



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 994 608 177
Organisasjonsform: Aksjeselskap
Foretaksnavn: GALLEON EMBEDDED COMPUTING AS
Forretningsadresse: Hovfaret 10
0275 OSLO

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: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: John Fjeldstad
Dato for fastsettelse av årsregnskapet: 30.06.2023

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			
Operating income	3, 4	150 513 297	113 016 327
Sum inntekter		150 513 297	113 016 327
Kostnader			
Raw materials and consumables used	5	64 753 445	48 638 212
Research and development	6	3 793 995	3 653 364
Employee benefits expense	6, 7	41 298 385	33 760 989
Depreciation	8, 9	1 614 316	1 077 403
Other expenses	4, 7	15 865 947	17 835 609
Sum kostnader		127 326 088	104 965 577
Driftsresultat		23 187 208	8 050 750
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		37 844	59 129
Annen renteinntekt		18 419	89
Other financial income	10	3 242 453	2 202 063
Sum finansinntekter		3 298 716	2 261 281
Rentekostnad til foretak i samme konsern		583 539	169 429
Annen rentekostnad		36 467	162 116
Other financial expenses	10	7 831 462	1 618 350
Sum finanskostnader		8 451 468	1 949 895
Netto finans		-5 152 752	311 386
Ordinært resultat før skattekostnad		18 034 457	8 362 136
Income tax expense	11	3 973 861	1 691 493
Ordinært resultat etter skattekostnad	12	14 060 596	6 670 643
Årsresultat		14 060 596	6 670 643
Årsresultat etter minoritetsinteresser		14 060 596	6 670 643



Resultatregnskap

Beløp i: NOK	Note	2022	2021
Totalresultat		14 060 596	6 670 643
Overføringer og disponeringer			
Ordinært utbytte		29 000 000	
Other equity			6 670 643
Transferred from other equity		-14 939 404	
Sum overføringer og disponeringer		14 060 596	6 670 643



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Website, IT	8	386 503	713 776
Certification	8	1 605 341	
Utsatt skattefordel	11	666 260	302 346
Sum immaterielle eiendeler		2 658 104	1 016 122
Varige driftsmidler			
Machinery and equipment	9, 13	2 312 726	1 997 037
Sum varige driftsmidler		2 312 726	1 997 037
Finansielle anleggsmidler			
Investering i datterselskap	4, 14		14
Investering i annet foretak i samme konsern	14		
Lån til foretak i samme konsern	4	592 705	594 375
Other non-current assets		1 141 171	1 500 000
Sum finansielle anleggsmidler		1 733 876	2 094 389
Sum anleggsmidler		6 704 706	5 107 547
Omløpsmidler			
Varer			
Sum varer	5, 13	29 145 941	21 625 755
Fordringer			
Accounts receivables	4, 13	24 656 354	9 451 327
Other short-term receivables	4, 6	5 210 161	9 842 180
Sum fordringer		29 866 515	19 293 508
Investeringer			
Aksjer og andeler i foretak i samme konsern	14		
Other financial instruments			87 578
Sum investeringer			87 578
Bankinnskudd, kontanter og lignende			



Balanse

Beløp i: NOK	Note	2022	2021
Sum gjeld		41 031 056	26 281 444
SUM EGENKAPITAL OG GJELD		67 975 462	54 544 654



Report from the board of directors 2022

Company Overview

Galleon Embedded Computing AS develops, produces and sells advanced computer equipment to the defense- and aero industry. All production is done in Norway, while the customers are mainly abroad. The company's business address is Hovfaret 10, 0275 Oslo.

Galleon is part of a group of similar companies. The group consists of Galleon Acquisition Co as a holding company, who fully owns the operating company Galleon Embedded Computing AS. The Galleon Group is a part of the Spectra group. In addition to Galleon in Norway, Spectra consists of Galleon LTD located in the UK and ArgonFDS, Calculex and Galleon LLC, all situated in the US. Ultimate parent of the Group is Spectra A&D Holdings LLC Delaware, USA.

Overview of financials in KNOK

Galleon AS		
2022	2021	
150 513	113 016	Operating Income
23 187	8 051	Operating Profit
14 061	6 671	Net Income
67 975	54 545	Total Assets
26 944	28 263	Equity
39,6%	51,8%	Equity %

Uncertainty and Risk factors

Market risk:

The market risks facing the company is primarily related to the willingness for governments to finance defense programs. Our customers are large international defense and aviation corporations that service government bodies financed through state budgets in the countries we operate. The board of directors assess that the short- to mid-term market risk is low, as these programs are planned and financed through long term procurement processes.

Credit risk:

The board of directors assesses that the credit risk is low. The company has yet to experience a default on claims.

Liquidity risk:

The company is now part of a larger group with strong financial backing, hence the liquidity risk is regarded as low.

Going Concern

Following section 3-3 of the Norwegian Accounting Act, the Board of Directors confirms that the accounts have been prepared on a going concern basis and that the going concern assumption applies and is appropriate.

R&D projects

The company continues to invest in R&D and is constantly increasing its product portfolio. In 2022, the company spent 23 MNOK on R&D projects, excluding personnel expenses.

Outlook

The company is experiencing an increased demand for its products, 2022 was an all-time high for both revenue and bookings. Year end backlog was higher than usual and the company is expecting similar revenue for 2023 with solid



growth from 2024 onwards. The Board of Directors is of the opinion that the company's management is following the plans that have been approved.

Work environment

The Board of Directors considers the working environment in the company to be good, and no special measures have been implemented in this regard. Employees in the company have not been exposed to accidents or injuries in connection with the performance of their work. The sick leave rate was 5,17% for 2022.

Gender equality

At the end of the year, the company had 33 employees, whereof 3 women and 30 males. The skewed gender balance must be viewed in an industry context. The company's personnel policy is gender-neutral in all areas. The Board of Directors consists of 2 men.

Environmental statement

The Company's business does not have any negative impact on the environment.

Liability insurance

The company has a director insurance with a cover for 5 MUSD.

Norwegian Transparency act

Please visit our webpage to read up on our report on decent working conditions and human rights work. www.galleconec.com/transparency-act

Statement of Cashflows

The difference between cash flow from operations and the company's/group's operating result is primarily due to depreciation, which has no cash effect, as well as an increasing capital binding in inventories and accounts receivable. Other differences are due to timing differences between recognition and the time of payment.

Other relevant information

The Board of Directors does not know of any matters of importance for assessing the company's position and a result that does not appear in the annual accounts.

It is the Board of Directors' opinion that the company is well suited for further growth and development.

Oslo 09.06.2023

Robert Joseph Mc Gill

Chairman of the board

John Rune Fjeldstad

Board member

Espen Bøch

CEO



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Enterprise 935 174 627 MVA

To the General Meeting of Galleon Embedded Computing AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Galleon Embedded Computing AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement 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 the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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. 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.

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

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

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

Offices in:

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Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bode	Knarvik	Stord	Ålesund
Drammen	Kristiansand	Strøme	

Pennco Dokumentnøkkel: X0562-N3PC2-PZEDV-88JIT-D7ITW-M6CGM



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 the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Drammen, 30 June 2023
KPMG AS



Marius Paasche
State Authorised Public Accountant
(This document is signed electronically)

Penneo Dokumentnr.: X0562-N3PC2-PZEDV-88JIT-D7ITW-M6OGM



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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Marius Paasche

Statsautorisert revisor

On behalf of: KPMG AS

Serial number: 9578-5999-4-1398090

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Annual Report 2022 Galleon Embedded Computing AS

Årsberetning
Resultatregnskap
Balanse
Kontantstrøm
Noter til regnskapet
Revisors beretning

Org.no.: 994 608 177



Galleon Embedded Computing AS

STATEMENT OF PROFIT AND LOSS 01.01. - 31.12.

	Note	2022	2021
Operating income	3, 4	150 513 297	113 018 327
Total operating income		150 513 297	113 018 327
Raw materials and consumables used	5	64 753 445	48 638 212
Research and development	6	3 793 995	3 853 364
Employee benefits expense	6, 7	41 298 385	33 760 989
Depreciation	8, 9	1 614 316	1 077 403
Other expenses	4, 7	15 865 947	17 835 609
Total operating expenses		127 326 088	104 965 577
Operating profit		23 187 208	8 050 750
Interest income from group companies		37 844	59 129
Other interest income		18 419	89
Other financial income	10	3 242 453	2 202 063
Interest expense to group companies		583 539	169 429
Other interest expenses		36 487	162 116
Other financial expenses	10	7 831 462	1 618 350
Resultat av finansposter		-5 152 752	311 386
Net profit before tax		18 034 457	8 362 136
Income tax expense	11	3 973 861	1 691 493
Net profit after tax	12	14 060 596	6 670 643
Årsresultat		14 060 596	6 670 643
Atributable to			
Dividend		29 000 000	0
Other equity		0	6 670 643
Transferred from other equity		-14 939 404	0
Total attributable		14 060 596	6 670 643



Galleon Embedded Computing AS

STATEMENT OF FINANCIAL POSITION PER 31.12.

	Note	2022	2021
ASSETS			
Non-current assets			
Intangible assets			
Website, IT	8	388 503	713 776
Cerification	8	1 605 341	0
Deferred tax assets	11	666 260	302 346
Total intangible assets		<u>2 658 104</u>	<u>1 016 122</u>
Property, plant and equipment			
Machinery and equipment	9, 13	2 312 726	1 997 037
Total property, plant and equipment		<u>2 312 726</u>	<u>1 997 037</u>
Non-current financial assets			
Investments in subsidiaries	4, 14	0	14
Loan to group companies	4	592 705	594 375
Other non-current assets		1 141 171	1 500 000
Total non-current financial assets		<u>1 733 876</u>	<u>2 094 389</u>
Total non-current assets		<u>6 704 706</u>	<u>5 107 547</u>
Current assets			
Inventory	5, 13	29 145 941	21 625 755
Debtors			
Accounts receivables	4, 13	24 856 354	9 451 327
Other short-term receivables	4, 6	5 210 161	9 842 180
Total receivables		<u>29 866 515</u>	<u>19 293 508</u>
Other financial instruments		0	87 578
Total investments		<u>0</u>	<u>87 578</u>
Cash and cash equivalents	15	2 258 299	8 430 266
Total current assets		<u>61 270 756</u>	<u>49 437 106</u>
Total assets		<u>67 975 462</u>	<u>54 544 654</u>




Galleon Embedded Computing AS

STATEMENT OF FINANCIAL POSITION PER 31.12.

	Note	2022	2021
EQUITY AND LIABILITIES			
EQUITY			
Paid-in capital			
Share capital (209 580 aksjer á kr 1)	12, 16	209 580	209 580
Share premium reserve	12	8 905 034	8 905 034
Total paid-up equity		9 114 614	9 114 614
Retained earnings			
Other equity	12	17 829 792	19 148 596
Total retained earnings		17 829 792	19 148 596
Total equity		26 944 406	28 263 210
LIABILITIES			
Current liabilities			
Trade payables	4	9 458 401	10 671 291
Public duties payable		3 506 867	3 678 154
Other current liabilities		8 348 628	4 876 480
Payables to group companies	4	19 717 181	7 055 520
Total current liabilities		41 031 056	26 281 444
Total liabilities		41 031 056	26 281 444
Total equity and liabilities		67 975 462	54 544 654

Oslø, 09.06.2023


Robert Joseph Mc Gill
chairman of the board


John Rune Fjeldstad
member of the board


Espen Bøch
general Manager



Galleon Embedded Computing AS

STATEMENT OF CASH FLOWS

	Note	2022	2021
Cash flows from operating activities			
Profit/loss before tax		18 034 457	8 362 136
Ordinary depreciation		1 614 316	1 077 403
Change in fair value of shares and investments		0	426 345
Change in inventory		-7 520 186	1 280 420
Change in accounts receivable		-15 205 027	3 268 912
Change in accounts payable		-1 212 890	-1 875 945
Change in other accrual items		1 325 437	-588 988
Net cash flows from operating activities		-2 963 893	12 150 282
Cash flows from investment activities			
Payments to buy tangible and intangible assets		3 208 074	2 536 671
Net cash flows from investment activities		-3 208 074	-2 536 671
Cash flows from financing activities			
Net change in bank overdraft		0	-5 029 604
Payment of dividend		0	5 000 000
Net cash flows from financing activities		0	-10 029 604
Net change in cash and cash equivalents		-6 171 967	-415 993
Cash and cash equivalents at the start of the period		8 430 266	8 846 259
Cash and cash equivalents at the end of the period		2 258 299	8 430 266



Note 1 Accounting principles

The annual accounts have been prepared in conformity with the provisions of the Accounting Act and good accounting practice.

Foreign currency

Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to NOK at the exchange rate on the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated to NOK using the exchange rate on the transaction date. Non-monetary items that are measured at fair value in a foreign currency are translated to NOK using the exchange rate on the measurement date. Exchange rate fluctuations are posted to the profit and loss account as they arise under other financial items.

Revenues

Income from the sale of goods is recognised on the date of delivery. Services are posted as income as they are delivered. Income from the sale of services and long-term manufacturing projects (construction contracts) are posted to the profit and loss account in line with the project's degree of completion, when the outcome of the transaction can be estimated in a reliable manner. When the transaction's outcome cannot be estimated reliably, only income corresponding to a project's incurred costs can be posted as revenue. At the time when it is identified that the project will give a negative result, the estimated loss on the contract is posted in full to the profit and loss account.

Tax

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilised.

Leasing

Operational leasing is expensed as an operating cost based on the invoiced lease rent. No financial lease arrangements.

Classification and valuation of fixed assets

Fixed assets consist of assets intended for long-term ownership and use. Fixed assets are valued at acquisition cost less depreciation and write-downs. Long-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Plant and equipment is capitalised and appreciated over the economic lifetime of the asset. Significant items of plant and equipment that consist of several material components with different lifetimes are broken down in order to establish different depreciation periods for the different components. Direct maintenance of plant and equipment is expensed on an ongoing basis under operating costs, while additions or improvements are added to the asset's cost price and depreciated in line with the asset. Plant and equipment is written down to the recoverable amount in the event of a fall in value that is not expected to be temporary. The recoverable amount is the higher of the net sales value and the value in use. Value in use is the present value of future cash flows related to the asset. The write-down is reversed when the basis for the write-down is no longer present.

Classification and valuation of current assets

Current assets and short-term liabilities consist normally of items that fall due for payment within one year of the balance sheet date, as well as items related to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are entered on the balance sheet at the nominal amount



at the time of the transaction.

Research and development

Expenses on research and development are capitalised to the extent one cannot identify a future economic benefit related to the development of an identifiable intangible asset and where the acquisition cost can be measured reliably. In the opposite case such costs are expensed as incurred. Capitalised research and development is depreciated on a straight line basis over its economic lifetime.

According to the Norwegian accounting act §5-6, expenditure on own development can be expensed, even though expenses meet the requirement for capitalisation, there will be a choice in principle as to whether these expenses should be capitalised or expensed.

Inventories

Goods are valued at the lower of acquisition cost and net sale value. Sale value is the estimated sale price in ordinary operations after deduction of estimated necessary expenses for completing the sale. Acquisition cost includes expenses incurred in acquiring goods and costs necessary to bring the goods to the present position and are attributed using the FIFO principle.

Receivables

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables. In addition an unspecified provision is made to cover expected losses on claims in respect of customer receivables.

Pension liabilities - Defined-contribution scheme

The cost of a defined-contribution pension scheme corresponds to the premium paid to the insurance company for the period.

Cash flow statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments.

Note 2 Subsequent events

No events have occurred after the balance sheet date that have a significant impact on the Financial Statements as of December 31.

Note 3 Sales income

	2022	2021
By business area		
Sale of rugged computing products such as storage solutions, recorder systems, servers and network attached storage devices	150 513 297	113 016 327
Total	150 513 297	113 016 327
Geographic breakdown		
USA	101 267 462	81 997 662
Europe	48 299 902	21 386 297
Other parts of the world	945 933	9 632 368
Total	150 513 297	113 016 327



Note 4 Related party transactions and inter-company balances

Related party	Link
Galleon Embedded Computing LLC (GEC LLC)	Sister company (US)
Galleon Embedded Computing LTD (GEC LTD)	Sister company (UK)
Galleon Acquisition Co AS	Parent Company (NO)

All transactions with related parties are carried out as part of the ordinary business and to arm's length prices. The most significant transactions carried out in 2022 are as follows:

	Amount
Sale of goods to GEC LLC	101 281 565
Purchase of services from GEC LTD	4 445 342

The financial statement includes the following amounts from related party transactions:

	2022	2021
Receivables		
Loans to companies in the same group	592 705	594 375
Customer receivables within the group	17 159 307	1 449 129
Other short-term receivables within the group	400 480	3 077 477
Total	18 152 492	5 120 980
Liabilities		
Debt to suppliers within the group	296 645	303 726
Other short-term liabilities within the group	19 717 161	7 055 520
Total	20 013 806	7 359 246

Note 5 Inventory

	2022	2021
Stocks		
Stocks of raw materials and purchased semi-finished goods	24 768 456	20 053 648
Stocks of goods in manufacture	4 323 463	373 000
Stocks of self-produced finished goods	1 644 578	1 199 107
Obsolete inventory	-1 590 556	0
Total stocks	29 145 941	21 625 755
Cost of goods		
Purchase of raw materials	75 830 299	50 731 681
Change in inventory	-11 076 854	-2 093 469
Total cost of goods	64 753 445	48 638 212

Note 6 Research and development

In 2022, a total of MNOK 23 has been expensed in R&D. Costs of goods associated with R&D are classified on a separate line in the P&L. This is only a reclassification from cost of goods to research and development costs. Salary costs associated with R&D are still classified as salary.

There are no SkatteFUNN projects in 2022. In 2021 SkatteFunn amounted to MNOK 3,3 are accounted for under other short-term receivables.



Note 7 Salary costs and benefits, remuneration to the chief executive, board and auditor

Salary costs

	2022	2021
Salaries	33 925 341	29 457 886
Employment tax	4 675 371	4 547 134
Pension costs	1 184 580	1 083 888
Other benefits	1 513 093	951 392
"SkatteFUNN" R&D tax incentive scheme	0	-2 279 312
Total	41 298 385	33 760 989

In 2022 the company employed 33 man-years.

Pension liabilities

The company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The company's pension schemes satisfy the requirements of this Act.

Remuneration to leading personnel

	Chief Executive
Salaries	1 892 308
Pension costs	37 846
Other remuneration	36 644
Total	1 966 798

No remuneration has been paid to the members of the board.

No loan/guaranties have been given to the CEO, the chairman of the board or other related parties.

Leading personnel have bonus agreements based on the achievement of budgeted EBITDA in the Group Financial Statements, as well as the fulfilment of other financial and non-financial objectives. No share based payment.

Auditor

Audit fees expensed for 2022 amount to NOK 165 000 ex. vat.

In addition there is a fee for other services of NOK 429 824 ex. vat.

Note 8 Intangible assets

	Certification	Website, IT	Total
Acquisition cost 01.01.2022	0	1 451 711	1 451 711
Inflow of purchased intangible assets	1 864 267	0	1 864 267
Acquisition cost 31.12.2022	1 864 267	1 451 711	3 315 978
Accumulated depreciations 31.12	258 926	1 065 208	1 324 134
Book value 31.12.2022	1 605 341	386 503	1 991 844
Acc. depreciations and write-downs 01.01.2022	0	737 936	737 936
This year's depreciation	258 926	327 272	586 198
Acc. depreciations and write-downs 31.12.2022	258 926	1 065 208	1 324 134
Economic lifetime	3 years	3-5 years	
Decreciation plan	Linear	Linear	



Note 9 Tangible assets

	Office Machines	Equipment and other movables	Total
Acquisition cost 01.01.2022	625 438	3 205 779	3 831 217
Inflow of purchased tangible assets	96 364	1 247 443	1 343 807
Acquisition cost 31.12.2022	721 802	4 453 222	5 175 024
Accumulated depreciations 31.12	520 691	2 341 607	2 862 298
Book value 31.12.2022	201 111	2 111 615	2 312 726
Acc. depreciations and write-downs 01.01.2022	386 619	1 447 561	1 834 180
This year's depreciation	134 072	894 046	1 028 118
Acc. depreciations and write-downs 31.12.2022	520 691	2 341 607	2 862 298
Economic lifetime	3-5 years	3-5 years	
Decreciation plan	Linear	Linear	

Note 10 Items that are aggregated in the accounts

Other financial income	2022	2021
Agio	3 242 453	2 202 063
Total other financial income	3 242 453	2 202 063
Other financial costs	2022	2021
Value reduction of market-based financial current assets	0	510 377
Disagio	7 831 462	1 107 973
Total other financial costs	7 831 462	1 618 350

Please see accounting principles regarding foreign currency.



Note 11 Tax

This year's tax expense	2022	2021
Entered tax on ordinary profit/loss:		
Payable tax	4 337 775	0
Changes in deferred tax assets	-363 914	1 691 493
Tax expense on ordinary profit/loss	3 973 861	1 691 493

Taxable income:		
Ordinary result before tax	18 034 457	8 362 136
Permanent differences	28 552	-673 532
Changes in temporary differences	2 213 215	703 901
Provided intra-group contribution	-19 717 161	0
Allocation of loss to be brought forward	-559 063	-8 392 505
Taxable income	0	0

Payable tax in the balance:		
Payable tax on this year's result	4 337 775	0
Payable tax on provided Group contribution	-4 337 775	0
Total payable tax in the balance	0	0

Calculation of effective tax rate		
Profit before tax	18 034 457	8 362 136
Calculated tax on profit before tax	3 967 580	1 839 670
Tax effect of permanent differences	6 281	-148 177
Total	3 973 862	1 691 493
Effective tax rate	22,0 %	20,2 %

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	2022	2021	Difference
Tangible assets	-860 398	-325 316	535 081
Stock	-1 590 556	0	1 590 556
Allocations and more	-577 500	-577 500	0
Other differences	0	87 578	87 578
Total	-3 028 454	-815 239	2 213 215
Accumulated loss to be brought forward	0	-559 063	-559 063
Basis for deferred tax assets	-3 028 454	-1 374 302	1 654 153
Deferred tax assets (22 %)	-666 260	-302 346	363 914

Note 12 Equity capital

	Share capital	Share premium	Other equity capital	Total equity capital
Per. 31.12.2021	209 580	8 905 034	19 148 596	28 263 210
Result of the year			14 060 596	14 060 596
Dividend in kind			-29 000 000	-29 000 000
Dividend in kind, difference (fair value less book value)			28 999 986	28 999 986
Group contributions made			-15 379 386	-15 379 386
Per 31.12.2022	209 580	8 905 034	17 829 792	28 944 406



Note 13 Pledges and guaranties

	31.12.2022	31.12.2021
Guarantees		
Rent Guarantee	1 090 736	1 090 736
Total	1 090 736	1 090 736
Book value of charged assets		
Equipment	2 312 726	1 997 037
Inventories	29 145 941	21 625 755
Customer receivables	24 656 354	9 451 327
Total	56 115 021	33 074 119

A pledge has been taken on equipment, inventory and accounts receivable in Galleon Embedded Computing AS for debts taken up by the ultimate parent company in the US. The pledge is limited to USD 60 000 000 on each asset.

Note 14 Subsidiaries

The company's subsidiaries have been transferred to its parent company in Norway as dividend in kind. The asset (investment in subsidiaries) that is withdrawn from the balance sheet, is accounted for at fair value. The difference (gain) is booked against equity. Please see note 11.

Note 15 Bank deposits

Funds standing on the tax deduction account (restricted funds) are NOK 2 109 360.

Note 16 Shareholders

The share capital in Galleon Embedded Computing AS as of 31.12 consists of:

	Total	Face value	Entered
Ordinary shares	209 580	1,0	209 580
Total	209 580		209 580

Ownership structure

The largest shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
Galleon Acquisition Co AS	209 580	100,0	100,0





Skatteetaten

Vår dato
02.09.2022

Din/Deres dato
22.08.2022

Saksbehandler
Lars Waalorp

800 80 000
Skatteetaten.no

Din/Deres referanse
AR503034033

Telefon
90833418

Org.nr
974761076

Vår referanse
2022/5721897

Postadresse
Postboks 9200 Grønland
0134 OSLO

GALLEON ACQUISITION CO AS
c/o Brækhus Advokatfirma DA
0161 OSLO

Att. Christian Schjervig Lunde

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev av 22. august 2022 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap (inkl. konsernregnskap) og årsberetning på norsk for følgende selskaper:

Galleon Embedded Computing AS
Galleon Acquisition Co AS

org.nr. 994 608 177
org.nr. 927 372 738

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap (inkl. konsernregnskap) og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Galleon Embedded Computing AS er eid av Galleon Acquisition Co AS som igjen er eid av et utenlandsk selskap og er en del av et internasjonalt konsern. Selskapene tilbyr datakomponenter til luft- og forsvarsindustrien, og formell kommunikasjon foregår i all hovedsak på engelsk. Mer enn 90 % av salget er utenfor Norge. Styrelederen i selskapene er utenlandsk.

Skattekontorets 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."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., 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 skattekontorets 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 skattekontoret lagt særlig vekt på at selskapene har en utenlandsk eier og er en del av et internasjonalt konsern. Videre er det vektlagt at selskapene driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.