



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

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: Christian Schjervig Lunde
Dato for fastsettelse av årsregnskapet: 28.06.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 03.07.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Operating income	3, 4, 5	137 185 262	150 513 297
Sum inntekter		137 185 262	150 513 297
Kostnader			
Raw materials and consumables used	4, 6	54 883 880	64 753 445
Research and development	7	2 028 371	3 793 995
Employee benefits expense	7, 8	40 922 072	41 298 385
Depreciation	9, 10	2 127 219	1 614 316
Other expenses	5, 8	19 037 836	15 865 947
Sum kostnader		118 999 378	127 326 088
Driftsresultat		18 185 885	23 187 208
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern			37 844
Annen renteinntekt		19 983	18 419
Other financial income	11	1 346 137	3 242 453
Sum finansinntekter		1 366 120	3 298 716
Rentekostnad til foretak i samme konsern			583 539
Annen rentekostnad		74 060	36 467
Other financial expenses	11	2 162 391	7 831 462
Sum finanskostnader		2 236 451	8 451 468
Netto finans		-870 331	-5 152 752
Ordinært resultat før skattekostnad		17 315 554	18 034 457
Income tax expense	12	3 819 596	3 973 861
Ordinært resultat etter skattekostnad	13	13 495 958	14 060 596
Årsresultat		13 495 958	14 060 596
Årsresultat etter minoritetsinteresser		13 495 958	14 060 596



Resultatregnskap

Beløp i: NOK	Note	2023	2022
Totalresultat		13 495 958	14 060 596
Overføringer og disponeringer			
Ordinært utbytte			29 000 000
Other equity		13 495 958	
Transferred from other equity			-14 939 404
Sum overføringer og disponeringer		13 495 958	14 060 596



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
IT, certification	9	983 919	1 991 844
Certification	9		
Utsatt skattefordel	12	707 958	666 260
Sum immaterielle eiendeler		1 691 877	2 658 104
Varige driftsmidler			
Machinery and equipment	10, 14	2 035 199	2 312 726
Sum varige driftsmidler		2 035 199	2 312 726
Finansielle anleggsmidler			
Investering i datterselskap	5		
Lån til foretak i samme konsern	5		592 705
Other non-current assets		1 141 742	1 141 171
Sum finansielle anleggsmidler		1 141 742	1 733 876
Sum anleggsmidler		4 868 817	6 704 706
Omløpsmidler			
Varer			
Sum varer	6, 14	41 021 430	29 145 941
Fordringer			
Accounts receivables	4, 5, 14	38 963 484	24 656 354
Other short-term receivables	5, 7, 11	12 295 808	5 210 161
Sum fordringer		51 259 292	29 866 515
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	15	1 931 427	2 258 299
Sum bankinnskudd, kontanter og lignende		1 931 427	2 258 299
Sum omløpsmidler		94 212 149	61 270 756



Balanse

Beløp i: NOK	Note	2023	2022
SUM EIENDELER		99 080 966	67 975 462
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital (209 580 aksjer á kr 1)	13, 16	209 580	209 580
Beholdning av egne aksjer	16		
Overkurs	13	8 905 034	8 905 034
Sum innskutt egenkapital		9 114 614	9 114 614
Opptjent egenkapital			
Other equity	13	17 635 709	17 829 792
Sum opptjent egenkapital		17 635 709	17 829 792
Sum egenkapital		26 750 323	26 944 406
Gjeld			
Langsiktig gjeld			
Utsatt skatt	12		
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Liabilities to financial institutions	14		
Leverandørgjeld	5	21 837 913	9 458 401
Tax payable	12		
Public duties payable		3 317 637	3 506 867
Kortsiktig konserngjeld	5	36 604 026	19 717 161
Other current liabilities	11	10 571 067	8 348 628
Sum kortsiktig gjeld		72 330 644	41 031 056
Sum gjeld		72 330 644	41 031 056
SUM EGENKAPITAL OG GJELD		99 080 966	67 975 462



Balanse

Beløp i: NOK	Note	2023	2022
---------------------	-------------	-------------	-------------



Skatteetaten

Vår dato 02.09.2022 Din/Deres dato 22.08.2022 Saksbehandler Lars Waalorp

800 80 000 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	org.nr. 994 608 177
Galleon Acquisition Co AS	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.



KPMG AS
Dr. Hansteins gate 9
N-3044 Drammen

Telephone +47 45 40 40 63
Internet www.kpmg.no
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 2023, 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 2023, 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:

© KPMG AS, a Norwegian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Stattdokumenterte 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	Alesund
Drammen	Kristiansund	Straume	

Penneo Dokumentnøkkel: UBQUS-8FOKY-HM77P-G5P5G-500XE-DL757



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

KPMG AS

Penneo Dokumentnøkkel:UBQUS-8FOKY-HM77P-G5P5G-500XE-DL757



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

Penneo Dokumentnøkkel: UBQUS-8FOKY-HM77P-G5P5C-500XE-DL757



PENNEO

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."

Paasche, Marius

Statsautorisert revisor

On behalf of: KPMG AS

Serial number: no_bankid:9578-5999-4-1398090

IP: 80.232.xxx.xxx

2024-06-28 16:10:30 UTC



Penneo document key: UBQJ5-8FOKV-HM77P-G5P5G-500XE-DL757

This document is digitally signed using **Penneo.com**. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service <penneo@penneo.com>**. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>



Annual Report 2023 Galleon Embedded Computing AS

**Directors' Report
Income Statement
Balance Sheet
Cash flow Statement
Notes**

Independent Auditor's Report

Penneo Dokumentnøkkel: 3MD3S-1AEOV-KSGGX-0XMX-DBXT5-GT72G

Org.no.: 994 608 177



Galleon Embedded Computing AS

STATEMENT OF PROFIT AND LOSS 01.01. - 31.12.

	Note	2023	2022
Operating income	3, 4, 5	137 185 262	150 513 297
Total operating income		137 185 262	150 513 297
Raw materials and consumables used	4, 6	54 883 880	64 753 445
Research and development	7	2 028 371	3 793 995
Employee benefits expense	7, 8	40 922 072	41 298 385
Depreciation	9, 10	2 127 219	1 614 316
Other expenses	5, 8	19 037 836	15 865 947
Total operating expenses		118 999 378	127 326 088
Operating profit		18 185 885	23 187 208
Interest income from group companies		0	37 844
Other interest income		19 983	18 419
Other financial income	11	1 346 137	3 242 453
Interest expense to group companies		0	583 539
Other interest expenses		74 060	36 467
Other financial expenses	11	2 162 391	7 831 462
Resultat av finansposter		-870 331	-5 152 752
Net profit before tax		17 315 554	18 034 457
Income tax expense	12	3 819 596	3 973 861
Net profit after tax	13	13 495 958	14 060 596
Attributable to			
Dividend		0	29 000 000
Other equity		13 495 958	0
Transferred from other equity		0	-14 939 404
Total attributable		13 495 958	14 060 596

Penneo Dokumentnøkkel: 3MD3S-JAEOV-KSGGX-0XMX-DBXT5-GT72G



Galleon Embedded Computing AS

STATEMENT OF FINANCIAL POSITION PER 31.12.

	Note	2023	2022
ASSETS			
Non-current assets			
Intangible assets			
IT, certification	9	983 919	1 991 844
Deferred tax assets	12	707 958	666 260
Total intangible assets		1 691 877	2 658 104
Property, plant and equipment			
Machinery and equipment	10, 14	2 035 199	2 312 726
Total property, plant and equipment		2 035 199	2 312 726
Non-current financial assets			
Loan to group companies	5	0	592 705
Other non-current assets		1 141 742	1 141 171
Total non-current financial assets		1 141 742	1 733 876
Total non-current assets		4 868 817	6 704 706
Current assets			
Inventory			
	6, 14	41 021 430	29 145 941
Debtors			
Accounts receivables	4, 5, 14	38 963 484	24 656 354
Other short-term receivables	5, 7, 11	12 295 808	5 210 161
Total receivables		51 259 292	29 866 515
Cash and cash equivalents	15	1 931 427	2 258 299
Total current assets		94 212 149	61 270 756
Total assets		99 080 966	67 975 462

Penneo Dokumentnøkkel: 3MD3S-JAE0V-KSGGX-0XMMX-DBXT5-GT72G



Galleon Embedded Computing AS

STATEMENT OF FINANCIAL POSITION PER 31.12.

	Note	2023	2022
EQUITY AND LIABILITIES			
EQUITY			
Paid-in capital			
Share capital (209 580 aksjer á kr 1)	13, 16	209 580	209 580
Share premium reserve	13	8 905 034	8 905 034
Total paid-up equity		9 114 614	9 114 614
Retained earnings			
Other equity	13	17 635 709	17 829 792
Total retained earnings		17 635 709	17 829 792
Total equity		26 750 323	26 944 406
LIABILITIES			
Current liabilities			
Trade payables	5	21 837 913	9 458 401
Public duties payable		3 317 637	3 506 867
Other current liabilities	11	10 571 067	8 348 628
Payables to group companies	5	36 604 026	19 717 161
Total current liabilities		72 330 644	41 031 056
Total liabilities		72 330 644	41 031 056
Total equity and liabilities		99 080 966	67 975 462

Oslo, 26.06.2024

Espen Bøch
general Manager

Marc Morin
chairman of the board

Christian Schjervig Lunde
member of the board

Penneo Dokumentnøkke: 3MD3S-JAE0V-KSGGX-0XMX-DBXT5-GT72G



Galleon Embedded Computing AS

STATEMENT OF CASH FLOWS

	Note	2023	2022
Cash flows from operating activities			
Profit/loss before tax		17 315 554	18 034 457
Ordinary depreciation		2 127 219	1 614 316
Change in inventory		-11 875 489	-7 520 186
Change in accounts receivable		-14 307 130	-15 205 027
Change in accounts payable		12 379 513	-1 212 890
Change in other accrual items		-5 124 773	1 325 437
Net cash flows from operating activities		514 894	-2 963 893
Cash flows from investment activities			
Payments to buy tangible and intangible assets		841 766	3 208 074
Net cash flows from investment activities		-841 766	-3 208 074
Cash flows from financing activities			
Net change in cash and cash equivalents		-326 872	-6 171 967
Cash and cash equivalents at the start of the period		2 258 299	8 430 266
Cash and cash equivalents at the end of the period		1 931 427	2 258 299

Penneo Dokumentnøkkel: 3MD3S-JAEOY-KSGGX-0XMX-DBXT5-GT7ZG



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 projects' 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

	2023	2022
By business area		
Sale of rugged computing products such as storage solutions, recorder systems, servers and network attached storage devices	137 185 262	150 513 297
Total	137 185 262	150 513 297
Geographic breakdown		
USA	73 273 513	101 267 462
Europe	58 867 879	48 299 902
Other parts of the world	5 043 870	945 933
Total	137 185 262	150 513 297

Penneo Dokumentnr: 3MD3S-JAE0V-KSGGX-0XMX-DBXT5-GT7ZG



Note 4 Long-term manufacturing contracts

	2023	2022
Income recognised on commenced projects	14 017 660	0
Costs recognised on commenced projects	8 892 400	0
Net recognised in profit and loss on commenced projects	5 125 260	0
Earned invoiced income included in accounts receivables	1 766 681	0

Note 5 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 2023 are as follows:

	Amount
Sale of goods to GEC LLC	69 966 358
Purchase of services from GEC LTD	4 923 353

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

	2023	2022
Receivables		
Loans to companies in the same group	0	592 705
Customer receivables within the group	17 483 555	17 159 307
Other short-term receivables within the group	0	400 480
Total	17 483 555	18 152 492
Liabilities		
Debt to suppliers within the group	343 766	296 645
Other short-term liabilities within the group	36 604 026	19 717 161
Total	36 947 792	20 013 806

Note 6 Inventory

	2023	2022
Stocks		
Stocks of raw materials and purchased semi-finished goods	32 507 924	24 768 456
Stocks of goods in manufacture	7 427 031	4 323 463
Stocks of self-produced finished goods	2 339 911	1 644 578
Obsolete inventory	-1 253 436	-1 590 556
Total stocks	41 021 430	29 145 941
Cost of goods		
Purchase of raw materials	51 852 392	75 830 299
Change in inventory and other adjustments	2 314 450	-11 076 854
Qualification and product testing	717 037	0
Total cost of goods	54 883 880	64 753 445

Penneo Dokumentnøkkel: 3MD3S-JAE0V-KSGGX-0XMX-DBXT5-GT7ZG



Note 7 Research and development

In 2023, a total of MNOK 5,8 has been expensed in R&D, compared to MNOK 23 in 2022. 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.

Approved SkatteFunn-projects for 2023 relates to 19% of R&D costs and are accounted for under other short-term receivables. 19% of the basis amounts to MNOK 1.1 and is entered as a cost reduction under research and development and wages respectively.

There were no SkatteFUNN projects in 2022.

Note 8 Salary costs and benefits, remuneration to the chief executive, board and auditor

Salary costs

	2023	2022
Salaries	37 691 442	33 925 341
Employment tax	5 986 372	4 675 371
Pension costs	2 276 669	1 184 580
Other benefits	1 419 810	1 513 093
"SkatteFUNN" R&D tax incentive scheme	-734 559	0
Deferred contract costs	-5 717 663	0
Total	40 922 072	41 298 385

In 2023 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	3 248 719
Pension costs	64 974
Other remuneration	95 618
Total	3 409 311

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 2023 amount to NOK 257 000 ex. vat.
In addition there is a fee for other services of NOK 186 000 ex. vat.



Note 9 Intangible assets

	Certification	Website, IT	Total
Acquisition cost 01.01.2023	1 864 267	1 451 711	3 315 978
Reclassification	0	-89 362	-89 362
Acquisition cost 31.12.2023	1 864 267	1 362 349	3 226 616
Accumulated depreciations 31.12	880 348	1 362 349	2 242 697
Book value 31.12.2023	983 919	0	983 919
Acc. depreciations and write-downs 01.01.2023	258 926	1 065 208	1 324 134
This year's depreciation	621 422	297 141	918 563
Acc. depreciations and write-downs 31.12.2023	880 348	1 362 349	2 242 697
Economic lifetime	3 years	3-5 years	
Decreciation plan	Linear	Linear	

Note 10 Tangible assets

	Equipment, office machinery and other movables
Acquisition cost 01.01.2023	5 175 024
Inflow of purchased tangible assets	841 766
Reclassification	89 362
Acquisition cost 31.12.2023	6 106 152
Accumulated depreciations 31.12	4 070 953
Book value 31.12.2023	2 035 199
Acc. depreciations and write-downs 01.01.2023	2 862 297
This year's depreciation	1 208 656
Acc. depreciations and write-downs 31.12.2023	4 070 953
Economic lifetime	3-5 years
Decreciation plan	Linear

Note 11 Items that are aggregated in the accounts

Other financial income	2023	2022
Agio*	1 346 137	3 242 453
Total other financial income	1 346 137	3 242 453
Other financial costs	2023	2022
Disagio*	2 162 391	7 831 462
Total other financial costs	2 162 391	7 831 462
Other short-term receivables	2023	2022
VAT receivable from tax authorities	576 316	2 301 808
Intercompany receivable	0	400 480
SkatteFunn receivable	1 108 118	0
Prepaid rent and other short term prepayments	4 893 711	2 507 873
Deferred contract costs	5 717 663	0
Total other short-term receivables	12 295 808	5 210 161



Other short-term liabilities	2023	2022
Holiday allowance	3 573 158	3 411 008
Salary/Bonus accrual	4 369 643	2 563 330
Guarantee provision	477 500	577 500
Customer deposits and other accruals	2 150 767	1 796 791
Total other short-term liabilities	10 571 067	8 348 628

*Please see accounting principles regarding foreign currency

Note 12 Tax

This year's tax expense	2023	2022
Entered tax on ordinary profit/loss:		
Payable tax	3 861 294	4 337 775
Changes in deferred tax	-41 698	-363 914
Tax expense on ordinary profit/loss	3 819 596	3 973 861

Taxable income:		
Result before tax	17 315 554	18 034 457
Permanent differences	46 245	28 552
Changes in temporary differences	189 536	2 213 215
Provided intra-group contribution	-17 551 335	-19 717 161
Allocation of loss to be brought forward	0	-559 063
Taxable income	0	0

Payable tax in the balance:		
Payable tax on this year's result	3 861 294	4 337 775
Payable tax on provided Group contribution	-3 861 294	-4 337 775
Total payable tax in the balance	0	0

Calculation of effective tax rate		
Profit before tax	17 315 554	18 034 457
Calculated tax on profit before tax	3 809 422	3 967 580
Tax effect of permanent differences	10 174	6 281
Total	3 819 596	3 973 862
Effective tax rate	22,1 %	22,0 %

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

	2023	2022	Difference
Tangible assets	-1 487 055	-860 398	626 656
Stock	-1 253 436	-1 590 556	-337 120
Allocations and more	-477 500	-577 500	-100 000
Total	-3 217 991	-3 028 454	189 536

Basis for deferred tax assets	-3 217 991	-3 028 454	189 536
--------------------------------------	-------------------	-------------------	----------------

Deferred tax assets (22 %)	-707 958	-666 260	41 698
-----------------------------------	-----------------	-----------------	---------------

Penneo Dokumentnr: 3MD3S-JAE0V-KSGGX-0XMX-DBXT5-GT7ZG



Note 13 Equity capital

	Share capital	Share premium	Other equity capital	Total equity capital
Per. 31.12.2022	209 580	8 905 034	17 829 792	26 944 406
Result of the year			13 495 958	13 495 958
Group contributions made			-13 690 041	-13 690 041
Per 31.12.2023	209 580	8 905 034	17 635 709	26 750 323

Note 14 Pledges and guaranties

	31.12.2023	31.12.2022
Guarantees		
Rent Guarantee	1 090 736	1 090 736
Total	1 090 736	1 090 736
Book value of charged assets		
Equipment	2 035 199	2 312 726
Inventories	41 021 430	29 145 941
Customer receivables	38 963 484	24 656 354
Total	82 020 113	56 115 021

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 15 Bank deposits

Funds standing on the tax deduction account (restricted funds) are NOK 1 633 298.

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

Shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
GALLEON ACQUISITION CO AS	209 580	100,0	100,0



PENNEO

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."

Marc-Andre Warwick Morin

Chairman of the board

On behalf of: Galleon Embedded Computing AS

Serial number: marc.morin@spectra-aerodef.com

IP: 12.138.xxx.xxx

2024-06-26 15:42:04 UTC

Lunde, Christian Schjervig

Boardmember

On behalf of: Galleon Embedded Computing AS

Serial number: no_bankid:9578-5999-4-1047488

IP: 77.16.xxx.xxx

2024-06-27 20:25:32 UTC



Bøch, Espen

CEO

On behalf of: Galleon Embedded Computing AS

Serial number: no_bankid:9578-5997-4-594284

IP: 193.90.xxx.xxx

2024-06-28 07:34:29 UTC



Penneo document key: 3MD3S-JAEOV-K5GGX-0XMMX-DBXT5-GT72G

This document is digitally signed using **Penneo.com**. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service <penneo@penneo.com>**. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>



Report from the board of directors 2023

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 Embedded Computing AS		
2023	2022	
137 187	150 513	Operating Income
18 186	23 187	Operating Profit
13 496	14 061	Net Income
99 081	67 975	Total Assets
26 750	26 944	Equity
27,0%	39,6%	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 2023, the company spent 5.8 MNOK on R&D projects, excluding personnel expenses.

Outlook

The company is experiencing an increased demand for its products, 2023 saw a reduction in revenue as the company has undertaken significant long term projects, with an initial development phase and delayed revenues. With a larger than ever backlog and significant order volumes the BoD are confident that 2024 yet again will be



an all-time high for revenue 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 2,65% for 2023.

Gender equality

At the end of the year, the company had 36 employees, whereof 4 woman and 32 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.galleonec.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 26.06.2024

Marc-Andre Warwick Morin	Christian Schjervig Lunde	Espen Bøch
Chairman of the board	Board member	CEO



PENNEO

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."

Marc-Andre Warwick Morin

Chairman of the board

On behalf of: Galleon Embedded Computing AS

Serial number: marc.morin@spectra-aerodef.com

IP: 12.138.xxx.xxx

2024-06-26 15:42:04 UTC

Lunde, Christian Schjervig

Boardmember

On behalf of: Galleon Embedded Computing AS

Serial number: [no_bankid:9578-5999-4-1047488](#)

IP: 77.16.xxx.xxx

2024-06-27 20:25:32 UTC

bankID

Bøch, Espen

CEO

On behalf of: Galleon Embedded Computing AS

Serial number: [no_bankid:9578-5997-4-594284](#)

IP: 193.90.xxx.xxx

2024-06-28 07:34:29 UTC

bankID

Penneo document key: PZFFS-NQUJD-5KV5X-CON20-NJT5W-BB00K

This document is digitally signed using **Penneo.com**. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service** <penneo@penneo.com>. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>