

Kríta hf.  
Financial Statements 2023\*

*\* These financial statements are translated from the original which is in Icelandic. Should there be discrepancies between the two versions, the Icelandic version will take priority over the translated version.*

Unaudited Financial Statements  
Kríta hf.  
Kalkofnsvegi 2  
101 Reykjavík

Reg. no 581218-1250

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# Endorsement by the Board of Directors and the CEO

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The main activity of The Company is credit activities.

## **Operations for the year 2023 and future prospects**

Operating revenues amounted to ISK 66,0 million in the year 2023, and increased by ISK 33,0 million between years, or about 100%. The net loss of the company during the year 2023 amounted to ISK 14,9 million (2022: 17,9 million)

The Company's equity at year end amounted to ISK 142,4 million (2022: 118,9 million) including the Company's shares in the amount of ISK 99,0 million. Divident allocations is not allowed to shareholders in the year 2024, but the Board of Directors refers to the Financial Statements regarding allocation of losses and other changes in equity.

Average number of employees during the year converted to full-time equivalents was 1,2 (2022: 1,2).

The Company is fully owned by Kríta Finance SE at year end as at the beginning of the year.

The Board of Directors of and CEO of Kríta hf. herby confirm the financial statements of the company for the year 2023 with their signatures. The Board of Directors and CEO propose to the Annual General Meeting to approve the Financial Statements.

Reykjavík, / 2024.

Board of Directors:

CEO:

# Auditor's Report

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To the Board of Directors and Shareholders of Kríta hf.

We have compiled the accompanying financial statements of Kríta hf. based on information the Board of Directors and CEO have provided. These financial statements comprise the endorsement by the board of directors and CEO, the statement of financial position of Kríta hf. as at 31 December 2023, the statement of comprehensive income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist the company in the preparation and presentation of these financial statements in accordance with Icelandic Financial Statements Act No. 3/2006 (IS-GAAP). We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are the Board of Directors and CEO's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with Icelandic Financial Statements Act No. 3/2006.

Reykjavík, / 2024.

**KPMG ehf.**

## Income Statement for the year 2023

	Notes	2023	2022
<b>Operating income</b>			
Revenue .....		65.980.572	33.014.210
<b>Operating expenses</b>			
Purchased service .....		24.086.546	6.561.527
Salaries and salary related expenses .....	7	6.025.044	5.010.837
Other operating expenses .....		5.349.226	3.801.275
Depreciation .....	8	13.021.433	9.136.025
		<u>48.482.249</u>	<u>24.509.664</u>
Operating profit before financial income and expenses .....		17.498.323	8.504.546
<b>Financial items</b>			
Interest income .....		1.464.867	1.062.812
Interest expenses .....		( 35.917.023)	( 20.062.681)
Currency exchange difference .....		2.030.034	( 7.426.250)
		<u>( 32.422.122)</u>	<u>( 26.426.119)</u>
Loss before income tax .....		<u>( 14.923.799)</u>	<u>( 17.921.573)</u>
<b>Loss for the year</b> .....	11	<u>( 14.923.799)</u>	<u>( 17.921.573)</u>

## Balance sheet 31 December 2023

	Notes	2023	2022
<b>Assets</b>			
Software .....	8	32.834.728	20.348.428
Non-current assets		<u>32.834.728</u>	<u>20.348.428</u>
Loans .....		159.793.035	97.102.551
Other receivables .....		196.325	11.342
Cash and cash equivalents .....		2.188.512	17.734.335
Current assets		<u>162.177.872</u>	<u>114.848.228</u>
<b>Total assets</b>		<u><u>195.012.600</u></u>	<u><u>135.196.656</u></u>
<b>Equity</b>			
Share capital .....	10	99.000.000	99.000.000
Other paid-in-capital .....		192.330.572	153.915.516
Accumulated deficit .....		( 148.912.437)	( 133.988.638)
Equity	11	<u>142.418.135</u>	<u>118.926.878</u>
Loans .....		48.334.161	14.133.327
Trade payables .....		2.666.235	1.078.579
Related party payable .....	13	0	126.396
Other current liabilities .....		1.594.069	931.476
Current liabilities		<u>52.594.465</u>	<u>16.269.778</u>
Total liabilities		<u>52.594.465</u>	<u>16.269.778</u>
<b>Total equity and liabilities</b>		<u><u>195.012.600</u></u>	<u><u>135.196.656</u></u>

## Statement of cash flows for the year 2023

	Notes	2023	2022
<b>Cash flows from operating activities:</b>			
Loss for the year .....	11	( 14.923.799)	( 17.921.573)
Operating items that do not affect cash flow:			
Depreciation .....		13.021.433	9.136.025
Currency exchange difference .....	8	671.384	5.865.792
Cash used in operating activities		<u>( 1.230.982)</u>	<u>( 2.919.756)</u>
Changes in current assets and liabilities:			
Short term receivables, increase .....		( 184.983)	( 6.372)
Short term payables, increase (decrease) .....		2.250.249	( 1.504.437)
Changes in operating assets and liabilities		<u>2.065.266</u>	<u>( 1.510.809)</u>
Net cash from used in operating activities		<u>834.284</u>	<u>( 4.430.565)</u>
<b>Cash flows from investing activities</b>			
Investment in software .....		( 25.507.733)	( 9.101.691)
Loans, change? .....		( 62.690.484)	( 47.453.602)
Investment activities		<u>( 88.198.217)</u>	<u>( 56.555.293)</u>
<b>Cash flows from financing activities</b>			
Other paid-in equity .....	11	37.743.672	36.177.190
Other borrowings .....		34.200.834	14.133.327
Related party payables, change .....		( 126.396)	( 1.188.178)
Financing activities		<u>71.818.110</u>	<u>49.122.339</u>
<b>Decrease in cash and cash equivalents .....</b>		<b>( 15.545.823)</b>	<b>( 11.863.519)</b>
<b>Cash and cash equivalents at beginning of the year .....</b>		<b>17.734.335</b>	<b>29.597.854</b>
<b>Cash and cash equivalents at the end of the year .....</b>		<b><u>2.188.512</u></b>	<b><u>17.734.335</u></b>

# Notes

## 1. The Company

Kríta hf. („The Company“) is an Icelandic limited liability company domiciled at Kalkofnsvegi 2 in Reykjavík. The main activity of The Company is credit activities.

## Significant accounting policies

## 2. Basis of preparation

The Financial Statements are prepared in accordance with the Icelandic Financial Statement Act and the regulation for the presentation and contents of Financial Statements. They are based on historical cost method. The Financial Statements are prepared in Icelandic kronur and is prepared using the same accounting policies as in the prior year.

## 3. Foreign currencies

Transactions in foreign currencies are translated to Icelandic krona at the foreign exchange rate at the date of the transaction. Assets and liabilities denominated in foreign currencies are recognised at the foreign exchange rate at the reporting date. Foreign exchange differences arising from translation of assets and liabilities are recognised in the income statement.

## 4. Revenue recognition

Revenue from services is recognised in proportion to the status of the project at year end. The status is assessed based on completed work at year end. Revenue is not recognised if there is significant uncertainty about their collection, related costs, or that the goods may be returned.

## 5. Operating assets

Operating assets are measured at cost less accumulated depreciation and impairment. Depreciation is calculated as a fixed percentage based on the estimated useful life, until the closing price is reached. The estimated useful life's are as follows:

Vehicles and equipment ..... 5 years

## 6. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

## 7. Salaries and salary related expenses

Salaries and salary related expenses are specified as follows:

	2023	2022
Salaries .....	4.943.252	4.680.922
Contribution to pension funds .....	667.339	686.639
Other salary related expenses .....	414.453	396.538
Accrued vacation change .....	0	( 753.262)
Total salaries and salary related expenses .....	<u>6.025.044</u>	<u>5.010.837</u>
Full-time-equivalents at year end .....	1,2	1,2

## 8. Intangible assets

Capitalized software are specified as follows:

	2023	2022
Carrying amount 31.12.2022 .....	20.348.428	20.382.762
Additions during the year .....	25.507.733	13.922.634
Rannís grant recorded against capitalization .....	0	( 4.820.943)
Amortisations for the year .....	( 13.021.433)	( 9.136.025)
Carrying amount 31.12.2023 .....	<u>32.834.728</u>	<u>20.348.428</u>
Amortisation ratio .....	20%	20%

# Notes

## 9. Tax assets

Tax assets are specified as follows:

	2023	2022
Capitalized software .....	2.219.064	1.811.280
Deferred exchange rate difference .....	224.412	629.779
Carry forward tax loss .....	29.137.660	26.159.358
Tax assets provision .....	( 31.581.136)	( 28.600.417)
Tax assets at year-end .....	<u>0</u>	<u>0</u>

## 10. Share capital

The Company's share capital as decided in its Articles of Association amounts to ISK 99,0 million and one vote is attached to each share of ISK 1.

## 11. Changes in equity

	Capital share	Other contributed equity (*)	Accumulated deficit	Total
Equity 1.1.2022	99.000.000	111.872.534	( 116.067.065)	94.805.469
Loss of the year .....	0	0	( 17.921.573)	( 17.921.573)
Equity instrument .....		36.177.190		36.177.190
Exchange rate diff. on equity instrument .....		5.865.792		5.865.792
Equity 31.12.2022 .....	<u>99.000.000</u>	<u>153.915.516</u>	<u>( 133.988.638)</u>	<u>118.926.878</u>
Loss of the year .....			( 14.923.799)	( 14.923.799)
Equity instrument .....		37.743.672		37.743.672
Exchange rate diff. on equity instrument .....		671.384		671.384
Equity 31.12.2023 .....	<u>99.000.000</u>	<u>192.330.572</u>	<u>( 148.912.437)</u>	<u>142.418.135</u>

(\*) According to the Company's articles of association and the loan agreement with the shareholders, the company's Board of Directors is authorized to pay the principle of the loan agreement by issuing new share capital at the rate of 1. The loan agreement is for up to EUR 3 million, and the final maturity date is 31 December 2025. The loan has an interest rate of 15% and the loan interest is paid twice a year.

## 12. Carry forward tax loss

Carry forward tax loss at year end 2023 amounted to ISK 145,7 million. Carry forward loss not used to offset taxable income within ten years expires. Carry forward tax loss at year end 2023 is usable as follows:

	2023	2022
Carry forward loss due to 2018, usable until year-end 2028 .....	131.000	131.000
Carry forward loss due to 2019, usable until year-end 2029 .....	58.951.414	58.951.414
Carry forward loss due to 2020, usable until year-end 2030 .....	49.278.413	49.278.413
Carry forward loss due to 2021, usable until year-end 2031 .....	9.971.502	9.971.502
Carry forward loss due to 2022, usable until year-end 2032 .....	12.464.459	12.464.459
Carry forward loss due to 2023, usable until year-end 2033 .....	14.891.514	
Total carry forward loss .....	<u>145.688.302</u>	<u>130.796.788</u>

# Notes

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## 13. Related party

Related parties are those parties who have a significant influence on the company, directly or indirectly, incl. Parent company, shareholders with control or significant influence, board members, key employees and their families as well as parties that are controlled by or are significantly dependent on the company, e.g. affiliates and joint ventures. Transactions with related parties have been made on a comparable basis as transactions with unrelated parties.

	<b>Purchase of services and goods</b>	<b>Sold services and goods</b>	<b>Interest expense</b>	<b>Payables</b>
Transactions with related parties in the year 2023:				
Krít Finance SE, .....			29.988.785	0
Transactions with related parties in the year 2022				
Krít Finance SE, .....			19.640.603	126.396

During the year 2020, a loan agreement was made with the Company's shareholders, Kríta Finance SE for up to EUR 3 million, with a final maturity date of 31 December 2025. The loan has an interest rate of 15% and the loan interest is paid twice a year. The Company is authorized to pay the principle of the loan by issuing new share capital at a fixed rate.