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PERSONLIGT ENGAGEMENT

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StrongByte Solutions ApS

Messingvej 6, 8940 Randers SV

Company reg. no. 39 38 99 32

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 12 July 2024.

Robert Stephen Gamlin
Chairman of the meeting

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

Management's statement

Today, the Managing Director has approved the annual report of StrongByte Solutions ApS for the financial year 1 January - 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

Further, in my opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Randers SV, 11 July 2024

Managing Director

Robert Stephen Gamlin

Independent auditor's report

To the Shareholder of StrongByte Solutions ApS

Opinion

We have audited the financial statements of StrongByte Solutions ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management’s Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, 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 in preparing the financial statements 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 and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 in preparing the financial statements 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 contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 11 July 2024

Christensen Kjærulff

Company reg. no. 15 91 56 41

Martin Dyhr Jørgensen
State Authorised Public Accountant
mne41362

Company information

The company	StrongByte Solutions ApS Messingvej 6 8940 Randers SV
	Company reg. no. 39 38 99 32 Financial year: 1 January - 31 December
Managing Director	Robert Stephen Gamlin
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Østbanegade 123 2100 København Ø

Description of key activities of the company

The activities of the company is to conduct trade in communication equipment and other, at the management's estimated, related business

Development in activities and financial matters

The gross profit for the year totals DKK 11,7m against DKK 14,3m last year. Income from ordinary activities after tax totals DKK 7,8m against DKK 8,2m last year. Management considers the net profit for the year satisfactory.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2023	2022
	Gross profit	**11.715.144**	**14.335.242**
2	Staff costs	-1.337.597	-2.442.775
	Depreciation and impairment of property, land, and equipment	0	-11.866
	Operating profit	**10.377.547**	**11.880.601**
	Other financial income	129.972	1.116.291
	Other financial expenses	-432.151	-2.453.737
	Pre-tax net profit or loss	**10.075.368**	**10.543.155**
3	Tax on net profit or loss for the year	-2.237.162	-2.351.431
	Net profit or loss for the year	**7.838.206**	**8.191.724**
	Proposed distribution of net profit:		
	Dividend for the financial year	35.600.000	0
	Transferred to retained earnings	0	8.191.724
	Allocated from retained earnings	-27.761.794	0
	Total allocations and transfers	**7.838.206**	**8.191.724**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2023	2022
	Non-current assets		
4	Other fixtures, fittings, tools and equipment	0	0
	Total property, plant, and equipment	0	0
5	Deposits	36.896	17.038
	Total investments	36.896	17.038
	Total non-current assets	**36.896**	**17.038**
	Current assets		
	Manufactured goods and goods for resale	6.631.608	588.807
	Total inventories	6.631.608	588.807
	Trade receivables	7.302.416	1.278.838
	Deferred tax assets	0	3.304
	Income tax receivables	2.838.148	0
	Other receivables	1.271.316	49.692
	Prepayments	22.033	2.113
	Total receivables	11.433.913	1.333.947
	Cash and cash equivalents	31.986.843	28.065.110
	Total current assets	**50.052.364**	**29.987.864**
	Total assets	**50.089.260**	**30.004.902**

Balance sheet at 31 December

All amounts in DKK.

Note	**Equity and liabilities**	2023	2022
	Equity		
	Contributed capital	50.000	50.000
	Retained earnings	52.727	27.814.521
	Proposed dividend for the financial year	35.600.000	0
	Total equity	**35.702.727**	**27.864.521**
	Provisions		
	Other provisions	1.350.223	0
	Total provisions	**1.350.223**	**0**
	Liabilities other than provisions		
	Trade payables	1.718.709	195.699
	Payables to group enterprises	10.668.507	0
	Income tax payable	0	1.579.914
	Other payables	44.600	158.484
	Deferred income	604.494	206.284
	Total short term liabilities other than provisions	13.036.310	2.140.381
	Total liabilities other than provisions	**13.036.310**	**2.140.381**
	Total equity and liabilities	**50.089.260**	**30.004.902**

1 Special items

6 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2022	50.000	19.622.797	0	19.672.797
Retained earnings for the year	0	8.191.724	0	8.191.724
Equity 1 January 2023	50.000	27.814.521	0	27.864.521
Retained earnings for the year	0	-27.761.794	35.600.000	7.838.206
	50.000	**52.727**	**35.600.000**	**35.702.727**

All amounts in DKK.

1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	2023	2022
Expenses:		
Impairment of current assets exceeding the usual write-down for impairment	-3.344.090	0
	-3.344.090	0
Special items are recognised in the following items in the financial statements:		
Gross profit	3.344.090	0
Profit of special items, net	**3.344.090**	**0**

2. Staff costs

	2023	2022
Salaries and wages	1.128.107	2.017.086
Pension costs	198.839	389.800
Other costs for social security	10.651	27.852
Other staff costs	0	8.037
	1.337.597	**2.442.775**
Average number of employees	20	2

Notes

All amounts in DKK.

		2023	2022
3.	**Tax on net profit or loss for the year**		
	Tax on net profit or loss for the year	2.233.858	2.328.920
	Adjustment of deferred tax for the year	3.304	-1.509
	Adjustment of tax for previous years	0	24.020
		2.237.162	**2.351.431**
4.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 January 2023	35.598	35.598
	Cost 31 December 2023	**35.598**	**35.598**
	Depreciation and write-down 1 January 2023	-35.598	-23.732
	Amortisation and depreciation for the year	0	-11.866
	Depreciation and write-down 31 December 2023	**-35.598**	**-35.598**
	Carrying amount, 31 December 2023	**0**	**0**
5.	**Deposits**		
	Cost 1 January 2023	17.038	32.480
	Additions during the year	36.896	0
	Disposals during the year	-17.038	-15.442
	Cost 31 December 2023	**36.896**	**17.038**
	Carrying amount, 31 December 2023	**36.896**	**17.038**

6. Contingencies

Contingent liabilities

The company has entered into rent obligations which, at the time of the balance sheet amount to T.DKK 15 during the non-cancellation period.

The annual report for StrongByte Solutions ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials, consumables less discounts and changes in inventories and royalties.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Property, plant and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of Other fixtures, fittings, tools and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Prepayments
Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand.

Equity
Dividend
Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax
Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Provisions
Provisions comprise expected costs of warranty commitments. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 2 years. Provisions for warranty commitments are measured on basis of the obtained experience with guarantee work. Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Deferred income

Payments received concerning future income are recognised under deferred income.

Robert Stephen Gamlin
Direktør
IP-address: 88.202.242.135:58727
Time of signature: 12-07-2024 at: 16:43:02
Signed with esignatur EasySign

Robert Stephen Gamlin
Dirigent
IP-address: 88.202.242.135:34448
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Martin Dyhr

The name returned by Danish MitID was:
Martin Robert Dyhr Jørgensen
Revisor
On behalf of Christensen Kjærulff Statsautoriseret Revision...
ID: e9be4fa7-cffb-423f-a782-96248d73b39e
Time of signature: 12-07-2024 at: 17:21:09
Signed with MitID