Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	918 274 758
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	COGNITE AS
Forretningsadresse:	Oksenøyveien 10 1366 LYSAKER

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Nei

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Kjell Inge Aase
Dato for fastsettelse av årsregnskapet:	22.05.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert

År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 25.07.2024

Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenue from customers	7	759 330 000	586 683 000
Other income		31 401 000	6 788 000
Sum inntekter		**790 731 000**	**593 471 000**
Kostnader			
Cost of revenue	8	249 982 000	177 086 000
Employee benefit expenses	9	668 327 000	481 725 000
Depreciation and amortization	16,17	127 802 000	73 197 000
Other operating expenses	12	257 372 000	260 045 000
Share of loss of associates	13	30 375 000	
Sum kostnader		**1 333 858 000**	**992 053 000**
Driftsresultat		**-543 127 000**	**-398 582 000**
Finansinntekter og finanskostnader			
Gain on in-kind contribution to associate	13	13 275 000	
Financial income	14	11 802 000	701 000
Net currency gain		54 704 000	68 755 000
Sum finansinntekter		**79 781 000**	**69 456 000**
Financial expenses	14	6 135 000	16 817 000
Sum finanskostnader		**6 135 000**	**16 817 000**
Netto finans		**73 646 000**	**52 639 000**
Ordinært resultat før skattekostnad		**-469 481 000**	**-345 943 000**
Ordinært resultat etter skattekostnad		**-469 481 000**	**-345 943 000**
Årsresultat		**-469 481 000**	**-345 943 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-469 481 000	-345 973 000
Sum overføringer og disponeringer		**-469 481 000**	**-345 973 000**

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	16	313 497 000	257 211 000
Sum immaterielle eiendeler		**313 497 000**	**257 211 000**
Varige driftsmidler			
Tangible and right-of-use assets	17,18	79 991 000	88 892 000
Sum varige driftsmidler		**79 991 000**	**88 892 000**
Finansielle anleggsmidler			
Investering i annet foretak i samme konsern	19	53 774 000	53 792 000
Lån til foretak i samme konsern	19	173 734 000	27 647 000
Investeringer i tilknyttet selskap	13	217 532 000	
Other non-current assets		1 477 000	1 505 000
Sum finansielle anleggsmidler		**446 517 000**	**82 944 000**
Sum anleggsmidler		**840 005 000**	**429 047 000**
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables	23	197 779 000	148 527 000
Other current assets	24	97 834 000	72 700 000
Sum fordringer		**295 613 000**	**221 227 000**
Investeringer			
Other current financial assets		1 184 000	5 188 000
Sum investeringer		**1 184 000**	**5 188 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	29	419 862 000	1 267 456 000
Sum bankinnskudd, kontanter og lignende		**419 862 000**	**1 267 456 000**
Sum omløpsmidler		**716 659 000**	**1 493 871 000**

Balanse

Beløp i: NOK	Note	2022	2021
SUM EIENDELER		**1 556 664 000**	**1 922 918 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	31	13 991 000	13 991 000
Beholdning av egne aksjer	32	-1 184 000	-1 184 000
Sum innskutt egenkapital		**12 807 000**	**12 807 000**
Opptjent egenkapital			
Share premium		1 022 364 000	1 491 845 000
Retained earnings		44 498 000	7 413 000
Sum opptjent egenkapital		**1 066 862 000**	**1 499 258 000**
Sum egenkapital		**1 079 669 000**	**1 512 065 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Non-current financial liabilities	26	65 517 000	96 008 000
Non-current portion of deferred revenue	7	124 329 000	1 470 000
Sum annen langsiktig gjeld		**189 846 000**	**97 478 000**
Sum langsiktig gjeld		**189 846 000**	**97 478 000**
Kortsiktig gjeld			
Leverandørgjeld		27 173 000	64 217 000
Employee benefit obligations	28	129 941 000	103 798 000
Current portion of deferred revenue	7	40 812 000	49 531 000
Current financial liabilities	25	36 533 000	38 104 000
Other current liabilites	28	52 690 000	57 724 000
Sum kortsiktig gjeld		**287 149 000**	**313 374 000**
Sum gjeld		**476 995 000**	**410 852 000**

Balanse

Beløp i: NOK	Note	2022	2021
SUM EGENKAPITAL OG GJELD		**1 556 664 000**	**1 922 917 000**

To the General Meeting of Cognite AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Cognite AS (the Company), which comprise the balance sheet as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Oslo , 17 March 2023
PricewaterhouseCoopers AS

Anne Kristin Huuse
State Authorised Public Accountant
(This document is signed electronically)

Securely signed with Brevio

Auditor's report

Signers:

Name	*Method*	*Date*
Huuse, Anne Kristin	BANKID	2023-03-17 14:32

COGNITE

Annual Report
2022

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↘ Introduction

Cognite is a global industrial software company, positioned to accelerate the digital transformation of asset-intensive industries by making data available, reliable, and insightful to the people who need it with Cognite's core product, Cognite Data Fusion® (CDF). Cognite Data Fusion turns industrial data into customer value by liberating and contextualizing data, aligning with Cognite's vision to use data and software algorithms to "shape an efficient, safer, and more sustainable industrial future."

Founded in Oslo, Norway, in 2017, Cognite now has a global presence, with offices in the United States of America (US), the United Kingdom (UK) and Japan, as well as employees operating from smaller hubs around the world. Cognite AS referred to in this report as "Cognite" or "the Company" and Cognite AS and its subsidiaries collectively are referred to in this report as "Cognite Group" or "the Group", unless otherwise specified.

Cognite has experienced continued growth, ending the year with 574 global, full-time employees, of which 476 are employed by Cognite AS, representing a mix of experts from across the worlds of technology and industry. Coming from more than 60 countries, Cognite's people bring a wide variety of backgrounds and professional experience from many industrial domains, including oil & gas, power & utilities, manufacturing, and renewable energy.

In 2021, Cognite became Norway's first unicorn after receiving an investment from leading global growth equity firm TCV. That funding round was one of the largest private investment rounds for a SaaS company in Europe and pegged Cognite Group's valuation to $1.6 billion. The investment validated Cognite's technology and strategic direction and augmented the Cognite Board of Directors with additional SaaS expertise.

Also in 2021, Cognite defined Industrial DataOps as a new software product category and positioned Cognite Data Fusion to be the leading Industrial DataOps platform in 2022 and beyond. Industrial DataOps is about breaking down silos and optimizing the broad availability and usability of industrial data, while stressing the importance of collaboration and the focus on integrating data across different parts of an organization.

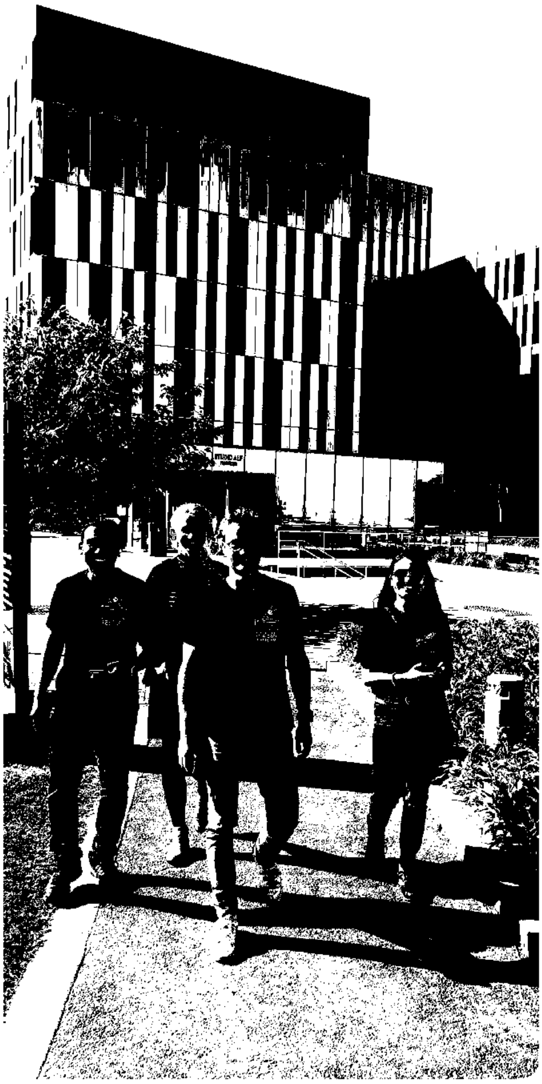
Cognite AS saw momentum accelerate in 2022, with total revenue growing 33% year-on-year to NOK 791 million. The Cognite Board of Directors is pleased with Cognite's performance in its sixth year of operations. In 2023, Cognite will continue to focus on solidifying its strong position in the broader energy sector, while growing its presence in the manufacturing market segment. This will be achieved through increasing the size of the American and Japanese operations, through increasing our sales and marketing efforts, as well as through global partnerships with Rockwell and SLB, and collaborations with Accenture, Google, Microsoft, and other partners.

Media & brand recognition

In 2022, Cognite continued to make headlines worldwide in Forbes, Reuters, BBC, Arab News, and Fortune, as well as in local and trade publications including Offshore Magazine, Manufacturing Today, and Power Magazine. Top news stories included: new partnerships (CNTXT, SLB, Rockwell), Aramco investment, and client announcements (Equinor), as well as thought leadership contributed articles.

Key recognition for Cognite in 2022 included:

- Forrester study finds asset-heavy organizations can expect $21.6M in value after adopting Cognite Data Fusion® as an Industrial DataOps solution
- Frost & Sullivan names Cognite a Technology Innovation Leader
- Verdantix Names Cognite a Market Leader for Condition Monitoring and Environmental Performance in Asset-Heavy Industries
- Cognite Recognized by Microsoft as Energy & Sustainability Partner of the Year Finalist
- Cognite Named to CNBC's Inaugural Top Startups for the Enterprise List
- Built In Honors Cognite in Its Esteemed 2022 Best Places To Work Awards
- Cogniter Sofie Berge recognized as a top leader by Norwegian media outlet E24



↘ Board of Directors Report

Customer & market highlights

Through our unique Cognite Data Fusion industrial DataOps platform, Cognite has a significant opportunity to make a positive contribution towards solving today's global challenges, including climate action, decarbonization, the energy transition, scaling the renewable energy sector, and green recovery.

Cognite's global paying customer base has grown to more than 100 logos in 2022. Cognite continues to focus on three industrial verticals; Energy, Manufacturing and Power & Renewables, and has acquired several important new customers across the verticals, such as Celanese (Manufacturing), B.Braun (Manufacturing), Turkish Petroleum (Energy), Ørsted (Power & Renewables).

Partners & investors

Industrial companies within the Aker Group continue to be important customers and co-creation partners with Cognite, where Aker BP remains a strategic customer in the oil & gas sector, and other companies like Aker Biomarine help drive innovation in manufacturing and the maritime sector.

The year 2022 has been a defining year for Cognite when it comes to significant partnerships. Cognite and Saudi Aramco have officially launched CNTXT in June 2022 as part of the strategic digitalization partnership to serve Saudi Arabia and the greater Middle East and North Africa (MENA) region with Cognite Data Fusion, the Google Cloud Platform, and other value-adding software applications and services. Cognite has a 49% ownership in CNTXT.

Further, Cognite entered a strategic partnership with SLB (ex Schlumberger) in September 2022 to use Cognite Data Fusion® as SLB's data foundation for its software application suite, including Delfi. Cognite Data Fusion became the de-facto platform for powering production data and applications at SLB. Through this partnership, customers can integrate data from reservoirs, wells, and facilities in a single, open platform, and leverage embedded AI and advanced analytics tools to optimize production, reduce costs and decrease operational footprint. SLB will be the lead commercial partner and will provide customers with access to the Enterprise Data Solution in the upstream and midstream oil and gas market. The partners will co-develop compatible applications and solutions, leveraging decades of digital solutions expertise from SLB and the Cognite Data Fusion unique capabilities.

Finally, in October 2022, Rockwell Automation is partnering with Cognite to create an industrial data hub, FactoryTalk DataMosaix. The strategic partnership combines Rockwell's FactoryTalk software with Cognite's Industrial DataOps platform, Cognite Data Fusion, to create the hub. This partnership is the first OEM partnership entered by Cognite and will allow the definition of a new go-to-market motion for the company.

Key global 2022 milestones

- On February 2, 2022, Cognite announced that Saudi Aramco, via its subsidiary Aramco Overseas Company B.V., has invested in Cognite by purchasing 100% of Aker BP's shares in the company.

- On April 1, 2022, Cognite announced the appointment of software industry executive Ryoichi Egawa to the position of President of Cognite Japan. Nori Tokusue, the former president of Cognite Japan, took on the role of Chairman of the Board of Cognite Japan. In addition, Cognite Japan announced the creation of an executive advisory board.

- On April 4, 2022, Girish Rishi, a global enterprise software and technology leader, was appointed CEO. Cognite co-founder and outgoing CEO, Dr. John Markus Lervik, continues to be actively involved in the company as Chief Strategy & Development Officer.

- On May 2, 2022, Aker, via Aker Capital (Aker), Cognite, and Telenor established a software security company to serve industry and operational technology. The company, Omny, fills a gap in the cybersecurity market where there is a great unmet need for software that prevents cyber-attacks and secures businesses' operations.

- On May 19, 2022, Cognite successfully achieved Service Organization Control (SOC) 2 Type II compliance. Achieving this standard through an in-depth independent audit serves as third-party industry validation and demonstrates Cognite's commitment to securely serving companies in asset-heavy industries.

- On June 19, 2022, Aramco and Cognite launched CNTXT, a strategic partnership headquartered in Riyadh, to support industrial digitalization in the Kingdom and the wider MENA region.

- On August 15, 2022, Paul Grenet joined the company as Chief Revenue Officer (CRO). He will be responsible for all aspects of Cognite's revenue performance, including managing its global sales and customer success organizations and executing its go-to-market strategy.

- On September 14, 2022, Schlumberger (NYSE: SLB) and Cognite announced a strategic partnership to integrate Schlumberger's Enterprise Data Solution for subsurface with Cognite Data Fusion®, Cognite's leading open industrial DataOps platform. Through this partnership, customers can integrate data from reservoirs, wells, and facilities in a single, open platform, and leverage embedded AI and advanced analytics tools to optimize production, reduce costs and decrease operational footprint.

- On October 18, 2022, Rockwell Automation, Inc. (NYSE:ROK), the world's largest company dedicated to industrial automation and digital transformation, and Cognite announced a strategic partnership to further unlock the value of manufacturing data and accelerate technological change for the industry. The partnership combines Rockwell's FactoryTalk® software offering of next-generation edge connectivity to plant assets, operations management applications, and industry-tailored analytics with Cognite's leading Industrial DataOps platform, Cognite Data Fusion®, to create an industrial data hub ready for enterprise-wide scaling.

- On November 22, 2022, Cognite announced a long-term frame agreement with Equinor (OSE: EQNR, NYSE: EQNR), a world-leading energy company. The collaboration expands Equinor's data capabilities and further strengthens its digital program focused on global energy security and energy transition.

- On November 30, 2022, Cognite announced the launch of native simulator integration and Hybrid AI workflow capabilities for its leading Industrial DataOps platform, Cognite Data Fusion®. These hybrid AI workflows combine the best of data-driven machine learning and physics-based modeling to deploy advanced digital solutions at scale, including solutions for sensitive production use cases that can reduce costs and increase proactive decision-making that can optimize production.

Product highlights & R&D activities

Cognite develops cloud-based software for industrial data collection, processing and the contextualization of data. In addition, Cognite is building applications that perform advanced analytics, leveraging data from Cognite Data Fusion. Cognite is also developing features that allow Cognite Data Fusion to fuel visualization and analytics suites, commercial off the shelf software, as well as bespoke software. Key research and development activities are driven through Cognite's staff focusing on further maturing and scaling the Cognite product suite.

Cognite Data Fusion is recognized for its open architecture, specialization in data contextualization of IT and OT data, unstructured data handling, and industrial equipment and process data templatization capabilities, providing data fabric services across master data stores. Cognite Data Fusion offers a modular services portfolio and pricing model, enabling clients to enhance functionality and scale the solution step by step, addressing each client's specific needs and digital maturity level. Cognite Data Fusion is built to fulfill the requirements of critical industrial operations, providing transparency and governance across data lineage, data quality monitoring, alerting, data management, and access. It enables operationalization of data-driven solutions by analysts, engineers, and professional data scientists with open SDKs, APIs, and connectors for standard tools and frameworks such as Python, Power BI, and PowerApps. It also gives full transparency and management of both the data and contextualization pipelines for true enterprise-grade data governance.

Cognite is aiming to be a key enabler of the emerging global adoption of Artificial Intelligence (AI) and Machine Learning (ML) in industry. Cognite Data Fusion reduces the number of integrations, understands the various data types, and makes data accessible and enriched in contextualized form to become understandable for humans and machines. Cognite Data Fusion is already a unique product that allows this to take place. In collaboration with partners, we intend to make Cognite Data Fusion the Industrial DataOps platform of choice, helping the world's industrial companies realize vast benefits by leveraging their data inside existing and new workflows.

Cognite is positioning Cognite Data Fusion as a leader in the emerging software category of Industrial DataOps. This new product category presents a significant opportunity for Cognite with an addressable annual recurring revenue market currently estimated in the range of USD 50-60 billion and growing rapidly.

2022 was another year of significant product investment for Cognite, positioning the Company for acceleration and long-term growth. Cognite invested to expand the capabilities of Cognite Data Fusion, and can now deploy Cognite Data Fusion across cloud environments including Microsoft Azure and Google Cloud Platform. Furthermore, Cognite continued to invest in building a number of AI-/ML-based industry applications in the areas of Production Optimization, Maintenance, Remote Inspection, and Field Workers; all enabled and made possible by Cognite Data Fusion and our Digital Twin technologies. Cognite also invested in building and equipping the European sales organization, and in further scaling offices in the US, UK, and Japan. These entities are landing and serving new customers within target verticals, directly and with partners. Additionally, Cognite invested in building and strengthening partner relations both with technology and infrastructure partners, systems integrators, and independent software vendors as well as with several strategy and change management consultancy companies. These investments largely explain the negative cash flows during the year.

Financial performance

The audited financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and associated interpretations as endorsed by the European Union (EU) and Norwegian authorities as at December 31, 2022 and Norwegian disclosure requirements pursuant to the Norwegian Accounting Act as at December 31, 2022. For all periods up to and including the year ended December 31, 2021, the Company prepared its financial statements in accordance with the Norwegian Accounting Act and accounting principles generally accepted in Norway (NGAAP). These financial statements for the year ended December 31, 2022 are the first the Company has prepared in accordance with IFRS. Refer to Note 6 in the Financial Statements for information on how the Company adopted IFRS.

In accordance with section 3-7 of the Norwegian Accounting Act, Cognite is not required to prepare a consolidated set of financial statements, as Cognite is included in the Aker ASA Group consolidated financial statements.

Revenue from customers for the year ended December 31, 2022 for Cognite AS was NOK 759

million, representing 29% year-over-year growth. SaaS related revenue for the year was NOK 521 million, representing 13% year-over-year growth.

This growth was driven both by new customers in oil & gas, power & utilities, and manufacturing, as well as upsell within our current customer base. Our annual recurring revenue includes both recurring SaaS subscription sales of Cognite Data Fusion, as well as software co-development agreements with customers converting to SaaS subscriptions.

The operating result for 2022 for Cognite AS was negative NOK 530 million in comparison to negative NOK 399 million in 2021. The net result for 2022 for Cognite AS was negative NOK 469 million in comparison to negative NOK 346 million in 2021. Cognite AS has an equity ratio of 69% as of December 31, 2022.

Cash flow from operating activities for Cognite AS was negative NOK 458 million in 2022 in comparison to negative NOK 210 million in 2021. This is primarily a reflection of investments made to position Cognite for long-term success, mainly certain non-cash items, primarily consisting of stock-based compensation, net of amounts capitalized, amortization of operating lease right-of-use assets, and amortization of intangible assets, and changes in operating assets and liabilities during the period. The main driver of operating cash flow are the significant investments in personnel costs and cost of revenue. Cash flow from investing activities for Cognite AS was negative NOK 401 million in 2022, as compared to negative NOK 223 million in 2021, mainly due to capitalized product expenditures and advances to subsidiaries. The cash flow from financing activities for Cognite AS was negative NOK 32 million in 2022, as compared to NOK 1,615 million in 2021, driven primarily by proceeds from a capital increase in 2021.

The Board of Directors confirms that the financial statements have been prepared under the assumption of going concern. The basis for the assumption is a combination of financial and strategic forecasts for the coming years. Cognite is in a stable economic and financial position, backed by a diverse portfolio of owners.

Employees & working environment

As of December 31, 2022, Cognite Group had 574 full-time employees globally, a decrease of 29 employees from 603 global employees at December 31, 2021. As of December 31, 2022, 476 employees are employed in Cognite AS.

As a fully-hybrid global workforce, we prioritize digital communication, utilizing the latest technology to keep us connected and productive. In 2022, Cognite continued to invest time and resources in communications technologies to ensure the security and scalability of ways of working, while keeping up a fast pace of growth. Cognite's values are Impact, Velocity, Openness, Curiosity, and Togetherness.

Diversity and inclusion are core to the Cognite business model. Cognite actively recruits and empowers employees from all genders, cultures, and backgrounds, and is committed to being an equal opportunity employer. Cognite Group currently has over 60 nationalities represented across our global employee base. Cognite believes diversity is key to innovation and excellence; that's why there is a focus on building diverse teams and increasing the number of women, e.g., in the software Product Development organization. The gender balance of Cognite's collective employee base is 27% female and 73% male. As of December 31, 2022, our Executive Management Team is 42% female and 58% male. Women are well represented in the leadership group, but are underrepresented in middle management and on the Board of Directors. Cognite's efforts to get more women in management positions is supported by the Cognite Leadership Development Program for People Managers which is an investment in alignment, collaboration, and decisiveness across the organization, as well as an overall c orporate focus on organizational health in these constantly changing times and rapid growth. Key initiatives are the annual celebration of Pride, Equality for Breakfast (an equality and diversity event), and regular bias training.

Cognite is committed to maintaining a working environment with equal opportunities for all based on qualifications, irrespective of gender, ethnicity, sexual orientation, or disability. Cognite does not tolerate any form of discrimination, whether it be social background, political opinion, sensitive medical conditions and so forth. There were no incidents of discrimination reported in 2022. Cognite has an anonymous whistleblowing channel , as well as a bi-annual Employee Engagement Survey, as an effective method of surveying the risk level of discrimination within the organization.

Men and women with the same jobs, with equal professional experience who perform equally well, shall receive the same pay in Cognite. The complexity of the job, discipline area, and work experience affect the pay level of individual employees. Inclusion to Cognite is about creating a work environment where all employees can contribute their full potential. It is first of all a leadership responsibility, but also a responsibility for each individual employee in their daily work.

Employees enjoy freedom of association, and Cognite is committed to maintaining an open and constructive dialogue with the employee representatives through meetings on a regular basis throughout the year. Two local trade unions are registered as being represented at Cognite: Tekna and NITO.
Cognite employees normally work full-time. The opportunity to work part-time is considered a benefit for which a special application must be made.
All Cognite employees based in Oslo have access to an on-site health service center, AkerCare, which provides personal health services, occupational health services and health promotion. In addition, all employees have automatic access to fitness center facilities and flexible exercise policies during working hours. A Cognite insurance package containing travel, industrial injury, group life, and permanent partial or total disability insurance is also offered.

During 2022, sickness leave was a stable level of 2.48% and a total of 15 women and 23 men took out parental leave. In Norway, the average parental leave for women was 15.7 weeks and 10.2 weeks for men .

There have been no injuries involving personnel nor any significant damage to Cognite's assets.

Environmental, social & governance

Cognite aims to achieve carbon neutrality by 2025 and become carbon-negative by 2030. The foundation for Cognite's sustainability strategy lies in Cognite's vision: to use data and technology to "shape an efficient, safer, and more sustainable industrial future." Our sustainability mission is tied to adopting sustainability by design and helping our customers unlock new data-driven opportunities and ways of working that make their operations safer

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and more sustainable over the long term without sacrificing profits.

Cognite's sustainability strategy consists of three pillars:

1. The first is the direct sustainability impact that Cognite has as a corporate entity. Cognite is tracking its own carbon footprint, scrutinizing processes in business practices and product development to ensure that sustainability metrics, direct and indirect, are included and considered every step of the way.

2. The second pillar is where the vast majority of Cognite's sustainability impact will come from: partners and customers. Cognite is adopting an approach to sustainability by design, in which customers and partners use Cognite technology to make progress toward sustainability and climate targets, whether via data transparency and tracking or active execution on waste reduction, emission reduction, and ecosystem protection. This is embedded in the work Cognite's teams do every day, and the results of this approach are further explained in later sections outlining client sustainability use cases.

3. The third pillar goes beyond current digitalization initiatives and corporate metrics and is about investing in the future to accelerate innovation in clean tech. To Cognite, this means investing in technology specifically geared toward projects that help scale the energy transition, and contributing to projects in renewables, clean hydrogen and carbon capture.

While Cognite does not directly pollute the external environment, the Company is critically aware of its own energy consumption, particularly by its computing resources, and the resultant potential climate impacts. That's why Cognite carefully uses the most energy efficient data centers in the market. Cognite has chosen cloud providers that have a strong focus on sustainability.

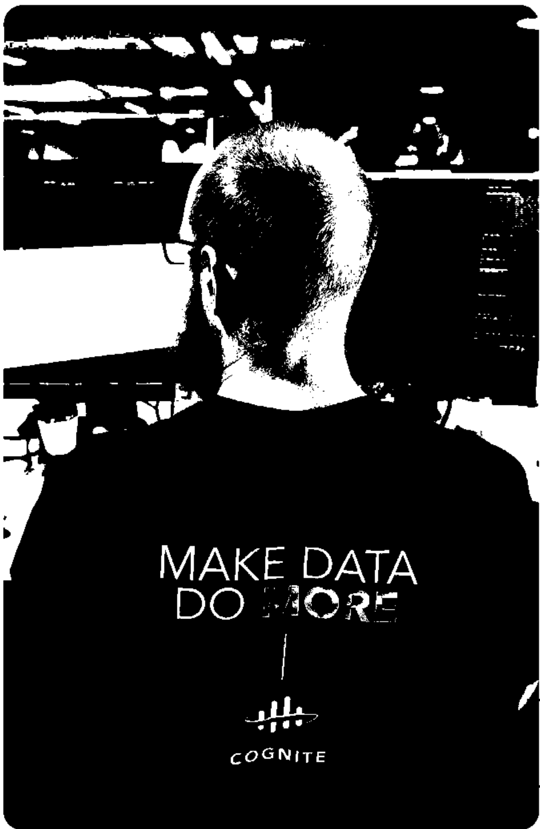
At **www.cognite.com** several use cases describe how Cognite, with the use of technology, has helped customers reduce their Greenhouse Gas Emissions, drive energy efficiency, reduce waste, and protect biodiversity. The use cases represent a small selection of examples of the many ways Cognite works with its global customers. Cognite also supports the Norwegian Cancer Society and Stiftelsen VI, a non-profit foundation working for equality of all athletes including para-athletes.

Governance of ESG at Cognite

Cognite has adopted and implemented a corporate governance framework which, in all material respects, complies with the Norwegian code of practice for Corporate Governance. During the year, Cognite has confirmed its corporate governance framework by being recertified under ISO 27001 and ISO 9001.

Cognite's sustainability policy describes how sustainability is integrated across Cognite's operations and products, including how it's governed. The sustainability policy is supplemented by Cognite's Code of Conduct and annual corporate risk assessment. The sustainability policy is reviewed by the SVP Global Delivery and approved by Cognite's Audit Committee.

To implement our sustainability policy, commitments, and strategy, Cognite has developed a roadmap to



enable a phased approach to maximize our impact as we grow and evolve. Cognite has rolled out a series of initiatives and is building a team to ensure that the strategy can be put into practice. In the short term we will assess our processes and business practices to ensure that sustainability is embedded in the way that Cognite conducts business and in our engagement with clients and partners. Workstreams will be created to include and expand market relevant sustainability capabilities into all products and solutions to ensure that the positive impact of our technology can be created, measured and reported on in a transparent way.

ESG-related risk that Cognite generates or faces is regularly (at a minimum annually) assessed, and Cognite's targets, action plans, and performance results are reviewed by our Executive Management Team and Board of Directors accordingly. Cognite has created an initial management system to guide the team in this work, document the work and performance, and transparently report on progress to stakeholders on an annual basis.

It is the responsibility of the Executive Management Team to execute on this policy, revise it, and make it known among all employees.

Ethics and integrity

The Code of Conduct is Cognite's key governing document. It outlines clear principles and rules for how to conduct business and how employees are expected to behave. The Code of Conduct applies to all employees and everyone acting on behalf of Cognite. Cognite expects its vendors, contractors, and other partners to commit to the same high ethical standards that it follows itself. Cognite also has other, more detailed policies for expected business conduct.

Data privacy

Cognite is committed to protecting your personal data while performing our business and delivering our services. Our full privacy statement is available at **www.cognite.com/en/policy**.

Data security

Cognite has established a Security Risk Assessment and Risk Treatment Methodology to support a consistent approach to assess and treat security risks. This methodology is currently being aligned with the Enterprise Risk Policy.

Regulatory situation

For annual and sustainability reporting, Cognite is currently covered by the reporting requirements in the Diversity and Transparency Act as well as the Health and Safety in the Accounting Act §3.3a. As the regulatory requirements are expected to increase going forward, it's expected that Cognite will be

covered by the EU Taxonomy and will need to report KPIs related to environment and sustainability. The EU Corporate Sustainability Reporting Directive may apply from the reporting year 2023. The Transparency Act report 2022 will be published under Cognite's Corporate Ethics section of the Company website by 30 June 2023.

Compliance training

Cognite provides relevant and up-to-date e-learning to all our employees. The training includes ethics, anti-bribery, corruption, conflict of interest, sanctions & export control, gifts & hospitality, insider trading, IPR and privacy. The training and awareness program is refreshed and updated annually, ensuring that employees are up to date with changes and new legal requirements. Cognite achieved 100% completion for 2022 annual compliance training.

Financial risks

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations leading to a financial loss. Cognite is exposed to credit risk primarily through trade receivables and has not suffered any losses in its five years of operations. The solid customer base, which consists primarily of large oil & gas, power & utilities, and manufacturing companies in Europe, the US and the Middle East, limits the risk of holding bad debt, thus, no provision has been made.

Liquidity risk
On the operations side, Cognite is exposed to limited liquidity risk given long-term customer agreements.

Market risk
Cognite is exposed to foreign exchange risk in its ordinary business, which can impact profit margin. Cognite's operating expenses are primarily denominated in Norwegian kroner and Cognite does not use financial instruments to hedge currency risk but is continuously evaluating its exposure to currency. Cognite also maintains significant cash balances in Euro and US dollar. Changes in currency rates can impact net profit.

On the product development side, developing and evolving new technologies is complex, and in some cases, requires long development and testing periods.

Delays in new releases or challenges in creating new products or services could adversely impede commercial progress and thus impact financials.

Cognite is not considered to be exposed to significant direct capital market risk, as it does not hold market-based instruments. To mitigate the ongoing risks for Cognite, a risk management policy was established to identify and monitor risks on a proactive and ongoing basis.

Operational risk
Cognite has experienced rapid revenue growth, which may not be indicative of future performance, as well as a limited operating history, both of which make it difficult to forecast future results of operations.

The markets in which Cognite operates are highly competitive, and if the Company does not compete effectively, the business, financial condition, and results of operations could be harmed. Further, if Cognite fails to innovate in response to changing customer needs and new technologies and other market requirements, the business, financial condition, and results of operations could be harmed.

Subsequent events

On January 9, 2023, Cognite announced two appointments to lead the company's scaling efforts for its next stage of growth. Cognite's new executive leaders are Moe Tanabian, Chief Product Officer (CPO) and Liat Berger, Chief Human Resources Officer (CHRO).

Outlook

Cognite's flagship product CDF is established as a core technology within industrial software, which is expected to grow significantly over the coming years.

Cognite has a foothold in the oil and gas industry which was accelerated through the deep partnership with SLB. The company is also investing in maturing the nascent positions within manufacturing and the power & renewables industry. This provides a base for further international expansion, continued recruitment of talent from around the world, further development of good customer relationships and partners and continued growth.

Cognite has experienced significant year-on-year growth, and is forecasted to continue to grow . Cognite's growth will be driven through gaining new customers across existing and developing industry verticals and geographies as well as the scaling of contracts with existing customers as Cognite's software products continue to mature, scale, and diversify.

Cognite is planning to continue to make significant investments in its products, including investments in further developing Cognite Data Fusion together with key partners such as SLB for oil and gas and Rockwell for manufacturing. We will seek to provide more value into the core business workflows of Industrial Operations, while continuing to extend the maintainability of the software from an IT point-of-view.

We see that the Cognite Data Fusion DataOps platform and applications are bringing value to customers. We also see that Cognite's product functionality matures while the scope widens. Cognite's customer base is broadening, and the digitalization trend is accelerating. Cognite's software product offerings are well positioned to help companies increase productivity, reduce costs, and improve the sustainability of their operations.

Annual results and allocation

The Board proposes that Cognite AS's 2022 annual loss of NOK 469 million be transferred to Equity as follows:

Transferred to Paid-In Capital:	
	NOK 469 million
Total allocated:	
	NOK 469 million

Lysaker, March 17, 2023

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Chairman of the Board

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Ole Alexander Konstad
Member of the Board

Statement of comprehensive income for the years ended December 31 – Cognite AS

Amounts in NOK thousand

	NOTE	2022	2021
Revenue from customers	7	759,330	586,683
Other income		31,401	6,788
Total operating revenues		**790,731**	**593,471**
Cost of revenue	8	249,982	177,086
Employee benefit expenses	9	668,327	481,725
Depreciation and amortization	16, 17	127,802	73,197
Other operating expenses	12	257,372	260,045
Total operating expenses		**1,303,483**	**992,053**
Share of loss of associates	13	(30,375)	-
Gain on in-kind contribution to associate	13	13,275	-
Operating loss		**(529,852)**	**(398,582)**
Net currency gain		54,704	68,755
Financial income	14	11,802	701
Financial expenses	14	(6,135)	(16,817)
Net financial income (expense)		**60,371**	**52,639**
Loss before tax		**(469,481)**	**(345,943)**
Tax expense	15	-	-
Net loss and comprehensive income (loss)		**(469,481)**	**(345,943)**

The accompanying notes are an integral part of the financial statements.

Balance sheet as of December 31
Cognite AS

Amounts in NOK thousand

ASSETS	NOTE	2022	2021	January 1, 2021
Intangible assets	16	313,497	257,211	112,525
Tangible and right-of-use assets	17, 18	79,991	88,892	94,321
Investments in subsidiaries	19	53,774	53,792	58,300
Investment in associates	13	217,532	-	-
Intercompany loans	19	173,734	27,647	-
Other non-current assets		1,477	1,505	301
Total non-current assets		**840,006**	**429,047**	**265,447**
Accounts receivables	23	197,779	148,527	137,511
Other current assets	24	97,834	72,700	105,701
Other current financial assets		1,184	5,188	-
Cash and cash equivalents	29	419,862	1,267,456	17,088
Total current assets		**716,658**	**1,493,871**	**260,300**
Total assets		**1,556,664**	**1,922,918**	**525,747**

Amounts in NOK thousand

EQUITY AND LIABILITIES	NOTE	2022	2021	January 1, 2021
Share capital	31	13,991	13,991	10,960
Treasury shares	32	(1,184)	(1,184)	(95)
Share premium		1,022,364	1,491,845	8,079
Retained earnings		44,498	7,413	2,974
Total equity		**1,079,669**	**1,512,066**	**21,918**
Non-current financial liabilities	26	65,517	96,008	179,008
Non-current portion of deferred revenue	7	124,329	1,470	441
Total non-current liabilities		**189,846**	**97,478**	**179,449**
Accounts payable		27,173	64,217	59,501
Employee benefit obligations	28	129,941	103,798	84,564
Current portion of deferred revenue	7	40,812	49,531	24,361
Current financial liabilities	25	36,533	38,104	152,410
Other current liabilities	28	52,690	57,724	3,544
Total current liabilities		**287,149**	**313,374**	**324,380**
Total liabilities		**476,995**	**410,852**	**503,829**
Total equity and liabilities		**1,556,664**	**1,922,918**	**525,747**

The accompanying notes are an integral part of the financial statements.

Lysaker, March 17, 2023

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Ole Alexander Konstad
Member of the Board

↘ Cash flow statement for the years ended December 31 – Cognite AS

Amounts in NOK thousand

	NOTE	2022	2021
Operating activities			
Loss before tax		(469,481)	(345,943)
Depreciation	17	30,237	73,197
Amortization of intangible assets	16	92,782	-
Impairment loss on intangible assets	16	4,782	-
Share-based payment compensation expense	9	37,085	4,440
Share of loss of associates	13	30,375	-
Gain on in-kind contribution to associate	13	(13,275)	-
Net financial income (expense)	14	(60,371)	(52,639)
Working capital adjustments:			
Changes in accounts receivable		(49,252)	(9,852)
Changes in other current assets		4,050	(21,129)
Changes in accounts payables		(37,044)	4,716
Changes in deferred revenue		(9,199)	(26,070)
Changes other current liabilities		1,219	131,895
Changes in all other working capital items		(26,590)	40,372
Interest received		11,800	700
Interest paid		(4,676)	(9,736)
Net cash (outflow) from operating activities		**(457,559)**	**(210,051)**
Investing activities			
Investments in tangible and intangible assets	16, 17	(166,931)	(200,378)
Investment in associate	13	(88,340)	-
Investment in subsidiaries	19	(146,087)	(22,989)
Net cash (outlfow) from investing activities		**(401,358)**	**(223,367)**
Financing activities			
Proceeds from long-term debt		-	50,341
Payments long-term debt		(17,500)	(145,596)
Payments leases		(27,600)	(16,851)
Proceeds from capital increase		-	1,728,226
Net change in own shares		-	(1,089)
Net cash (outflow) / inflow from financing activities		**(45,100)**	**1,615,031**
Net increase (decrease) in cash and cash equivalents		**(904,016)**	**1,181,613**
Cash and cash equivalents at the beginning of year		1,267,456	17,088
Foreign currency effects on cash and cash equivalents		56,422	68,755
Cash and cash equivalents at the end of year	**29**	**419,862**	**1,267,456**

The accompanying notes are an integral part of the financial statements.

Statement of changes in equity Cognite AS

Amounts in NOK thousand

	Number of shares (000s)	Share capital	Treasury shares	Share premium	Retained earnings	Total equity
January 1, 2021, as previously stated	10,960	10,960	2,038	5,946	-	18,944
IFRS adjustment	-	-	-	-	2,974	2,974
Restatements	-	-	(2,133)	2,133	-	-
As at January 1, 2021, as restated	**10,960**	**10,960**	**(95)**	**8,079**	**2,974**	**21,918**
Net loss	-	-	-	(345,943)	-	(345,943)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	(345,943)	-	(345,943)
Share based payments	-	-	-	-	4,440	4,439
Share issuance, net of issuance costs	2,706	2,706	-	1,725,520	-	1,728,226
Debt conversion	325	325	-	104,189	-	104,514
Change in treasury shares	-	-	(1,089)	-	-	(1,089)
As at December 31, 2021	**13,991**	**13,991**	**(1,184)**	**1,491,845**	**7,414**	**1,512,066**
Net loss	-	-	-	(469,481)	-	(469,481)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	(469,481)	-	(469,481)
Share based payments					37,085	37,085
As at December 31, 2022	**13,991**	**13,991**	**(1,184)**	**1,022,364**	**44,498**	**1,079,669**

The accompanying notes are an integral part of the financial statements.

↘ Notes to the financial statements Cognite AS

Note 1 – Reporting identity

Cognite AS (Cognite or the Company) is a privately held Norwegian entity founded in Oslo, Norway in 2017. Cognite AS's separate financial statements include a statement of comprehensive income, balance sheet, statement of cash flows and statement of changes in equity. Cognite does not prepare a consolidated set of financial statements as it is included in the Aker ASA's consolidated financial statements.

TRG Holding AS is the ultimate parent company for Cognite AS. TRG Holding AS has its registered offices at Oksenøyveien 10, 1366 Lysaker. The consolidated financial statements of the intermediate parent, Aker ASA, which include Cognite AS and subsidiaries, can be accessed online at **www.akerasa.com**.

Cognite is a global industrial software company, positioned to accelerate the digital transformation of asset-heavy industries by making data available, reliable, and insightful to the people who need it with the Company's core product, Cognite Data Fusion® (CDF). CDF turns industrial data into customer value by liberating and contextualizing data, aligning with the company's vision to use data and technology to shape an efficient, safer, and more sustainable industrial future.

Note 2 – Basis for preparation and estimates and assumptions

2.1 – Statement of compliance

Cognite has prepared its 2022 separate financial statements in accordance with International Financial Reporting Standards (IFRS) and associated interpretations as endorsed by the European Union (EU) and Norwegian authorities as at December 31, 2022 and Norwegian disclosure requirements pursuant to the Norwegian Accounting Act as at December 31, 2022. For all periods up to and including the year ended December 31, 2021, the Company prepared its financial statements in accordance with the Norwegian Accounting Act and accounting principles generally accepted in Norway (NGAAP). These financial statements for the year ended December 31, 2022 are the first the Company has prepared in accordance with IFRS. Refer to Note 6 for information on how the Company adopted IFRS.

The 2022 financial statements were approved by the Board of Directors on March 17, 2023. The annual accounts will be submitted to Cognite's annual general meeting for final approval.

2.2 – Functional currency and presentation currency

The financial statements are presented in thousands of Norwegian kroner. The Norwegian krone (NOK) is the functional currency of Cognite. As a result of rounding differences, amounts and percentages may not add up to the total.

2.3 – Use of estimates and assumptions

The application of accounting policies requires that management make estimates and judgments in determining certain revenues, expenses, assets, and liabilities. The following areas involve a significant degree of judgment and complexity, and may result in significant variation in amounts:

a. Capitalized software development – Note 16
b. Fair value of share-based payments – Notes 10 and 4.7
c. Revenue recognition - Notes 7 and 4.3

Note 3 – New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the year ending December 31, 2022. The Company has chosen not to early adopt any new or amended standards in preparing the financial statements for 2022. None of these standards are expected to have a material impact on the accounts at implementation.

Note 4 – Accounting principles

The accounting principles presented below have been applied consistently for all periods that are presented in the financial statements. In the event of material changes to the accounting principles, comparative figures are restated in accordance with the new principles.

4.1 – Accounting for subsidiaries and associates

Subsidiaries are entities controlled by the Company. The Company accounts for its investments in subsidiaries under the cost method.

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the separate financial statements include the Company's share of the profit or loss of the associate until the date on which significant influence ceases.

4.2 – Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency of the transacting entity by applying the rate of exchange as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity at the rate of exchange at the balance sheet date. Currency gains or losses are included in net currency gain (loss) in the statement of comprehensive income.

4.3 – Revenue recognition

Cognite accounts for revenue in accordance with IFRS 15 **Revenue from Contracts with Customers**. Revenue is recognized upon transfer of control of products or services to customers at an amount that reflects the transaction price the Company expects to receive in exchange for the software or services. The Company's contracts with customers often include the delivery of multiple products and services, which are generally capable of being distinct and accounted for as separate performance obligations. The accounting for a contract or contracts with a customer that contain multiple performance obligations requires the Company to allocate the contract or contracts' transaction price to the identified distinct performance obligations. A performance obligation is a promise in a contract with a customer to transfer products or services that are distinct. Determining whether products and services are distinct performance obligations that should be accounted for separately or combined as one unit of accounting may require significant judgment.

In determining whether services are distinct, we consider the following factors for each services agreement: Availability of the services from other vendors, the nature of the services, the timing of when the services contract was signed in comparison to the subscription start date and the contractual dependence of the service on the customer's satisfaction with the services work. To date, we have concluded that services that are not included in contracts with multiple performance obligations are generally distinct. Cognite has several contracts that include performance obligations for both subscription revenue and service revenue related to customization and implementation services. The Company has concluded that the customization and implementation services are distinct from the subscription revenue. This is primarily based on the availability of the services from other vendors. This is a judgement and if the Company had concluded that these services were not distinct from the subscription revenue the timing of the recognition of the service revenue would be different and over a longer period than the current policy.

We allocate the transaction price to each performance obligation on a relative standalone selling price (SSP) basis. The SSP is the price at which we would sell a promised product or service separately to a customer. Judgment is required to determine the SSP for each distinct performance obligation. We determine SSP by considering our overall pricing objectives and market conditions. Significant pricing practices taken into consideration include our discounting practices, the size and volume of our transactions, the customer demographic, the geographic area where services are sold, price lists, our go-to-market strategy, historical sales and contract prices. In instances where we do not sell or price a product or service separately, we determine relative fair value using information that may include market conditions or other observable inputs. As our go-to-market strategies evolve, we may modify our pricing practices in the future, which could result in changes to SSP.

The timing of revenue recognition often differs from contract payment schedules, resulting in revenue that has been earned but not invoiced. These amounts are included in unbilled receivables as part of other current assets. Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as part of deferred revenue.

The Company's revenue generally consists of software-as-a-service (SaaS) Software subscriptions, Services and Other Revenue.

4.3.1 SaaS Software subscription revenue

The Company's hosted SaaS application, Cognite Data Fusion, which allows customers to use hosted software over the contract period without taking possession of the software, is provided on a subscription basis, and revenue is recognized straight line over the non-cancellable contract period.

4.3.2 Services revenue

The Company provides several different services to its customers. Services provided by Cognite to customers include services related to implementation, customization, support, project management, data science, solution architecture, software engineering and relevant domain expertise.

Revenue from services is recognized in the month the service is provided. Revenue from services is based on fixed service fees, or on actual time and material usage. Under both, revenue is recognized over the period the services are provided.

4.3.3 Other income
Other income represents amounts received for sublet of office space, amounts received for execution of seminars or amounts invoices to associates for secondment of employees to associates. Sublet income is recognized on a straight-line basis over the lease term. Amounts received for seminars are recognized as the seminars are held. Amounts invoiced for secondment of employees is recognized for the period of the services provided.

4.4 – Income tax

Current and deferred income taxes are recognized as an expense or recovery in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss.

4.4.1 Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Company operates and generates taxable income.

4.4.2 Deferred income tax
Deferred income tax assets and liabilities are recorded for the temporary differences between transactions that have been included in the consolidated financial statements or income tax returns. Deferred income taxes are provided for using the liability method. Under the liability method, deferred income taxes are recognized for all significant temporary differences between the tax and financial statement bases of assets and liabilities and for certain carry-forward items.

Deferred income tax assets are recognized only to the extent that, in the opinion of management, it is probable that the deferred income tax assets will be realized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of the enactment or substantive enactment. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4.4.3 Uncertain tax positions
The Company periodically evaluates the positions taken in its tax returns with respect to situations in which applicable tax rules may be subject to interpretations. The Company establishes provisions related to tax uncertainties where appropriate, based on an estimate of the amount that will ultimately be paid to the tax authorities.

4.5 – Leases in which the Company is a lessee

4.5.1 Identifying a lease
At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

4.5.2 The Company as a lessee
The Company leases office spaces in Oslo and Stavanger. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to these components based on their standalone prices.

4.5.3 Recognition of leases and exemptions
At the lease commencement date, the Company applies a single recognition and measurement approach for all leases, except for short-term leases (defined as 12 months or less) and leases of low-value assets. For leases covered by the exemptions, the Company recognizes the lease payments as other operating expenses in the statement of comprehensive income when they occur.

4.5.4 Lease liabilities
The Company measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Company is reasonably certain to exercise this option.

The lease payments included in the measurement of the lease liability comprise of (i) fixed lease payments (including in-substance fixed payments), less any lease incentives receivable, (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date, iii) the exercise price of a purchase option, if the Company is reasonably certain to exercise that option, and (iv) payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.
The Company determines its incremental borrowing rate by:

- using a build-up approach that starts with a risk-free interest rate adjusted for credit risk for the Company
- making adjustments specific to the lease, e.g. term, country and security.

The Company is exposed to potential future increase in variable lease payments based on the consumer price index, which are not included in the lease liability until they take effect. When adjustments to the lease payments based on the consumer price index take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Company does not include variable lease payments in the lease liability. Instead, the Company recognizes these variable lease expenses in profit or loss.

4.5.5 Operating leases
For operating leases, the Company recognizes lease payments as other income, mainly on a straight-line basis, unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The Company recognizes costs incurred in earning the lease income in other operating expenses.

4.5.6 The Company as the lessor
The Company subleases portions of its office space for leases with 12 month terms. Lease payments are recognized on a straight-line basis over the lease term in the statement of comprehensive income over the lease term.

4.6 – Asset impairments

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposable and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cashflows which are largely independent of the cash flows from other assets or groups of assets (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of the reporting period.

4.7 – Stock-based compensation

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled share-based payment transactions). Share-based payment transactions include transactions settled in the Company's own shares until the reorganization in 2022. Subsequent to the reorganization, all share-based payments include transactions settled in Cognite Holding AS shares. In both cases, Cognite recognizes an expense for the employee services received.

4.7.1 Equity-settled share-based payment transactions
The cost of equity-settled share-based payment transactions are determined by the fair value at the date when the grant is made using an appropriate valuation model (the Black-Scholes Model).

That cost is recognized in employee benefits expense, together with a corresponding increase in equity (retained earnings), over the period in which the service conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled share-based payment transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of comprehensive income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Note 5 – Financial risk disclosures

5.1 – Credit risk

Credit risk is managed on a Company basis. For banks and financial institutions, only independently rated parties with a minimum rating of A or AA are accepted. The Board has set maximum deposit limits based on the rating. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

Cognite has significant concentrations of credit risk through exposure to its customers in the oil and gas industry. The Company has 75% and 82% of revenue to customers in the oil and gas industry for 2022 and 2021, respectively. In addition, Cognite has exposure to individual customers and the significant cash balance on deposit in one bank.

Cognite also generated 63% and 79% of revenue for 2022 and 2021, respectively from customers in Norway.

Individual significant customers are as follows:

	2022	2021
Aker Solutions	20%	22%
Aker BP	13%	15%

All of the entity's receivables from subsidiaries accounted for at amortized cost are considered to have low credit risk. See Note 23 for information on the allowance for credit losses.

5.2 – Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of cash on hand to meet obligations when due. At the end of the reporting period, the Company held deposits at call of 420 mNOK as of December 31, 2022 (as of December 31, 2021; 1,267 mNOK). Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining significant cash balances. Management monitors forecasts of the Company's liquidity reserve (comprising the cash and cash equivalents (Note 29)) on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these. The contractual maturities of the financial liabilities at the reporting date are included in Notes 26 and 18.

5.3 – Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk, primarily NOK, USD and EUR. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant entity.

The Company primarily earns revenue in NOK, USD and EUR. Expenses for the Company are primarily incurred in NOK and USD. The Company aims to mitigate potential foreign currency fluctuations by maintaining cash balances in NOK, USD and EUR.

The Company has multiple loans between Cognite AS and its subsidiaries which are denominated in USD, JPY and GBP (the functional currency of the respective subsidiary). Management considers the primary exchange exposure for the Company to be the loans to subsidiaries, cash balances and accounts receivable balances. The cash balance in the Company as of December 31, 2022 was denominated in NOK, USD and EUR.

The sensitivity analysis depicted in the table below reflects the effect on the Company's loss and comprehensive income if the following currencies had strengthened or weakened against the functional currency of the Company (holding all other variables constant).

Amounts in NOK thousand	Change in exchange rate	Impact 2022	Impact 2021
Currency			
USD	+/- 10%	32,274	92,822
Euro	+/-10%	10,968	7,953

5.4 – Interest rate risk

Cognite's main interest rate risk arises from long-term borrowing with a variable rate, which exposes the Company to cash flow interest rate risk.

During 2022 and 2021, the Company's borrowing at a variable rate was denominated in NOK. The Company's borrowing and receivables are carried at amortized cost.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

Amounts in NOK thousand	2022	2021
Variable rate borrowings	30,000	40,000
% of total loans	100%	84%
Fixed rate borrowings	NA	7,500
% of total loans	NA	16%
Total borrowings	30,000	47,500

Sensitivity
Profit or loss is sensitive to higher/lower interest expense from borrowings and interest income from cash and cash equivalents as a result of changes in interest rates. The sensitivity analysis depicted in the table below reflects the effect on the Company's loss (negative value is increase in loss) and comprehensive income and the Company's equity if the basis points interest rates had increased or decreased at the reporting date.

	Impact on (loss) and equity	
Amounts in NOK thousand	2022	2021
Interest rates - increase by 70 basis points (2021 - 60 bps)	(151)	(239)
Interest rates - decrease by 100 basis points (2021 - 80 bps)	216	318

5.5 – Capital management

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain sufficient cash balances to finance two years of operations.

In order to maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares.

Note 6 – Transition to IFRS

This note explains the principal adjustments made by the Company in restating its NGAAP financial statements, including the statement of financial position as of January 1, 2021 and the financial statements as of, and for, the year ended December 31, 2021.

6.1 – Exemptions applied

IFRS 1 **First-time Adoption of International Financial Reporting Standards** allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Company has applied the following exemption:

- IFRS 16 **Leases**: The Company assessed all contracts existing at January 1, 2021 to determine whether a contract contains a lease based upon the conditions in place as at January 1, 2021. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at January 1, 2021. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before January 1, 2021. The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognized as an expense on either a straight-line basis over the lease term or another systematic basis.

6.2 – Estimates

The estimates at January 1, 2021 and at December 31, 2021 are consistent with those made for the same dates in accordance with NGAAP (after adjustments to reflect any differences in accounting policies).

Reconciliation of equity as of January 1, 2021

Amounts in NOK thousand	NGAAP	Revenue recognition	Capitalized software development	Leasing	Total reclassification & remeasurements	IFRS
Intangible assets	110,901	-	1,624	-	1,624	112,525
Tangible and right-of-use assets	2,933	-	-	91,388	91,388	94,321
Investments in subsidiaries	58,300	-	-	-	-	58,300
Investment in associates	-	-	-	-	-	-
Intercompany loans	-	-	-	-	-	-
Other non-current assets	151	150	-	-	150	301
Total non-current assets	**172,285**	**150**	**1,624**	**91,388**	**93,162**	**265,447**
Accounts receivables	137,511	-	-	-	-	137,511
Other current assets	104,060	1,641	-	-	1,641	105,701
Other current financial assets	-	-	-	-	-	-
Cash and cash equivalents	17,088	-	-	-	-	17,088
Total current assets	**258,659**	**1,641**	-	-	**1,641**	**260,300**
Total assets	**430,944**	**1,791**	**1,624**	**91,388**	**94,803**	**525,747**
Share capital	10,960	-	-	-	-	10,960
Treasury shares	(95)	-	-	-	-	(95)
Share premium	8,079	-	-	-	-	8,079
Retained earnings	-	1,350	1,624	-	2,974	2,974
Total equity	**18,944**	**1,350**	**1,624**	-	**2,974**	**21,918**
Non-current financial liabilities	102,314	-	-	76,694	76,694	179,008
Non-current portion of deferred revenue	-	441	-	-	441	441
Total non-current liabilities	**102,314**	**441**	-	**76,694**	**77,135**	**179,449**
Accounts payable	59,501	-	-	-	-	59,501
Employee benefit obligations	84,564	-	-	-	-	84,564
Current portion of deferred revenue	24,361	-	-	-	-	24,361
Current financial liabilities	137,716	-	-	14,694	14,694	152,410
Other current liabilities	3,544	-	-	-	-	3,544
Total current liabilities	**309,686**	-	-	**14,694**	**14,694**	**324,380**
Total liabilities	**412,000**	**441**	-	**91,388**	**91,829**	**503,829**
Total equity and liabilities	**430,944**	**1,791**	**1,624**	**91,388**	**94,803**	**525,747**

Reconciliation of equity as of December 31, 2021

Amounts in NOK thousand	NGAAP	Revenue recognition	Capitalized software development	Leasing	Total reclassification & remeasurements	IFRS
Intangible assets	239,787	-	17,424	-	17,424	257,211
Tangible and right-of-use assets	3,798	-	-	85,094	85,094	88,892
Investments in subsidiaries	53,792	-	-	-	-	53,792
Investment in associates	-	-	-	-	-	-
Intercompany loans	27,647	-	-	-	-	27,647
Other non-current assets	-	1,505	-	-	1,505	1,505
Total non-current assets	**325,024**	**1,505**	**17,424**	**85,094**	**104,023**	**429,047**
Accounts receivables	148,527	-	-	-	-	148,527
Other current assets	72,550	150	-	-	150	72,700
Other current financial assets	5,188	-	-	-	-	5,188
Cash and cash equivalents	1,267,456	-	-	-	-	1,267,456
Total current assets	**1,493,721**	**150**	-	-	**150**	**1,493,871**
Total assets	**1,818,745**	**1,655**	**17,424**	**85,094**	**104,173**	**1,922,918**
Share capital	13,991	-	-	-	-	13,991
Treasury shares	(1,184)	-	-	-	-	(1,184)
Share premium	1,491,845	-	-	-	-	1,491,845
Retained earnings	(8,677)	185	17,424	(1,518)	16,091	7,414
Total equity	**1,495,975**	**185**	**17,424**	**(1,518)**	**16,091**	**1,512,066**
Non-current financial liabilities	30,000	-	-	66,008	66,008	96,008
Non-current portion of deferred revenue	-	1,470	-	-	1,470	1,470
Total non-current liabilities	**30,000**	**1,470**	-	**66,008**	**67,478**	**97,478**
Accounts payable	64,217	-	-	-	-	64,217
Employee benefit obligations	103,798	-	-	-	-	103,798
Current portion of deferred revenue	49,531	-	-	-	-	49,531
Current financial liabilities	17,500	-	-	20,604	20,604	38,104
Other current liabilities	57,724	-	-	-	-	57,724
Total current liabilities	**292,770**	-	-	**20,604**	**20,604**	**313,374**
Total liabilities	**322,770**	**1,470**	-	**86,612**	**88,082**	**410,852**
Total equity and liabilities	**1,818,745**	**1,655**	**17,424**	**85,094**	**104,173**	**1,922,918**

Reconciliation of total comprehensive income (loss) for the year ended December 31, 2021

Amounts in NOK thousand	NGAAP	Revenue recognition	Capitalized software development	Leasing	Total reclassification & remeasurements	IFRS
Revenue from customers	587,848	(1,165)	-	-	(1,165)	586,683
Other income	6,788	-	-	-	-	6,788
Total operating revenues	**594,636**	**(1,165)**	**-**	**-**	**(1,165)**	**593,471**
Cost of revenue	177,086	-	-	-	-	177,086
Employee benefit expenses	481,725	-	-	-	-	481,725
Depreciation and amortization	38,641	-	16,187	18,369	34,556	73,197
Other operating expenses	312,393	-	(31,986)	(20,362)	(52,348)	260,045
Total operating expenses	**1,009,845**	**-**	**(15,799)**	**(1,993)**	**(17,792)**	**992,053**
Operating loss	**(415,209)**	**(1,165)**	**15,799**	**1,993**	**16,627**	**(398,582)**
Net currency gain	68,755	-	-	-	-	68,755
Financial income	701	-	-	-	-	701
Financial expenses	(13,306)	-	-	(3,511)	(3,511)	(16,817)
Net financial income (expense)	**56,150**	**-**	**-**	**(3,511)**	**(3,511)**	**52,639**
Loss before tax	**(359,059)**	**(1,165)**	**15,799**	**(1,518)**	**13,116**	**(345,943)**
Tax expense	-	-	-	-	-	-
Net loss and comprehensive income (loss)	**(359,059)**	**(1,165)**	**15,799**	**(1,518)**	**13,116**	**(345,943)**

1. **Revenue recognition –** Under NGAAP, revenue related to SaaS contracts is recognized as billed to the customer. Under IFRS, revenue related to SaaS contracts is recognized straight-line over the contract period. As of December 31, 2020, the cumulative additional revenue recognized under IFRS resulted in a n increase in equity of 1.4 mNOK, an increase in long term deferred revenue of 441 kNOK and an increase in unbilled revenue of 1.8 mNOK (of which 150 kNOK is long term). For the year ended December 31, 2021, recognizing SaaS revenue under IFRS resulted in a decrease in revenue of 1.2 mNOK. As of December 31, 2021, there was a resulting increase in long term deferred revenue of 1.5 mNOK and an increase in unbilled revenue of 1.7 mNOK (of which 150 kNOK is long term).

2. **Capitalized software development –** Under NGAAP, the Company capitalizes payroll and payroll-related costs for employees who are directly associated with, and who devote time to, a given project. Under IAS 38 Intangible Assets, all costs directly associated with a given project should be capitalized. During 2020 and 2021, the Company incurred costs of 32.0 mNOK in consulting costs related to projects that meet the criteria for capitalization under IAS 38. This resulted in an increase in equity of 6.1mNOK as of December 31, 2020, an increase in equity of 36.8mNOK as of December 31, 2021 and an additional amortization of 1.2 mNOK for 2021.

   In addition, the Company has reassessed the useful life for its capitalized software in accordance with the IFRS standards, and have come to the conclusion that it should be 3 years. The effect of this change resulted in a decrease in equity of 4.5 mNOK as of December 31, 2020 and a decrease in equity of 19.5 mNOK as of December 31, 2021, and an increase in amortization of 15.0 mNOK for 2021.

3. **Leasing –** Under NGAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, as explained in Note 4.5, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognizes lease liabilities to make lease

payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to IFRS, the Company applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments. As a result, the Company recognized an increase of 91.4 mNOK of lease liabilities included under financial liabilities and 91.4 mNOK of right-of-use assets. As of December 31, 2021, the Company reports lease liabilities of 86.6 mNOK and right-of-use assets of 85.1mNOK. The difference between lease liabilities and right-of-use assets has been recognized in retained earnings. Additionally, depreciation increased by 18.4 mNOK, operating expenses decreased by 20.4 mNOK and finance costs increased by 3.5 mNOK for the year ended December 31, 2021.

Note 7 – Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

Amounts in NOK thousand	**2022**	**2021**
Software subscription	521,364	459,828
Services	237,966	126,855
Total revenue from contracts with customers	**759,330**	**586,683**

Geographical distribution from contracts with customer

Amounts in NOK thousand	**2022**	**2021**
Norway	497,540	460,902
Austria	42,053	31,581
Netherlands	38,274	-
Qatar	26,883	23,504
Germany	22,553	19,586
United States	50,136	17,529
Saudi Arabia	46,786	12,957
United Kingdom	1,969	8,745
France	17,446	6,953
Turkey	9,986	-
Ireland	-	2,027
Australia	2,668	1,147
Other countries	3,036	1,752
Total revenue from contracts with customers	**759,330**	**586,683**

All revenue is transferred over time, with the exception of revenue from seminars which is recognized at a point in time. Management had concluded that subscription to CDF is a right to access. As such, revenue is recognized over the access period as the delivery of the access of CDF is the service promised to the customer. Services provided by Cognite to customers include services related to implementation, customization, support, project management, data science, solution architecture, software engineering and relevant domain expertise.

Contract balances

Amounts in NOK thousand	2022	2021
Trade receivables	197,779	148,527
Contract assets[1]	48,248	40,650
Less: allowance	-	-
Total contract assets	**246,027**	**189,177**
Contract liabilities[2]	165,141	51,001
Net contract assets	**80,886**	**138,176**

1. Contract assets relate to revenue earned from services provided or CDF subscription that have yet to be invoiced.
2. Contract liabilities relate to amounts invoiced prior to services being provided or prior to the CDF subscription period.

Amounts in NOK thousand	2022	2021
Amounts recognized in this period that were included in deferred revenue balance at the beginning of the period		
Software subscription	40,005	23,281
Services	9,526	180
Total revenue recognized	**49,531**	**23,461**
Deferred revenue		
Software subscription	18,757	41,475
Services	146,384	9,526
Total revenue recognized	**165,141**	**51,001**
Current portion of deferred revenue		
Software subscription	17,767	40,005
Services	23,045	9,526
Total current portion of deferred revenue	**40,812**	**49,531**
Non-current portion of deferred revenue		
Software subscription	990	1,470
Services	123,339	-
Total non-current portion of deferred revenue	**124,329**	**1,470**

In-kind services to CNTXT

Amounts in NOK thousand	2022	2021
Long term portion	123,339	-
Current term portion	19,506	-
Total in-kind services to CNTXT	**142,845**	-

Assets recognized from costs to fulfill a contract
In addition to the contract balances disclosed above, the Company has recognized an asset in relation to commission costs paid to obtain contracts. These amounts are amortized over the contract period. This is presented within Other current assets in the balance sheet.

Amounts in NOK thousand	
Historical cost as of January 1, 2021	-
Additions	-
Historical cost as of December 31, 2021	-
Accumulated amortization	-
Net book value as of December 31, 2021	-
Historical cost as of January 1, 2022	-
Additions	3,776
Historical cost as of December 31, 2022	**3,776**
Accumulated amortization	(461)
Net book value as of December 31, 2022	**3,315**
Amortization expense 2021	-
Amortization expense 2022	461
Expected useful life	1.5-5 years
Amortization method	Straight-line

Joint operations
The Company has entered into partnership agreements with SLB and Rockwell. The partnerships are designed to market CDF alone and together with products offered by the partners.

The partnership agreements in relation to the SLB and Rockwell Partnerships require unanimous consent from all parties for all relevant activities. The partnership agreements provide the rights to assets and obligations for liabilities for the parties sharing joint control. This partnership is therefore classified as a joint operation, and the Company recognizes its share of the revenues and expenses as if they were conducted by Cognite directly.

Note 8 – Cost of revenue

Amounts in NOK thousand	**2022**	**2021**
Cloud hosting	98,900	70,115
Customer support	7,900	5,290
Direct personnel and consultant costs	143,182	101,681
Total	**249,982**	**177,086**

The expenses related to subscription and services expenses are incurred as Cognite supports and provides services to customers.

Partner services relate to salaries and consulting services dedicated to customer deliveries.

Note 9 – Employee benefit expenses

Amounts in NOK thousand	2022	2021
Salaries	694,548	512,591
Social security costs	95,513	66,632
Pension expense	39,652	26,236
Other personnel related costs	78,411	50,618
Total	**908,124**	**656,076**
Less personnel costs allocated to Cost of revenue (Note 8)	85,934	58,930
Less capitalized software development	153,863	115,421
Total employee benefit expenses	**668,327**	**481,725**

Included in salaries are the following share-based payment expenses (See Note 10):

Amounts in NOK thousand, except for FTEs	2022	2021
Share option expense	37,085	2,727
Employee share purchase plan expense	-	1,712
Average number of full-time equivalents (FTEs)	517	441

Payments to the Board of Directors

Amounts in NOK thousand, except for share ownership	Remuneration paid in 2022	Remuneration paid in 2021	Shares 2022	Shares 2021
Øyvind Eriksen[1]	250	250	214,650	214,650
Kjell Inge Røkke[1]	150	150	4,631,510	4,631,510
Karl Johnny Hersvik[2]	150	100	-	-
Matthew Weigand	-	-	-	-
Jon Quentin Reynolds Jr	-	-	-	-
Ole Alexander Kongstad	75	38	-	-
Sofie Svartdal Berge	75	38	-	-
Cim Stordal	75	38	-	-
Total	**775**	**614**	**4,846,160**	**4,846,160**

1. According to policy in Aker, fees to directors employed in Aker companies are paid to the Aker companies, not to the directors in person. Therefore, board fees for Øyvind Eriksen and Kjell Inge Røkke were paid to Aker ASA and TRG Holding AS respectively.

2. Nabil Al Nuaim replaced Karl Johnny Hersvik on the Board of Directors in February 2022, and the 2022 board fee to be approved at the annual general meeting in April 2023 will be paid in 2023.

Shareholdings
The CEO, Girish Rishi, owns no shares in Cognite Holding AS. John Markus Lervik, Chief Strategy and Development Officer, indirectly owns 1,001,001 shares in Cognite Holding AS through a wholly owned company named Asah AS. The Chairman of the Board, Øyvind Eriksen, indirectly owns 214,650 shares in Cognite Holding AS through a wholly owned company named Erøy AS. One of the Board members, Kjell Inge Røkke, indirectly owns 4,631,510 shares through Aker Capital AS (96.5% ownership in The Resouce Group TRG AS (TRG AS), TRG AS owns 99.71% of TRG Holding AS, which owns 68.18% of Aker ASA, which owns 100% of Aker Capital AS).

Remuneration to Key Management Personnel
For the year ended December 31, 2022

Amounts in NOK thousand	Salary	Pension	Other remuneration	Share-based payment expense	Total remuneration
Girish Rishi, Chief Executive Officer (CEO)[1]	2,525	95	-	20,050	22,670
John Markus Lervik, Chief Strategy and Development Officer (CSDO)[2]	3,285	176	29	-	3,490
Paul Grenet, Chief Revenue Officer (CRO)[3]	1,184	53	-	2,492	3,729
Laxmi Akkaraju, Chief Delivery Officer (CDO)	2,142	168	329	376	3,015
Petteri Vainikka, Chief Marketing Officer (CMO)	1,593	146	321	-	2,060
Geir Engdahl, Chief Technology Officer (CTO)	1,764	357	367	-	2,488
Andrezej Golebiowski, Chief Operations Officer (COO)	2,178	142	921	-	3,241
Elise Sendstad, Chief Human Resources Officer (CHRO)	1,787	173	350	-	2,310
Total	**16,458**	**1,310**	**2,317**	**22,918**	**43,003**

1. Girish Rishi was appointed CEO on April 4, 2022.
2. John Markus Lervik was the CEO until April 4, 2022.
3. Paul Grenet joined as CRO on August 15, 2022.

The Executive Management Team structure was revised in 2022, and C-suite responsibility roles and titles were implemented and treated with effect from January 1, 2022 in the above table.

For the year ended December 31, 2021

Amounts in NOK thousand	Salary	Pension	Other remuneration	Share-based payment expense	Total remuneration
John Markus Lervik, CEO	3,285	18	15	-	3,318
Geir Engdahl, CTO	1,764	357	367	-	2,488
Total	**5,049**	**375**	**382**	-	**5,806**

The Chairman of the Board of Directors does not have a bonus agreement or a severance agreement. The CEO appointed from April 4, 2022 has a bonus agreement. Further, no loans or securities have been granted to the CEO, the Board members or any other related parties, other than entities as disclosed in Note 22.

The directors and officers of Aker company are covered under an Aker group Director & Officer's Liability Insurance (D&O). The insurance covers personal legal liabilities including defence and legal costs. The officers and directors of Cognite AS and all subsidiaries globally (owned more than 50 %) are covered by the insurance. The coverage also includes employees in Executive Management and employees who are named in a claim or investigation.

Share options held by Key Management Personnel

Key management personnel team member	Options held January 1, 2022	Options granted (2022)	Options forfeited	Options exercised	Options outstanding December 31, 2022
Girish Rishi, CEO	-	679,631	-	-	679,631
Paul Grenet, CRO	-	150,574	-	-	150,574
Laxmi Akkaraju, CDO	6,500	2,000	-	-	8,500
Total Number of Shares	6,500	**832,205**	-	-	**838,705**

Key management personnel team member	Options held January 1, 2021	Options granted (2021)	Options forfeited	Options exercised	Options outstanding December 31, 2021
John Markus Lervik, CEO	-	-	-	-	-
Geir Engdahl, CTO	-	-	-	-	-
Laxmi Akkaraju, CDO	-	6,500	-	-	6,500
Total Number of Shares	-	6,500	-	-	6,500

As of December 31, 2022, all options granted are options for shares in Cognite Holding AS.

Note 10 – Share Based Compensation

Cognite launched the Equity Incentive Plan for its key employees and management which entitles employees in Cognite AS to acquire shares in the Company. The plan includes options and an Employee Share Purchase Plan. During 2022, the plan was amended to reflect that key employees and management were entitled to acquire shares in Cognite Holding AS. Previously issued options and shares were converted into options and shares in Cognite Holding AS.

10.1 – Share option plan

The share options have been granted to individual members during the inception of the plan which were issued July 1, 2021, October 1, 2021 and December 1, 2021 and at various dates during 2022. The options are subject to a 4-year linear vesting period, entailing that the holders may exercise up to 25% of the options one year after issuance, up to 50% of the options two years after the vesting dates and so forth.

Options granted during 2021 were modified during April 2022. The exercise price was adjusted to 366 NOK to be consistent with the options granted in 2022. No other terms and conditions were modified.

Options held by key management personnel at the end of the reporting period are summarized in Note 9.

The fair value of the options was determined at the grant date and expensed over the vesting period with a corresponding increase in equity. The increase in equity is treated as a capital contribution from Cognite Holdings AS since the options are exercisable into shares in Cognite Holdings AS. The fair value of options is determined by applying the Black-Scholes option pricing model for European options. 37.1 mNOK and 2.7 mNOK was expensed during 2022 and 2021, respectively, as employee benefit expense. The expected future social security tax on share-based payments is recorded as a liability of 1.6 mNOK for options at December 31, 2022 and 0.7 mNOK at December 31, 2021.

The incremental fair value of the modification of the 2021 grants is recognized as expense over the remaining vesting period of the options. The incremental fair value is the difference between the fair value of the modified options and that of the original options; both values are estimated as at the modification date. This expense is in addition to the amount estimated for the option on the grant date.

The following table illustrates the number and weighted average exercise price (WAEP) of stock options for the year ended December 31:

	2022		2021	
	WAEP in NOK	Number of outstanding options	WAEP in NOK	Number of outstanding options
Outstanding options January 1	714	183,223	-	-
Options granted	-	988,513	714	186,223
Options forfeited	-	(59,756)	-	(3,000)
Options exercised during the year	-	-	-	-
Outstanding options at December 31	**369**	**1,111,980**	**714**	**183,223**
Vested and exercisable at December 31	**366**	**38,227**	-	-

The weighted average remaining contractual life for the options outstanding as of December 31, 2022 and 2021 was 9.29 years and 9.65 years, respectively. The weighted average fair value of options granted during the year ended December 31, 2022 and 2021 was 179 NOK and 328 NOK, respectively. The weighted average incremental fair value of options modified in April 2022 was 64 NOK.

The following table summarizes stock option activity for the year ended December 31:

				2022	2021
	Exercise price December 31, 2021 (NOK)	Exercise price December 31, 2022 (NOK)	Expiry date	Number of outstanding options	Number of outstanding options
Tranche 1 (2021)	402	366	May 2031	47,050	77,550
Tranche 2 & 3 (2021)	947	366	Oct-Dec 2031	89,384	105,673
Tranche 4 (2022)	NA	366	Feb-Aug 2032	916,460	NA
Tranche 5 (2022)	NA	440	Oct 2032	59,086	NA
Outstanding options December 31				**1,111,980**	**183,223**

Assumptions used to determine fair value of option grants:
Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the options, volatility and dividend yield and making assumptions about them. Due to limited historical data and liquidity these assumptions include significant estimates by management.

Assumptions used to determine fair value of option grants:

	2022 Modification	2022 Grants	2021
Weighted average fair values at the measurement date		172.7 - 219.5	328.17
Incremental fair value at date of modificaton	10.3-93		
Dividend yield (%)	0%	0%	0%
Expected volatility (%)	45%	45%	45%
Risk-free interest rate (%)	2.30%	2.1%-3.5%	1.37%
Expected life of share options (years)	5.5-6.1	6.50	6.50
Weighted average share price (NOK)	366	366	714
Model used	Black Scholes	Black Scholes	Black Scholes

10.2 – Employee share purchase plan

The Company has an employee share purchase plan for employees to acquire shares in the Company. The price for shares acquired by employees during 2021 was discounted to reflect a 3-year lock up, and lack of marketability.

Note 11 – Pensions

The Company has a defined-contribution scheme which covers all full-time employees. The defined-contribution scheme is expensed on an ongoing basis, and the expensed amount for the year ended December 31, 2022 was 36.0 mNOK, as compared with 26.2 mNOK for the year ended December 31, 2021.

Cognite's pension scheme meets the requirements of the OTP-law, §1 (2) on compulsory occupational pension.

Note 12 – Other operating expenses

Amounts in NOK thousand	2022	2021
Office costs	33,733	44,803
Software costs	48,690	26,546
Consultancy costs	3,111	9,860
Legal and audit fees	7,263	12,081
Marketing	24,799	47,400
Travel	18,617	10,924
R&D	89,211	100,752
Other	31,948	7,679
Total	**257,372**	**260,045**

Audit fees (all figures excl. VAT)	2022	2021
Amounts in NOK thousand		
Statutory audit services	636	823
Tax advisory services	-	-
Other assurance services	3,287	575
Other services	330	232
Total	**4,253**	**1,630**

KPMG was the appointed auditors until PwC was appointed in 2022. PwC has rendered audit services for 350.000 NOK in the period covered by these financial statements. The remainder were provided by KPMG.

Note 13 – Investment in associates

The Company accounts for its associates under the equity method when the Company exerts significant influence over the associate. Shares of profits/losses from associates are based on the companies' net profit or loss. The purpose of the investment determines where its results are presented in the statement of comprehensive income. The profit or loss for the associate is presented within operating profit or loss when the operations are closely linked to the current operations of Cognite, otherwise they are presented as financial income or loss.

Entity	Office	Ownership/share of vote 2022	Share of next income 2022	Carrying amount as of December 31, 2022	Carrying amount as of December 31, 2021
Middle East Cloud and Digital Transformation Limited Company (CNTXT)	Saudi Arabia	49%	(28,650)	205,981	-
Omny AS	Lysaker, Norway	11.50%	(1,725)	11,551	-
Total			(30,375)	**217,532**	-

The following is summarized financial information for CNTXT based on its financial statements prepared in accordance with IFRS (at 100%):

	CNTXT	Omny
Amounts in NOK thousand	**31 December 2022**	**31 December 2022**
Current assets	152,935	102,393
Non-current assets	2,318	15,367
Current liabilities	38,530	2,118
Non-current liabilities	-	631
Net assets	**116,723**	**115,011**
	2022	2022
Revenue	-	-
Expense	58,469	14,989
Net loss	**(58,469)**	**(14,989)**

CNTXT
During 2022, the Company invested 88.3 mNOK (8.82 mUSD) in cash and 146.3 mNOK (15 mUSD) of in-kind services to be delivered over a 5 year period in CNTXT, together with Aramco, to leverage CDF in the Middle East. The legal entity is owned 49% by Cognite and 51% by Aramco. Cognite accounts for its interest in the associate under the equity method as the Company has significant influence over the entity due to its board representation.

As of December 31, 2022, there is an accrual of 142.8 mNOK (15 mUSD) for in-kind services to be provided to CNTXT included in financial liabilities.

Omny
During 2022, Cognite, together with Telenor ASA (50%) and Aker ASA (38.5%) established Omny AS (Omny), a software security company aimed at industry and operational technology. Cognite contributed intellectual property with a value of 15 mNOK upon establishment of Omny AS, resulting in a gain of 13.3 mNOK recognized in the statement of comprehensive income. Cognite holds less than 20% of the voting rights in Omny, but the Company has determined it has significant influence as it has meaningful representation on the board of the investee, and therefore accounts for Omny as an associate under the equity method.

Note 14 – Financial income and expense

Financial Income	2022	2021
Interest income from subsidiaries	3,396	472
Other interest income	8,406	229
Total	11,802	701

Financial Expense	2022	2021
Interest expenses to group companies	3,901	6,565
Other interest expenses	1,228	5,024
Other financial expenses	1,006	5,228
Total	6,135	16,817

Note 15 – Taxes

Tax expense:	2022	2021
Amounts in NOK thousand		
Net loss before taxes	(469,481)	(345,943)
Permanent differences	34,919	(13,475)
Change in temporary differences	679	147
Interest deduction	-	7,541
Basis for tax expense	(433,883)	(351,730)
Taxes payable on annual net income	-	-
Total tax payable	-	-

Deferred tax assets and liabilities are recognized for the future tax consequences of differences between the carrying amounts of assets and liabilities and their respective tax basis. Significant deferred tax assets and liabilities consisted of the following:

Amounts in NOK thousand	**2022**	**2021**
Right of use assets	69,521	85,094
Lease liability	(72,050)	(86,612)
Fixed assets	329	(3)
Total	**(2,200)**	**(1,521)**
Tax losses carried forward	(954,448)	(520,565)
Interest deduction	(15,337)	(15,337)
Excluded items from the calculation of deferred tax	970,468	535,905
Basis for deferred tax	**(1,517)**	**(1,518)**
Deferred tax (22%)	(213,837)	(118,233)
Deferred tax benefits excluded	213,837	118,233
Deferred tax	-	-

The Company performs an assessment of both positive and negative evidence when determining whether it is more likely than not that deferred tax assets are recoverable. The Company reviews the recognition of deferred tax assets on a regular basis to determine if realization of such assets is more likely than not. A valuation allowance is provided when it is more likely than not that such assets will not be realized.

Tax losses carried forward relate to previous period's losses, and have no expiration date.

Note 16 – Intangible assets

Intangible Assets consists primarily of capitalized internally developed software and 3rd party software technology and licenses.

16.1 – Capitalized software development

Cognite capitalizes certain software development costs incurred in connection with development of its cloud-based platform and applications, CDF, as well as certain value extracting applications on top of CDF. These capitalized costs are primarily related to payroll and payroll-related costs for employees who are directly associated with, and who devote time to, a given project.

Capitalization begins when the preliminary project stage is complete, management authorizes and commits to the funding of the software project, it is probable the project will be completed, and the software will be used to perform the functions intended and certain functional and quality standards have been met. Costs associated with software development are capitalized if the following criteria are met in full:

1. The product or the process is clearly defined, and the cost elements can be identified and measured reliably
2. The technical feasibility is demonstrated
3. The product or the process will be sold or used in the business
4. The asset will generate future financial benefits
5. Sufficient technical, financial, and other resources for project completion are in place

Costs incurred in the preliminary stages of development are expensed as incurred.

Maintenance and training costs are expensed as incurred and costs expensed in prior accounting periods will not be capitalized. Capitalized software development costs are amortized on a straight-line basis over the estimated useful life, which is currently estimated to be five years. Uncertainty exists with respect to the expected period of benefits, as this depends on the future technological development in the market. Management evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

16.2 – Other intangible assets

Other intangible assets relate to third party software technology and licenses. 2021 additions to other intangible assets consists of purchase of the "Integral" Software from Aize Holding AS. There were no additions in 2022.

16.3 – Research and development

During 2022, Cognite incurred research and development expenses of 243.1 mNOK, of which 158.6 mNOK have been capitalized. During 2021, Cognite incurred research and development expenses of 345 mNOK, of which 147.4 mNOK were capitalized.

Amounts in NOK thousand	Capitalized software development	Other intangible assets	Total intangible assets
Historical cost as of January 1, 2021	**112,226**	**9,344**	**121,570**
Additions	147,407	50,341	197,748
Disposals	-	(182)	(182)
Impairments	-	(4,083)	(4,083)
Historical cost as of December 31, 2021	**259,633**	**55,420**	**315,053**
Accumulated amortization	48,635	9,207	57,842
Net book value as of December 31, 2021	**210,998**	**46,213**	**257,211**
Amortization expense 2021	37,408	15,473	52,881
Impairment expense 2021	-	4,083	4,083
Historical cost as of January 1, 2022	**259,633**	**55,420**	**315,053**
Additions	158,645	-	158,645
Disposals	-	-	-
Impairments	(4,782)	-	(4,782)
Historical cost as of December 31, 2022	**413,496**	55,420	**468,916**
Accumulated amortization	135,180	20,239	155,419
Net book value as of December 31, 2022	**278,316**	**35,181**	**313,497**
Amortization expense 2022	81,762	11,020	92,782
Impairment expenses 2022	4,782	-	4,782
Expected useful life	3 years	5 years	
Amortization method	Straight line	Straight line	

16.4 – Impairment

Uncertainty exists with respect to the expected period of benefits, as this depends on the future technological development in the market. Management evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets. During 2022, an impairment of 4.8 mNOK was recorded as a decision was made to discontinue sales of Best Day.

Note 17 – Fixed assets

Amounts in NOK thousand	Office equipment, lease improvements and furniture	Office buildings (right-of-use asset)	Total fixed assets
Historical cost January 1, 2021	**7,867**	**91,388**	**99,255**
Additions	2,812	12,075	14,887
Disposals	-	-	-
Historical cost December 31, 2021	**10,679**	**103,463**	**114,142**
Accumulated depreciation	6,881	18,369	25,250
Net book value December 31, 2021	**3,798**	**85,094**	**88,892**
Depreciation expense 2021	1,947	18,369	20,316

Amounts in NOK thousand	Office equipment, lease improvements and furniture	Office buildings (right-of-use asset)	Total fixed assets
Historical cost January 1, 2022	**10,679**	**103,463**	**114,142**
Additions	8,286	13,038	21,324
Disposals	(5,880)	-	(5,880)
Historical cost December 31, 2022	**13,085**	**116,501**	**129,586**
Accumulated depreciation	2,615	46,980	49,595
Net book value December 31, 2022	**10,470**	**69,521**	**79,991**
Depreciation expense 2022	1,626	28,611	30,237
Expected useful life	1-8 years	1-5 years	
Depreciation method	Straight-line	Straight-line	

Note 18 – Leasing

The leased assets (right-of-use assets) consist of office buildings in Oslo.

Amounts in NOK thousand	2022	2021
Right-of-use assets		
Buildings	69,521	85,094
Total leased assets	**69,521**	**85,094**
Lease liabilities		
Current	26,533	20,604
Non-current	45,517	66,008
Total lease liability	**72,050**	**86,612**

Additions to right-of use assets during the year ended December 31, 2022 financial year were 13.0 mNOK (12.1 mNOK for the year ended December 31, 2021)

Amounts recorded in the statement of profit or loss

Amounts in NOK thousand	2022	2021
Depreciation charge right-of-use assets	28,610	18,369
Interest expense included in finance cost	3,421	3,511
Expense relating to short-term leases (included in costs of goods sold and administrative expenses)	747	670
Expense relating to lease of low-value assets that are not shown above as short-term leases	8,883	5,016
Total cash outflow for leases	14,562	16,851

Contractual maturities of lease as of December 31, 2022

Amounts in NOK thousand	Year	Amount
	2023	28,854
	2024	18,022
	2025	15,489
	2026	10,424
	2027	4,343
Total		**77,132**

Note 19 – Subsidiaries

Investments in subsidiaries are accounted for according to the cost method. The following table summarizes the carrying value of our subsidiaries as of December 31:

Entity	Office	Ownership / share of vote 2022	Ownership / share of vote 2021	2022	2021
Cognite US Holdings AS[1]	Texas, US	100%	100%	33,944	33,902
Cognite Data Limited	London, UK	100%	100%	364	364
Cognite KK	Tokyo, JP	100%	100%	19,466	19,466
Cognite BV	Netherlands	100%	100%	-	-
Cognite Holding AS[2]	Oslo, Norway	NA	100%	-	30
Cognite Hjelpeselskap AS	Oslo, Norway	100%	100%	-	30
Total				**53,774**	**53,792**

1. During 2022, an internal restructuring was completed for the American entities. Cognite US Holding AS was created as the parent company to Cognite Inc, which was converted to Cognite LLC. Cognite LLC has 100% ownership in Cognite Canada Inc.

2. During 2022, an internal restructuring in Norway established Cognite Holding AS, a previous subsidiary of Cognite AS, as the parent entity of Cognite AS.

Amounts in NOK thousand	Intercompany loans		Intercompany balances	
Entity	December 31, 2022	December 31, 2021	Carrying amount as of December 31, 2022	Carrying amount as of December 31, 2021
Cognite LLC	146,430	-	124,617	4,304
Cognite Data Limited	47,041	9,320	(1,019)	1,381
Cognite BV	-	-	356	-
Cognite KK	49,337	21,681	49,780	21,962
Total	**242,808**	**31,001**	**173,734**	**27,647**

Transactions between Cognite AS and the subsidiaries are mainly comprised of transactions relating to sales, marketing and administrative services according to the transfer pricing agreement between the parties, where transactions are disclosed in Note 22.

Loans to subsidiaries bear interest at 3%. The subsidiary shall repay the whole or any part of the loan outstanding, including interest, upon written notice from Cognite AS or as otherwise agreed.

Ongoing positive momentum of Cognite's sales pipeline build and the potential for future growth supports the investment in subsidiaries valuation.

Note 20 – Financial instruments

Financial assets

Financial assets represent a contractual right to receive cash or another financial asset in the future. On initial recognition, a financial asset is measured at fair value and classified for subsequently measured at amortized cost; fair value through other comprehensive income (FVOCI), or at fair value through profit or loss (FVTPL). The classification depends on the business model and, for some instruments, the entity´s choice. Financial assets are derecognized when the rights to receive cash from the asset have expired or when the Company has transferred the asset to a third party.

Financial liabilities
Financial liabilities represent a contractual obligation to deliver cash in the future and are classified as either current when they are due within 12 months of the balance sheet date or non-current. Financial liabilities are initially recognized at fair value and are subsequently measured at amortized costs. Financial liabilities are derecognized when the obligation is discharged through payment or when released from the primary obligation for the liability.

The specification below relates to financial statement line items containing financial instruments. Information is classified and measured in accordance with IFRS 9 Financial Instruments. Financial assets, classified as current or non-current, represent the maximum exposure the Company has to credit risk at the reporting date. All financial assets and liabilities at FAAC and FLAC in the table have an amortized costs that approximates fair value at the balance sheet date.

The Company holds the following financial assets and liabilities:

Amounts in NOK thousand	Category	2022	2021
Financial assets at amortized cost			
Loans to group companies	FCAAC	173,734	27,647
Trade receivables	FCAAC	197,779	148,527
Group company - accounts receivable	FCAAC	24,305	29,869
Related company - accounts receivable	FCAAC	32,879	54,264
Other current financial assets	FCAAC	1,184	5,188
Cash and cash equivalents	FCAAC	419,862	1,267,456
Financial liabilities at amortized cost			
Non-current financial liabilities	FLAC	65,517	96,008
Current financial liabilities	FLAC	36,533	38,104
Trade payables	FLAC	27,173	64,217
Group companies - trade payables	FLAC	2,571	6,195
Related companies - trade payables	FLAC	10,015	17,761

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables with a remaining term of up to 12 months, as well as other current financial assets and liabilities, represent a reasonable approximation of their fair values, due to the short-term maturities of these instruments.

Note 21 – Balances with group and related companies

	Trade receivables	
Amount in NOK thousand	2022	2021
Group companies	24,305	29,869
Related companies	32,879	54,264
Associates	28,477	-
Total	**85,661**	**84,133**

Amounts in NOK thousand	Other non-current liabilities		Trade payables & other current liabilities	
	2022	**2021**	**2022**	**2021**
Group companies	33,279	46,802	22,136	20,099
Related companies	20,000	30,000	15	17,761
Associates	123,339	-	19,506	-
Total	**176,618**	**76,802**	**41,657**	**37,860**

Related companies are defined as companies where TRG Holding AS (ultimate parent company) has significant influence, which is typically ownership under 50% and over 20%.

Group companies are defined as companies where TRG Holding AS has control, which is typically ownership over 50% and consist of Aker ASA and other companies within the Aker Group.

Subsidiaries are defined as companies where Cognite AS has control.

Note 22 – Related-party transactions

Amounts in NOK thousand	**2022**	**2021**
A) Sales of software and services		
-Related party companies	268,900	377,119
-Group companies	63,256	571
-Associates	563	-
B) Other revenue		
-Associates	30,469	-
C) Purchases of goods and services		
-Subsidiaries	80,649	18,419
-Related party companies	11,599	93,345
-Group companies	60,148	6,412
-Associates	563	-
D) Interest income (expense)		
-Subsidiaries	3,395	472
-Related party companies		
-Group companies	(1,377)	(4,210)
E) Interest expense - lease		
-Subsidiaries	(2,523)	(2,355)

Cognite is both a customer and vendor in relationships with certain other Aker companies. From a vendor perspective, Cognite sells products and services primarily to Aker BP and Aker Solutions. This is reflected in the related party software and services sales above (section A). Cognite also leases offices and other office related services like security, cafeteria and reception from Aker related companies, as reflected in section B above. In 2021, Cognite acquired “Integral” from Aize Holding AS for 50.3 mNOK, and the loan was transferred from Aker Solutions Holding AS (refer to Note 26).

Note 23 – Receivables

Accounts receivable		
Amounts in NOK thousand	2022	2021
Trade receivables at nominal value	197,779	148,527
Less: Allowance for bad debts	-	-
Total	**197,779**	**148,527**

Age distribution of accounts receivables

31 December 2021	Current, not due	0-30 days	30-60 days	60-90 days	>90 days
Amounts in NOK thousand					
Accounts receivable	117,811	12,850	12,623	2,734	2,509
Unbilled receivables	40,650	-	-	-	-
Total contract assets	**158,461**	**12,850**	**12,623**	**2,734**	**2,509**
Loss allowance	-	-	-	-	-
Book value 31.12.2022	**158,461**	**12,850**	**12,623**	**2,734**	**2,509**

31 December 2022	Current, not due	0-30 days	30-60 days	60-90 days	>90 days
Accounts receivable	130,866	14,237	14,838	3,608	34,230
Unbilled receivables	48,248	-	-	-	-
Total contract assets	**179,114**	**14,237**	**14,838**	**3,608**	**34,230**
Loss allowance	-	-	-	-	-
Book value 31.12.2021	**179,114**	**14,237**	**14,838**	**3,608**	**34,230**

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

The expected loss rates are based on the payment profiles of sales over a 24-month period before the balance sheet date and the corresponding historical credit losses experienced within the period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

No provisions have been made for potentially unrecoverable receivables from a combination of no historical unrecoverable receivables and Cognite's solid customer base, which consists primarily of large Oil & Gas, Manufacturing and Power & Utility companies.

Note 24 – Other current assets

Amounts in NOK thousand	2022	2021
Unbilled receivables	46,771	40,650
Prepaid expenses	33,268	32,050
Other current receivables	17,795	-
Total	**97,834**	**72,700**

An accrual for SkatteFUNN, 0.5 mNOK and 4.8 mNOK as of December 31, 2022 and 2021, respectively, has been presented as a reduction of payroll and an increase of other current receivables.

Note 25 – Current financial liabilities

Amounts in NOK thousand	2022	2021
Lease liabilities (Note 18)	26,533	20,604
Loan from Related Company	10,000	17,500
Total	**36,533**	**38,104**

Note 26 – Non-current financial liabilities

Amounts in NOK thousand	2022	2021
Lease liabilities (Note 18)	45,517	66,008
Loan from Related Company	20,000	30,000
Total	**65,517**	**96,008**

During 2021, Cognite borrowed 50 mNOK from a Group company. This amount is repayable in equal installments over 4 years and bears interest at Nibor +2%.

Liabilities due within one year	**2022**	**2021**
Amounts in NOK thousand		
Current financial liabilities	10,000	17,500
Total	**10,000**	**17,500**

Contractual maturities of financial liabilities at December 31	**2022**	**2021**
1 year	11,356	19,533
Between 1 and 2 years	10,904	11,356
Between 2 and 5 years	10,452	21,356
Over 5 years	-	-
Total contractual cash flows	**32,712**	**52,245**

The amounts disclosed in the table are the contractual undiscounted cash flows.

Amounts in NOK thousand	Loan from Related Company	Convertible debt	Liabilities to financial institutions	Lease liabilities	Total
Balance at January 1, 2021	**-**	**102,314**	**137,716**	**91,388**	**91,388**
Additions to loan from related party	50,314	-	-	-	50,314
Additions to lease liabilities	-	-	-	12,075	12,075
Conversion to equity	-	(102,314)	-	-	(102,314)
Repayments	(2,814)	-	(137,716)	(16,851)	(157,381)
Balance at December 31, 2021	**47,500**	**-**	**-**	**86,612**	**134,112**
Additions to lease liabilities	-	-	-	13,038	13,038
Repayments	(17,500)	-	-	(27,600)	(45,100)
Balance at December 31, 2022	**30,000**	**-**	**-**	**72,050**	**102,050**

Note 27 – Non-current portion of deferred revenue

Amounts in NOK thousand	2022	2021
In-kind services to CNTXT	123,339	-
Other non-current deferred revenue	990	1,470
Non-current portion of deferred revenue	**124,329**	**1,470**

Note 28 – Other current liabilities and employee benefit obligations

Amounts in NOK thousand	2022	2021
Payroll liabilities	129,941	103,798
Other current liabilities	52,690	57,724
Total	**182,630**	**161,522**

Note 29 – Cash and cash equivalents

Cash and cash equivalents comprise bank deposits and other short-term highly liquid investments with original maturities of three months or less. Restricted cash is included as cash and cash equivalents.

Amounts in NOK thousand	2022	2021
Restricted bank deposits		
Employee withholding taxes	27,286	24,184
Distribution of cash by currency		
NOK	67,160	290,338
USD	250,428	918,323
EUR	102,274	58,795
Total	**419,862**	**1,267,456**

Note 30 – Commitments

The Company has entered into long term contracts for cloud services. The commitments through the end of 2025 under these contracts were 222.1 mNOK and 273.5 mNOK as of December 31, 2022 and 2021, respectively.

Note 31 – Share capital and shareholder information

During 2022, all previous shareholders in Cognite AS received shares in Cognite Holding AS in a share for share exchange. Subsequent to this exchange, Cognite AS is wholly owned by Cognite Holding AS. Previous shareholders in Cognite AS have an ownership interest in Cognite Holding AS equal to their previous interest in Cognite AS, adjusted for shares held in treasury.

Note 32 – Treasury shares

Cognite purchases shares from shareholders to be issued in connection with the share options plan and employee share purchase plan. When share capital is repurchased, the amount of the consideration paid including directly attributable costs and net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued, the amount received is recognized as an increase in equity, and the surplus or deficit resulting from the transaction is transferred to/from share premium. Shares issued to employees are recognized on a first-in-first-out basis.

Number of shares, in thousands	2022	2021
Opening balance January 1	45,011	5,400
Acquisition of own shares	-	39,611
Balance December 31	**45,011**	**45,011**

Note 33 – Non-cash transactions

On May 13, 2020, the Board of Directors approved the issuance of a 100 mNOK loan agreement with a contractual mandatory conversion mechanism. All existing shareholders at the time were given an option to participate in the loan. The loan was converted to equity on May 12, 2021, upon completion of the capital raise and resulted in a non-cash increase of equity of 104.5 mNOK. The conversion was executed at a discount of 20% based on the evaluation of the shares. An annual interest rate of 5% was paid in-kind and added to the balance outstanding.

In connection with the investment in Omny, Cognite has made an in-kind contribution of intellectual property with a value of 15 mNOK. This amount has been recorded as investment in associate in the balance sheet.

In connection with investment in CNTXT, Cognite made a commitment to provide various services with a value of 146.3 mNOK (15 mUSD).

Note 34 – Government grants

Grants relating to scientific research and experimental development expenditures are recorded in the fiscal period the qualifying expenditures are incurred based on management's interpretation of applicable legislation in Norway. Credits claimed in connection with research and development activities are accounted for using the cost reduction method. Government grants are recognized as other current receivables when there is a reasonable assurance that Cognite will comply with relevant conditions and that the grants will be received.

Note 35 – Subsequent events

On January 9, 2023, Cognite announced two appointments to lead the company's scaling efforts for its next stage of growth. Cognite's new executive leaders are Moe Tanabian, Chief Product Officer (CPO) and Liat Berger, Chief Human Resources Officer (CHRO).

COGNITE

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To the General Meeting of Cognite AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Cognite AS (the Company), which comprise the balance sheet as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Oslo , 17 March 2023
PricewaterhouseCoopers AS

Anne Kristin Huuse
State Authorised Public Accountant
(This document is signed electronically)

Securely signed with Brevio

Auditor's report

Signers:

Name	***Method***	***Date***
Huuse, Anne Kristin	BANKID	2023-03-17 14:32

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Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Rune Tystad	13.02.2018	20.02.2018
Telefon	Deres referanse	Vår referanse
97759464	Erlend Høie	2018/329977

COGNITE AS
Oksenøyveien 10
1366 LYSAKER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Cognite AS, org.nr: 918 274 758

Vi viser til deres brev mottatt 13. februar 2018 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Cognite AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Cognite AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Cognite AS er et teknologiselskap med hovedkvarter i Norge og som jobber internasjonalt. Selskapet sine tjenester rettes mot det internasjonale bedriftsmarkedet. Selskapet sine fremste brukere av regnskapet er eksisterende og potensielle kunder, leverandører og partnere, samt eiere og ansatte. Eksisterende kunder er per i dag internasjonale aktører innen olje- og gassnæringen. Potensielle kunder vi retter oss mot vil være internasjonale aktører innen kapitalkrevende industrier som olje og gass, shipping, energi og prosessindustri. Dette er aktører i bransjer hvor arbeidsspråket er engelsk. Selskapet sine leverandører og partnere består per i dag i hovedsak av aktører innen leveranse av software og hardware, samt konserninterne leverandører av kontortjenester som for eksempel husleie.Våre partnere er i hovedsak teknologiselskaper med internasjonal tilnærming. For majoriteten av selskapet sine leverandører og partnere vil arbeidsspråket være engelsk. Selskapet sin eierkrets er begrenset, hvor majoritetseier er børsnotert med engelsk som hovedspråk. I tillegg er det flere minoritetsaksjonærer blant selskapets egne ansatte. Selskapet har ansatte fra mange land og engelsk er språket som benyttes i all intern kommunikasjon, samt all ekstern kommunikasjon mot kunder og leverandører.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk.Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post: skatteetaten.no/sendepost	22 17 08 60

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> *"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapets majoritetseier er børsnotert med engelsk som hovedspråk. Videre er det vektlagt at selskapet jobber internasjonalt og retter sine tjenester mot det internasjonale bedriftsmarkedet. Engelsk er språket som benyttes i all intern kommunikasjon, samt all ekstern kommunikasjon mot kunder og leverandører.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer