is probable that future taxable income will be generated against which it can be utilized. Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset them.

Basis for recognition of deferred tax asset

Based on an overall assessment of the company's historical earnings and the outlook for future taxable profits, the deferred tax assets were derecognized in 2019. There are no significant factors in 2021 indicating any need to change this assessment at the present time.

Specification of income tax expense

(amounts in NOK 1000)	2021	2020
Tax payable in Norway	0	0
Tax payable in other countries	931	195
Change in deferred tax	0	0
Tax relating to prior periods	0	0
Income tax expense	931	195

Reconciliation of tax expense with tax calculated at nominal rate

(amounts in NOK 1000)	2021	2020
Result before tax	-13 134	-40 398
Tax at nominal rate (22 %)	-2 889	-8 888
Write down of financial assets	0	0
Government grants	-570	-508
Other permanent differences	1 277	300
Change in deferred tax not recognized	3 114	9 291
Income tax expense	931	195

Specification of deferred tax

(amounts in NOK 1000)

	2021	2020	Change
Inventory	0	-303	303
Receivables (loss provisions)	-4 163	-5 543	1 379
Provisions	-872	-657	-215
Fixed assets	2 522	1 060	1 462
Unrealised currency gain on receivables	192	473	-280
Net deferred tax on temporary differences	-2 321	-4 970	2 649
Tax loss carryforward	-33 089	-27 327	-5 763
Total deferred tax	-35 410	-32 297	-3 114
Deferred tax not recognized	-35 410	-32 297	-3 114
Deferred tax recognized	0	0	0

Note 17 – Related parties

There were no transactions with related parties other than group entities in 2021.

Aggregated specification of transactions with group entities

(amounts in NOK 1000)	2021	2020
Cyviz LLC	16 722	23 357
Cyviz Ltd	5 264	1 540
Total sale of goods and services	21 986	24 896
Cyviz LLC	0	0
Cyviz Ltd	0	11 658
Total purchase of goods and services	0	11 658

Amounts above relating to sales includes management fees, presented as other operating income.

Note 18 – Events after the reporting period

The Russia-Ukraine conflict, which remains ongoing at the date of this report, has resulted in a rapidly evolving geo-political situation and introduced a new set of challenges. In order to mitigate the potential impact on the company's operation particularly in respect of potential interruptions of supply chains and cyber risk, Cyviz is monitoring international sanctions and trade control legislation closely and has enforced control mechanisms to manage the elevated security threats imposed to the industry.

About Cyviz

Cyziz is a global technology provider for comprehensive conference and control rooms as well as command and experience centers. Since 1998, Cyviz has simplified the way the digital workforce connect, visualize, and collaborate across technologies and critical data. The IT-driven turnkey solutions are easy to deploy, manage and support. Today, Cyviz serves global enterprises and governments with the highest requirements for usability, security and quality. The cross platform experience Cyviz delivers to manage and control systems and resources across the enterprise makes Cyviz the preferred choice for customers with complex needs.

Find out more on www.cyziz.com or visit one of our Cyviz Experience Centers in Atlanta, Dubai, Jakarta, Houston, London, Oslo, Riyadh, Singapore, Stavanger or Washington DC.

Cyziz is listed on Euronext Growth at the Oslo Stock Exchange

