Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	991 753 591
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	GELATO ASA
Forretningsadresse:	Dronning Eufemias gate 8 0191 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Baard Farmen Andresen
Dato for fastsettelse av årsregnskapet:	10.07.2024

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, 27.08.2024

Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1	1 140 749 550	1 074 863 230
Annen driftsinntekt	1	2 472	579 071
Sum inntekter		**1 140 752 022**	**1 075 442 301**
Kostnader			
Varekostnad		902 623 076	858 751 683
Lønnskostnad	2,3,4	102 817 964	86 998 549
Avskrivning på varige driftsmidler og immaterielle eiendeler	5,6	25 772 409	20 537 727
Annen driftskostnad	4	473 747 853	436 544 604
Sum kostnader		**1 504 961 302**	**1 402 832 563**
Driftsresultat		**-364 209 280**	**-327 390 262**
Finansinntekter og finanskostnader			
Annen finansinntekt		1 390 492	580 734
Sum finansinntekter		**1 390 492**	**580 734**
Rentekostnad til foretak i samme konsern		11 532 865	6 014 095
Annen rentekostnad		330 191	180 537
Annen finanskostnad		4 178 842	6 475 513
Sum finanskostnader		**16 041 898**	**12 670 145**
Netto finans	7	**-14 651 406**	**-12 089 411**
Ordinært resultat før skattekostnad		**-378 860 686**	**-339 479 673**
Skattekostnad på ordinært resultat	8	-81 690 571	-73 407 401
Ordinært resultat etter skattekostnad		**-297 170 115**	**-266 072 272**
Årsresultat		**-297 170 115**	**-266 072 272**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	9	-297 170 115	-266 072 272
Sum overføringer og disponeringer		**-297 170 115**	**-266 072 272**

Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utvikling	5	83 358 220	65 111 668
Utsatt skattefordel	8	291 085 975	212 895 509
Sum immaterielle eiendeler		**374 444 195**	**278 007 177**
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	6	1 853 146	1 844 210
Sum varige driftsmidler		**1 853 146**	**1 844 210**
Finansielle anleggsmidler			
Investering i datterselskap	10	29 505 422	23 783 521
Andre fordringer	11	320 859	851 863
Sum finansielle anleggsmidler		**29 826 281**	**24 635 384**
Sum anleggsmidler		**406 123 622**	**304 486 771**
Omløpsmidler			
Varer			
Varer	12	15 344 059	11 560 032
Sum varer		**15 344 059**	**11 560 032**
Fordringer			
Kundefordringer		69 741 831	39 076 103
Andre fordringer	11,13	14 392 117	23 347 513
Sum fordringer		**84 133 948**	**62 423 616**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	14	88 338 682	90 325 179
Sum bankinnskudd, kontanter og lignende		**88 338 682**	**90 325 179**
Sum omløpsmidler		**187 816 689**	**164 308 827**
SUM EIENDELER		**593 940 311**	**468 795 598**

Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	15,9	88 582 903	86 927 148
Overkurs	9	790 358 755	399 905 352
Ikke registrert kapitalforhøyelse	9	0	392 163 500
Annen innskutt egenkapital	9	289 924 590	64 336 262
Sum innskutt egenkapital		**1 168 866 248**	**943 332 262**
Opptjent egenkapital			
Annen egenkapital		-1 046 276 270	-749 106 155
Sum opptjent egenkapital		**-1 046 276 270**	**-749 106 155**
Sum egenkapital		**122 589 978**	**194 226 107**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld	13	167 709 644	125 970 293
Skyldige offentlige avgifter		55 254 650	54 452 580
Kortsiktig konserngjeld	13	181 692 529	
Annen kortsiktig gjeld	13	66 693 510	94 146 619
Sum kortsiktig gjeld		**471 350 333**	**274 569 492**
Sum gjeld		**471 350 333**	**274 569 492**
SUM EGENKAPITAL OG GJELD		**593 940 311**	**468 795 599**

Konsernets resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	4	1 143 304 116	1 087 303 856
Annen driftsinntekt	4	-1 857	605 309
Sum inntekter		**1 143 302 259**	**1 087 909 165**
Kostnader			
Varekostnad	13	645 347 037	640 151 677
Lønnskostnad	5	319 117 683	253 909 636
Avskrivning på varige driftsmidler og immaterielle eiendeler	11,12	25 788 586	20 579 502
Avskrivning bruksrettighet	7	11 965 704	10 321 250
Annen driftskostnad	6	487 458 137	458 778 968
Annen inntekt (-) / tap	8	-2 422 464	13 072 214
Sum kostnader		**1 487 254 683**	**1 396 813 247**
Driftsresultat		**-343 952 424**	**-308 904 082**
Finansinntekter og finanskostnader			
Annen finansinntekt		1 502 336	604 533
Sum finansinntekter		**1 502 336**	**604 533**
Annen finanskostnad		12 386 357	7 312 752
Valutainntekt (-) / valutatap		6 776 573	-2 065 067
Sum finanskostnader		**19 162 930**	**5 247 685**
Netto finans	9	**-17 660 594**	**-4 643 152**
Ordinært resultat før skattekostnad		**-361 613 018**	**-313 547 234**
Skattekostnad på ordinært resultat	10	-74 488 816	-62 027 378
Ordinært resultat etter skattekostnad		**-287 124 202**	**-251 519 856**
Årsresultat		**-287 124 202**	**-251 519 856**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-287 124 202	-251 519 856
Sum overføringer og disponeringer		**-287 124 202**	**-251 519 856**

Konsernets resultatregnskap

Beløp i: NOK	Note	2023	2022

Konsernets balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utvikling	11	83 358 220	65 111 668
Utsatt skattefordel	10	308 959 020	227 698 071
Sum immaterielle eiendeler		**392 317 240**	**292 809 739**
Varige driftsmidler			
Bruksrett kontorlokaler	7	18 487 332	9 697 446
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	12	1 887 502	1 897 425
Sum varige driftsmidler		**20 374 834**	**11 594 871**
Finansielle anleggsmidler			
Andre fordringer	14	950 455	1 422 742
Sum finansielle anleggsmidler		**950 455**	**1 422 742**
Sum anleggsmidler		**413 642 529**	**305 827 352**
Omløpsmidler			
Varer			
Varer	13	21 331 889	12 021 868
Sum varer		**21 331 889**	**12 021 868**
Fordringer			
Kundefordringer	14	74 958 019	40 521 715
Andre fordringer	14	17 351 691	26 662 463
Konsernfordringer	19	51 774	6 880
Sum fordringer		**92 361 484**	**67 191 058**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	15	159 884 698	163 688 592
Sum bankinnskudd, kontanter og lignende		**159 884 698**	**163 688 592**
Sum omløpsmidler		**273 578 071**	**242 901 518**
SUM EIENDELER		**687 220 600**	**548 728 870**

Konsernets balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	16	88 582 903	86 927 148
Overkurs	16	790 358 754	399 905 352
Ikke registrert kapitalforhøyelse	16	0	392 163 500
Annen innskutt egenkapital	16	88 118 045	74 939 182
Sum innskutt egenkapital		**967 059 702**	**953 935 182**
Opptjent egenkapital			
Annen egenkapital		-995 157 281	-713 723 915
Sum opptjent egenkapital		**-995 157 281**	**-713 723 915**
Sum egenkapital		**-28 097 579**	**240 211 267**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig leieforpliktelse	7	7 946 642	1 360 809
Sum annen langsiktig gjeld		**7 946 642**	**1 360 809**
Sum langsiktig gjeld		**7 946 642**	**1 360 809**
Kortsiktig gjeld			
Leverandørgjeld		137 217 519	102 888 162
Betalbar skatt	10	4 431 698	5 290 473
Skyldige offentlige avgifter		64 172 867	73 934 518
Kortsiktig konserngjeld	19	397 658 463	20 000
Annen kortsiktig gjeld	18	93 136 977	115 887 674
Kortsiktig leieforpliktelse	7	10 754 013	9 135 969
Sum kortsiktig gjeld		**707 371 537**	**307 156 796**
Sum gjeld		**715 318 179**	**308 517 605**
SUM EGENKAPITAL OG GJELD		**687 220 600**	**548 728 872**

Konsernets balanse

Beløp i: NOK	Note	2023	2022

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	30.01.2015	04.02.2015
Telefon	Deres referanse	Vår referanse
22078139	Sven Bouwman	2015/79521

GELATO GROUP AS
Postboks 164
1325 LYSAKER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 30. januar 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

Gelato Group AS	org. nr. 991 753 591
OP Invest AS	org. nr. 891 753 632

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Gelato Group AS og OP Invest AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

Bakgrunn
Gelato Group AS er et heleid datterselskap av OP Invest AS. Over 50 % av OP Invest AS eies av utenlandske aksjonærer. Selskapene har utenlandske styremedlem. Selskapene driver virksomhet innen trykkeribransjen. Det vesentlige av omsetningen finner sted i utlandet. Selskapene opererer i en internasjonal bransje, hvor kunder og leverandører i all hovedsak er utenlandske. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

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

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

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

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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at over 50 % av aksjonærene er utenlandske. Det vesentlige av omsetningen finner sted i utlandet. Videre er det vektlagt at selskapene driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer

To the General Meeting of Gelato ASA

Independent Auditor's Report

Opinion

We have audited the financial statements of Gelato ASA, which comprise:

- the financial statements of the parent company Gelato ASA (the Company), which comprise the balance sheet as at 31 December 2023, the statement of profit or loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Gelato ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, the statement of profit or loss, statement of equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of potentially material accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- 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, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group 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.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company 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 the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Oslo, 27 June 2024
PricewaterhouseCoopers AS

Hallvard Helgetun
State Authorised Public Accountant
(This document is signed electronically)

Securely signed with Brevio

Revisjonsberetning

Signers:

Name	***Method***	***Date***
Helgetun, Hallvard	BANKID	2024-07-02 14:07

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- *Closing page (this page)*
- *The original document(s)*
- *The electronic signatures. These are not visible in the document, but are electronically integrated.*

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BOARD OF DIRECTOR'S REPORT 2023
Gelato ASA
(org. no.: 991 753 591)

PRIMARY ACTIVITIES

Gelato ASA is a privately held software company. Gelato offers software for creators (GelatoCreate) and makers (GelatoConnect) and has developed software connecting creators and makers globally. Through our production partners, we represent the world's largest network for local, on-demand production, and facilitate the production of personalized products in 32 countries.

Gelato consists of three businesses,

- GelatoCreate gives every entrepreneur and creator a worldwide growth opportunity. With our software tools and network, you can, without any upfront investment, launch a truly global on-demand production service, connect with new customers in new markets, and better serve your existing customers. Gelato's highly qualified local production partners produce your products nearer to your customers. Transportation time is shortened, and carbon emissions are reduced.
- GelatoConnect is a print production software that connects procurement, workflow, and logistics to optimize production hubs' efficiency, quality, and profitability - all in a single platform. GelatoConnect is the only product- and machine-agnostic solution for printers, fully controllable from your mobile phone.
- Optimalprint is our consumer business operating in 23 countries and where this journey started. The millions of orders produced by our network of production hubs have refined our production workflow technology and perfected product quality.

The company launched its services in 2007 under the name of Optimalprint.

OWNERSHIP STRUCTURE

Gelato ASA was registered in the Brønnøysund Register Center on the 27th of September 2007 and is a wholly owned subsidiary of OP Invest AS (org.no.: 891 753 632). The office address of the companies is at Dronning Eufemias gate 8, 0191, Oslo, Norway.

Gelato ASA (previously "Gelato AS") was converted into a public liability company as of 10 November 2021.

GOING CONCERN

In accordance with Norwegian accounting regulations, the Board confirms that the annual financial statements have been prepared on a going-concern basis.

Parent: The company's total equity as per 31.12.2023 is 122,589,978 NOK.

Group: The group's total equity as per 31.12.2023 is - 28,097,579 NOK.

WORK ENVIRONMENT

Gelato views its employees as our most valuable resource. The work environment in the group is guided by the values within an equal-opportunity employer. We insist on fair, non-discriminative treatment for all employees, in recruitment and in selection for promotion or training opportunities, irrespective of race, color, nationality, age, sex, sexual orientation, gender identity, ethnic origin, marital status, disability or religion. Individuals at every level share responsibility for maintaining a culture that is built on the hard work associated with creating lasting impact and building a global company. We work to support open and positive relationships, free from prejudice, stereotyping and unfair bias.

The group's internal controls have been implemented based on the requirements set forth in the applicable Health, Safety and Environment (HSE) regulations.

Sick leave in the group during 2023 was 688 working days in total.

The company directly employed an average of 88 FTE during 2023.

The group employed an average of 250 FTE during 2023.

During the year no serious accidents resulting in material damage or personal injuries have occurred or been reported.

ENVIRONMENTAL STATEMENT

We understand the importance of protecting the environment and our vision is to rethink production for the benefit of people and planet. We use software to connect creators and makers and provide technology transforming global manufacturing from centralized mass production to local, on-demand production. With Gelato, items are only made when someone orders them—perfectly matching supply with demand (removing overproduction) and embracing local manufacturing. Instead of an item being made in China and shipped to a consumer in California, it will be made on demand locally in California, significantly cutting transportation emissions and eliminating the need for carbon-heavy shipping methods like air freight. With 3D printing, these benefits will be amplified enabling precise, on-demand manufacturing of goods with significantly reduced material waste.

Local, on-demand production can significantly reduce the environmental impact of production and distribution, vs traditional centralized mass production. Studies show that Gelato's business model, including its global network of local production partners in 32 countries, is helping companies reduce their carbon footprint.

The group is not regulated by any licenses or impositions. For the parts of the operations of the group that relate to the sale of customized physical products, production is conducted by production partners, while transportation is carried out by logistics partners.

Gelato is a participant member of the UN Global Compact. Gelato has reported its Sustainability progress for 2023, the report is available at www.gelato.com.

TRANSPARENCY ACT

The due diligence report according to the Transparency Act is available at www.gelato.com.

EQUALITY

We believe that an open, connected world is essential to break down barriers that limit access to certain positions within our group. We believe that people should be treated with respect at all times. We strongly condemn any discrimination. Instead, we promote equality through actively working with diversity related to gender, religion, language and culture.

Parent: As of 31.12.2023, the company's gender distribution of the employees in the company is 27% female and 73% male.

Group: As of 31.12.2023, the gender distribution of the employees in the group is 33% female and 67% male.

DEVELOPMENT 2023 AND FUTURE

Since mid-year of 2022, global economic turbulence has presented challenges for our consumer business primarily. With factors such as the Ukrainian conflict, energy crisis, and banking issues at SVB and Credit Suisse affecting consumer confidence, demand for our B2C products has been negatively impacted. In this environment, we delivered strong growth and maintained tight cash control.

The company and group focus on the following services, all supported by our global production-on-demand platform, the Gelato Network.

GelatoCreate

GelatoCreate was launched in 2019 to empower global ecommerce and the creator economy to serve any customer overnight with any customized product. The platform allows global companies and entrepreneurs, including our internal customer Optimalprint, to access its network of production and distribution partners to produce and deliver personalized products.

GelatoCreate is a business that sells to merchants of all sizes a bundle of production-on-demand physical products, combined with software services to manage their business and digital content to personalize their products. Given the successful growth of GelatoCreate since its launch, supporting on-demand production for e-commerce businesses, we accelerated the development of software tools to help creators save time and scale their businesses, including tools related to mockups, pricing, personalization and the mobile app. In 2023 we focused on expanding the product offering.

In 2023, we decided to focus fully on the Creators segment (entrepreneurs and SMB) and discontinued the solutions for marketing collateral and specialized services. Consequently, the revenue from those segments stopped.

We continue to see growth opportunities in this market, fueled by the growth in ecommerce and the creator economy.

GelatoConnect

Since very early in our history, we have been developing and providing capabilities of our software platform (GelatoConnect) to our production partners to run their operations when they produce for Gelato. GelatoConnect is a software business that sells software services to production-on-demand hubs across the world to run their operations, for Gelato's and other companies' volumes. After significant research in validating the market opportunity, we have decided to commercialize the capability of our software by launching a new business unit – GelatoConnect. GelatoConnect will make the sourcing, production, and distribution operations of production hubs across the globe more efficient, by improving throughput, reducing errors, and reducing material costs.

GelatoConnect's operational efficiency is underpinned by the integration of three modules: procurement, workflow, and logistics. Our 'procurement' module revolutionizes the acquisition process, automating tasks and slashing material costs while optimizing stock management. In conjunction, our 'workflow' module facilitates end-to-end production by offering enhanced workflow visibility. Further amplifying its capabilities, the 'logistics' module seamlessly integrates carriers, resulting in cost-effective shipping solutions and refined performance analytics.

This strategic alignment fosters a leaner, more agile logistical framework, enhancing our competitive edge in the market.

Optimalprint

Optimalprint is a leading B2C e-commerce business operating in 23 countries. Optimalprint sells a combination of personalized and pre-designed physical products, including wall art, apparel, cards and calendars.
Customers can leverage the software tools and digital content to design beautiful unique products. A significant part of the revenue is from customers who have a subscription (Optimalprint Plus).
Starting in 2023 and moving into 2024 we have conducted an important restructuring of Optimalprint, including moving from an in-house platform to Shopify+, reducing staff by 80%, reprogramming our marketing and acquisition engine, increasing profitability and positioning for future growth.

RISK FACTORS

The company and group are focused on taking the necessary actions to manage and reduce any business risks, such that the overall risk exposure of the company and group is continuously contained to what is considered commercially acceptable.

The operations of Gelato ASA and the group are exposed to certain operational and financial risks. For example, the group is investing in growth, particularly in GelatoConnect and GelatoCreate, and will face uncertainty related to future estimates of revenue. In addition, in a fast growth environment there are always risks related to execution, in our case mainly related to production capacity, quality and delivery.

The group is exposed to adverse legal and tax consequences, resulting from regulatory environments and complexities of foreign corporate income tax systems, value added tax ("VAT") regimes, tax withholding rules, custom duties, and restrictions on the repatriation of earnings. Legal and tax uncertainties evolve as the business increases its global operations. To mitigate risks, we partner with carefully selected advisors and back-office providers such as PwC, Viewledger, Allyn, EY, KPMG, TMF, Taxually and Vertex, and world class local legal advisors across the globe.

The board of directors, managing directors and officers of Gelato ASA are covered by a D&O insurance limiting the aggregate liability for financial losses to NOK 50 000 000.

Currency risk: The underlying currency risk for the group is limited. The group's revenues and operating expenses are exposed to foreign exchange rate fluctuations. However, the effect of currency exchange gain / loss is limited to only 3.4% of revenue (2022: 2.6% of revenue). The currency risk is therefore mainly related to the translation into the financial statement presentation currency.

Interest risk: The group has no interest-bearing debt, except from interest on loan to parent company.

Credit risk: A significant majority of customer payments are received before production is initiated. However, post-paid orders increase as we grow the GelatoCreate business.

Liquidity risk: As of 31.12.2023, cash and cash equivalents of the company equaled 88,338,682 NOK and cash and cash equivalents of the group equaled 159,884,698 NOK The company and group have no external or interest-bearing debt and a limited number of short-term liabilities. The liquidity position of the group is solid. The company will receive necessary funding or capital increase from the parent company when needed.

RESEARCH AND DEVELOPMENT

Gelato continues to allocate considerable resources to R&D activities as new services and functionalities are developed and rolled out globally. R&D within Gelato is related to continuous software development of existing and new platforms and services and is one of the group's core activities.

FINANCIAL SUMMARY

Parent:

Total revenues were 1,140,752,022 NOK in 2023 (2022: 1,075,442,301), with an EBITDA of -338,436,871 NOK in 2023 (2022: -306,852,535 NOK).

The difference between EBITDA and change in net cash is largely explained by reduced profitability driven by higher cost of production and operation costs, amortization of intangible assets, change in accruals, and change in working capital.

Net loss for the period was -297,170,115 NOK (2021: -266,072,272 NOK).

Change in deferred tax accounted on the balance sheet was 81,690,572 NOK in 2023 (2022: 73,407,402).

Based on the expected future profits in Gelato ASA, the Board deems it to be correct to account deferred taxes on the balance sheet.

Total equity per 31.12.2023 was 122,589,978 NOK, compared to 194,226,107 NOK per 31.12.2022. The company's equity ratio was -15.03% (2022:41.43%).

Total equity and liabilities per 31.12.2023 were 593,940,311 NOK, up from 468,795,599 NOK per 31.12.2022.

Group:

Total revenues were 1,143,302,259 NOK in 2023 (2022: 1,087,909,165), with an EBITDA of -306,198,134 NOK in 2023 (2022: -278,003,330 NOK).

The difference between EBITDA and change in net cash is largely explained by reduced profitability driven by higher cost of production and operation costs, amortization of intangible assets, change in accruals, and change in working capital.

Net losses for the period was -287,124,202 NOK (2022: -251,519,856 NOK).

Change in deferred tax accounted on the balance sheet was 81,260,949 NOK in 2023 (2022: 72,322,248).

Based on the expected future profits in Gelato ASA, the Board deems it to be correct to account deferred taxes on the balance sheet.

Total equity per 31.12.2023 was -28,097,579 NOK, compared to 240,211,267 NOK per 31.12.2022. The group's equity ratio was -40.89% (2022: 43.78%).

Total equity and liabilities per 31.12.2023 were 687,220,600 NOK, up from 548,728,871 NOK per 31.12.2022.

It is the Board's opinion that the annual accounts provide a true and fair view of the company's and the group's activities in 2023.

NET INCOME AND DISTRIBUTIONS

Parent: The Board proposes the following distribution of the net income of Gelato ASA (parent):

Transferred from other equity	-297,170,115 NOK
Total distributed	**-297,170,115 NOK**

Group: The Board proposes the following distribution of the net income of Gelato ASA (group):

Transferred from other equity	-287,124,202 NOK
Total distributed	**-287,124,202 NOK**

Oslo, 27/06/2024

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Nicole Marie Vanderbilt	Jan Tellef Thorleifsson	John Keith Hepburn
Board member	Chairman of the board	Board member

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Henrik Müller-Hansen
CEO

Gelato ASA

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Gelato ASA

Statement of profit or loss 1 January - 31 December
in NOK

	Note	2023	2022
Sales revenue	1	1,140,749,550	1,074,863,230
Other revenue	1	2,472	579,071
Total revenues		**1,140,752,022**	**1,075,442,301**
Cost of goods		(902,623,076)	(858,751,683)
Payroll expenses	2, 3, 4	(102,817,964)	(86,998,549)
Other operating expenses	4	(473,747,853)	(436,544,604)
Losses before interest, taxes, depreciation, amortization (EBITDA)		**(338,436,871)**	**(306,852,535)**
Depreciation, amortization	5,6	(25,772,409)	(20,537,727)
Net operating income		**(364,209,280)**	**(327,390,262)**
Financial items			
Other financial income		1,390,492	580,734
Other financial expenses		(11,863,056)	(6,194,632)
Currency effects losses - net		(4,178,842)	(6,475,513)
Net financial items	7	**(14,651,406)**	**(12,089,411)**
Losses before tax		**(378,860,686)**	**(339,479,673)**
Income tax	8	81,690,571	73,407,401
Net income for the year is distributed as follows:			
Transferred (from)/ to other equity		(297,170,115)	(266,072,272)
Total distributed	9	(297,170,115)	(266,072,272)

Gelato ASA

Balance sheet for the year ended 31 December 2023
in NOK

Assets	Note	31.12.2023	31.12.2022
Non-current assets			
Intangible assets	**5**	83,358,220	65,111,668
Deferred tax asset	**8**	291,085,975	212,895,509
		374,444,195	278,007,177
Property, plant & equipment	**6**	1,853,146	1,844,210
Investments in subsidiaries	**10**	29,505,422	23,783,521
Other non-current receivables	**11**	320,859	851,863
Total non-current asset		**406,123,622**	**304,486,771**
Current assets			
Inventories	**12**	15,344,059	11,560,032
Trade receivables		69,741,831	39,076,103
Other short-term receivables	**11,13**	14,392,117	23,347,513
Cash and cash equivalents	**14**	88,338,682	90,325,179
Total current asset		**187,816,689**	**164,308,828**
Total assets		**593,940,311**	**468,795,599**
Equity and liabilities			
Share capital	**15,9**	88,582,903	86,927,148
Share premium	**9**	790,358,755	399,905,352
Unregistered paid-in capital	**9**	0	392,163,500
Additional paid-in capital	**9**	289,924,590	64,336,262
Total paid-in capital		1,168,866,248	943,332,262
Retained earnings		(1,046,276,270)	(749,106,155)
Total equity		**122,589,978**	**194,226,107**
Current liabilities			
Trade payables	**13**	167,709,644	125,970,293
Short term loan to parent entity	**13**	181,692,529	-
VAT, social security & other taxes		55,254,650	54,452,580
Other current liabilities	**13**	66,693,510	94,146,619
Total current liabilities		**471,350,333**	**274,569,492**
Total liabilities		**471,350,333**	**274,569,492**
Total equity and liabilities		**593,940,311**	**468,795,599**

Oslo, 27.06.2024
The board of Gelato ASA

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Nicole Marie Vanderbilt	Jan Tellef Thorleifsson	John Keith Hepburn	Henrik Müller-Hansen
Board member	*Chairman of the board*	*Board member*	*CEO*

Gelato ASA

Statement of cash flows
in NOK

	Note	2023	2022
Cash flows from operating activities			
Losses before income tax		(378,860,686)	(339,479,673)
Depreciation, amortization	5,6	25,772,409	20,537,727
Share based payments		7,463,114	6,005,212
Change in inventories	12	(3,784,027)	(7,079,314)
Change in trade receivables		(30,665,727)	(4,729,063)
Change in trade payables		41,739,351	(45,032,590)
Change in other accruals		(17,225,134)	55,073,798
Net cash inflow (outflow) from operating activities		**(355,560,700)**	**(314,703,903)**
Cash flows from investing activities			
Payments for purchases of non-current assets	6	(703,698)	(1,564,150)
Payment for purchases of intangible assets and capitalized development cost	5	(43,324,199)	(35,139,340)
Proceed from other receivables		-	2,291,386
Net cash inflow (outflow) from investing activities		**(44,027,897)**	**(34,412,104)**
Cash flows from financing activities			
Investment in subsidiaries		-	(50,000)
Short term loan to parent entity		397,602,100	-
Proceeds from capital increase	9	-	392,163,500
Net cash inflow (outflow) from financing activities		**397,602,100**	**392,113,500**
Net increase (decrease) in cash and cash equivalents		(1,986,497)	42,997,493
Cash and cash equivalents at the beginning of the period		90,325,179	47,327,686
Cash and cash equivalents at the end of the period		**88,338,682**	**90,325,179**

General information

Gelato ASA is a privately held software company. Gelato offers software for creators (Gelato-Create) and makers (Gelato-Connect) and has developed software connecting creators and makers globally. Through our partners, we represent the world's largest network for local, on-demand production, and facilitate the production of personalized products in 32 countries.

Gelato ASA was transformed into a public limited company (ASA) as of 8 June 2021. Previously, Gelato ASA was named Gelato AS. The company's principal offices are located at Dronning Eufemias, Gate 8, Oslo, Norway.

The financial statements were authorized for issue by the Directors on June 27, 2024.

Summary of significant accounting policies

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

Revenues

Revenue derives from software connecting creators and makers globally including sale of physical products and distribution to creators and consumers.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, discounts and amounts collected on behalf of third parties.

The company recognizes revenue when the performance obligations in the contracts with customers are delivered. Specific criteria have been established for each of the companies revenue generating activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The specific accounting policies for the Group's main revenue generating activities are as follows:

Products

The revenue from sale of printing products is recognized when control of the goods has transferred, being when the goods are delivered to the customer (shipped from stock). A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Gelato Plus and Gelato Gold

Gelato Plus and Gelato Gold are Software as a Service ("SaaS") revenue providing customer exclusive access to software tools to help customers save time and scale their business, including but not limited to, software tools for mockups, personalization, product expansion, and price setting. Revenue is recognized as a right to access the entity's intellectual property as it exists throughout the license period and amortized over the non-cancellable contractual period.

Optimalprint Plus

Sales of Optimalprint Plus are considered arrangements with multiple performance obligations, including unlimited shipping, access to exclusive discounts and extended warranty in exchange for an upfront annual fee. The revenue of each performance obligation is amortized over time, during the non-cancellable contractual period, and based on the estimated timing that the disbursements for fulfilling the performance obligations will occur. The expected cost is estimated upon historical information of past orders and expected customer behavior.

Extended warranty revenue is recognized when management considers the probability that warranty claims will occur beyond the statutory warranty period.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as non-current assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's installment on long term liabilities and long term receivables are, however, not classified as current liabilities and current assets.

Intangible assets

Acquired intangible assets are capitalized on the basis of the costs incurred to acquire and put the asset into use. Expenditure on the research phase of projects to develop new customized software is recognized as an expense as incurred. All intangible assets, including capitalized internally developed software, are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date.

Fixed assets

Fixed assets are reflected in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight- line basis if assumed lifetime is over 3 years and the cost price exceeds NOK 15,000. If changes in the depreciation plan occur, the effect is distributed over the remaining depreciation period. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset. The split between maintenance and additions/improvements is calculated in proportion to the asset's condition at the acquisition date.

Investments in other companies

The cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividends from other companies are reflected as financial income when it has been approved. Sums added to the balance sheet are amortized to the assumed actual value when this is lower.

Asset impairments

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cash flows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount.

Previous impairment charges are reversed in later periods if the conditions causing the write-down are no longer present.

Inventories

Cost comprises direct materials and, where applicable, shipping costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Costs of purchased inventory are determined after deducting rebates and discounts.

Receivables

Trade debtors are recognized in the balance sheet after provision for bad debts. The bad debts provision is made on the basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. In addition, an unspecified allocation is made to cover assumed losses.

Pensions

The company has a defined contribution plan.

With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognized as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (stock options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted.

At the end of each reporting period, the group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognized as financial income and financial expenses.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated with 22% on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Deferred tax is reflected at nominal value.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase.

Other

Gelato ASA's parent, OP Invest AS prepares consolidated financial statements where Gelato ASA are included. The parent company OP Invest AS has its registered offices in Dronning Eufemias, Gate 8, 0191 Oslo, where the consolidated financial statements can be obtained.

Note 1 Sales revenue

	2023	**2022**
Revenue from contracts with customers		
Revenue from services/software	23,174,763	30,819,269
Revenue from physical products and distribution	1,117,574,787	1,044,038,472
Other revenue		
Other	2,472	-
Government grant (Skattefunn)	-	584,561
Total	**1,140,752,022**	**1,075,442,301**

	2023	**2022**
EMEA	715,602,616	672,526,479
Americas	343,356,865	326,864,948
Asia Pacific	81,170,603	74,591,729
Africa	621,938	880,074
Total	**1,140,752,022**	**1,074,863,230**

Note 2 Share-based payments

In 2016 and before, certain employees have been offered options to buy shares in Gelato AS currently owned by Bassett AS. Options typically vested annually over three years after a 6 month waiting period.

An employee equity program was launched in 2016 with the shareholders authorizing up to 2 million B-shares to be used for the program.

The equity program allows management to grant selected employees options and to give them the opportunity to purchase restricted stock. Options grants typically vest quarterly over a three year period after a 6 to 9 month waiting period. Restricted stock typically vests in a similar fashion. Prior to vesting, the company has a right to buy back restricted stock from the employee if the employee ends their employment with a Group company for any reason.

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The number of and weighted average exercise price of options are as follows for Gelato ASA and subsidiaries:

	Number of options		Weighted Average Exercise Price (NOK)		Weighted Average Remaining Life	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Outstanding at Beginning of Year	**1,840,639**	**1,581,712**	**127.24**	**97.3**	**3.83**	**4.24**
Exercisable at the End of the Year	1,348,317	1,237,188	106.10	86.46	2.53	2.83
Granted During the Year	70,544	355,245	265.85	265.85	6.12	6.44
Exercised During the Year	47,486	6,394	69.16	65.2	0	0
Canceled during the Year	88,102	86,257	232.74	113.48	0	0
Canceled during the Year (Expired)	87,398	3,667	**79.95**	13.72	**0**	0
Outstanding at the End of the Year	**1,688,197**	**1,840,639**	131.60	**127.24**	3.09	**3.83**
Options Vested During the Year	241,425	252,093	189.58	125.85	4.63	4.58
Vested at end of Year	1,348,317	1,237,188	106.10	86.46	2.53	2.83
Shares Expected to Vest	339,880	603,451	232.80	210.83	5.31	5.88
Vested and Expected to Vest	1,688,197	1,840,639	131.60	127.24	3.09	3.83

Options outstanding at the end of the year have the following expiry date and exercise prices:

Exercise prices	**Options Outstanding**		**Weighted Average Remaining Contractual Life**		**Shares Exercisable**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
NOK 13,72	60,380	68,880	2.04	2.39	60,380	65,546
NOK 73,77	16,000	47,535	1.50	1.53	16,000	47,535
NOK 80,98	1,126,935	1,236,768	2.20	3.05	1,066,169	1,061,715
NOK 265,85	484,882	487,456	5.34	6.26	205,768	62,392

The fair value of services received in return for stock options granted is measured by using the Black & Scholes option pricing model. The significant inputs into the model are weighted average share price at the grant date, exercise price shown above, volatility of 40%, an expected option life of seven years and an annual risk-free interest rate of 1.2 %.

At end of 2023, the group has granted 229,368 share options to its key management personnel.

Note 3 Pensions

Mandatory occupational pension

The company is obliged to have an occupational pension scheme according to the act relating to mandatory occupational pensions and has established a pension scheme that meets the requirements of the Act. The company has a contributory scheme that covers all employees. Total pension expenses in 2023 were NOK 959,901 (2022: NOK 946,774).

Note 4 Payroll expenses

Specification of employee benefit expenses	2023	2022
Salaries/wages	81,947,464	67,363,565
Social security fees	9,103,566	11,173,084
Share options granted to employees	7,463,115	6,005,212
Pension expenses	959,901	946,774
Other remuneration	3,343,918	1,509,914
	102,817,964	**86,998,549**
The number of FTE's in the accounting year has been	88	82

Share based payments have been issued to employees. See note 2 for further information.

No loans/securities have been granted to the CEO, Chairman of the board or other related parties.

General Manager remuneration	Chief Executive officer	Board
Salaries and Board fee	2,948,167	-
Social security fees	527,842	-
Pension expenses - Defined contribution plan	28,888	-
Other remuneration	24,900	-

Expensed audit fee (excl. VAT)	2023	2022
Statutory audit (incl. technical assistance with financial statements)	1,124,287	735,465
Tax advisory fee (incl. technical assistance with tax return)	35,000	31,260
Other assistance	73,405	100,000
Total audit fees	**1,232,692**	**866,725**

Note 5 Intangible assets

2023	Web-domain	Software	Total
Cost 01.01	2,777,134	161,492,685	164,269,819
Accumulated amortization	(1,920,867)	(97,237,284)	(99,158,151)
At 01.01	**856,267**	**64,255,401**	**65,111,668**
Additions	-	43,324,198	43,324,198
This years amortization	(277,716)	(24,799,930)	(25,077,646)
At 31.12	**578,551**	**82,779,669**	**83,358,220**
Cost 31.12	2,777,134	204,816,883	207,594,017
Accumulated amortization	(2,198,583)	(122,037,214)	(124,235,797)
At 31.12	**578,551**	**82,779,669**	**83,358,220**
Amortization in the year	277,716	24,799,930	25,077,646
Amortization plan (straight line)	10 years	5 years	

The costs of building new products and features, together with significant improvements of parts or main components of Gelato's core platform (provided that such improvements will generate probable future economic benefits), are capitalized as development costs and amortized on a straight-line basis over 5 years.

A significant portion of the work that the software engineers perform (beyond specifically building new features or products) is related to the implementation of the ongoing updates that are required to maintain the functionality of the products and core platform. Examples of such updates include "bug fixes" and updates made to comply with changes in laws and regulations. These costs are expensed as maintenance costs. The anticipated total earnings from ongoing R&D exceeds total expenses incurred.

Web-domain is related to purchase of various internet properties.

Note 6 Property, plant and equipment

2023	**Furniture, fittings and equipment**
Cost 01.01	4,920,336
Additions	703,697
Cost per 31.12	**5,624,033**
Accumulated depreciation 01.01	(3,076,126)
This year's depreciation	(694,761)
Accumulated depreciation 31.12	**(3,770,887)**
At 31.12	**1,853,146**
Depreciation plan (straight line)	3 years
Annual rental of non-financial assets	
Rent for office premises	3,978,512
Rent for office premises – residual term	41 months

Note 7 Specification of financial income and expenses

	2023	**2022**
Interest income		
- Other interest income	1,390,492	580,734
- Other financial income	-	-
Finance income	**1,390,492**	**580,734**
Interest expense:		
- Other interest expense	(11,860,753)	(6,191,747)
- Other financial costs	(2,303)	(2,885)
Finance costs	**(11,863,056)**	**(6,194,632)**
Currency effects gains/(losses) - net	(4,178,842)	(6,475,513)
Net financial items	**(14,651,406)**	**(12,089,411)**

Note 8 Taxes

Calculation of deferred tax/deferred tax asset

Temporary differences	**2023**	**2022**
Fixed assets (tangible and intangible)	322,085	275,175
Accounts receivable	(150,000)	(130,000)
Deferred revenue from government grants (Skattefunn)	-	-
Other accruals	(14,117,848)	(15,049,467)
Net temporary differences	(13,945,763)	(14,904,292)
Tax losses carried forward	(1,324,976,138)	(952,696,831)
Basis for deferred tax	**(1,338,921,901)**	**(967,601,123)**
Deferred tax (22 %)	(294,562,819)	(212,872,247)
Deferred tax asset not shown in the balance sheet	-	-
Tax credit from tax paid abroad	(23,262)	(23,262)
Group contribution received	3,500,106	-
Deferred tax in the balance sheet	**(291,085,975)**	**(212,895,509)**

Deferred tax is capitalized in the balance sheet based on the company's ability to recover them against estimated future taxable profits.

Basis for income tax expense, changes in deferred tax and tax payable	**2023**	**2022**
Losses before tax	(378,860,686)	(339,479,673)
Permanent differences	7,539,908	6,394,232
Basis for the tax expense for the year	**(371,320,779)**	**(333,085,441)**
Change in temporary differences	(958,529)	2,074,699
Basis for payable taxes in the income statement	**(372,279,308)**	**(331,010,742)**
Change in tax losses carried forward	372,279,308	331,010,742
Basis for tax payable in the profit and loss accounts	-	-
Taxable income (basis payable tax in the balance sheet)	-	-

Components of the income tax		
Payable tax on this year's result	-	-
Total payable tax	-	-
Change in deferred tax	(81,690,571)	73,407,402
Paid income tax abroad		-
Income tax	**(81,690,571)**	**73,407,402**

Reconciliation of income tax	**2023**	**2022**
Losses before tax	(378,860,686)	(339,479,673)
Calculated tax 22 %	(83,349,351)	74,685,528
Income tax	(81,690,571)	73,407,401
Difference	1,658,780	1,278,127
The difference consist of:		
22 % of permanent differences	1,658,780	1,406,731
Paid income tax abroad	-	-
22 % of basis for deferred tax asset not shown in the balance sheet	-	(128,603)
Sum explained differences	1,658,780	1,278,127

Payable taxes in the balance sheet		
Payable tax in the tax charge	-	-
Paid income tax abroad	-	-
Payable tax in the balance sheet	-	-

Note 9 Shareholders' equity

Equity changes in the year	Share capital	Share premium	Unregistered paid-in capital	Additional paid in capital	Retained earnings	Total equity
Equity 01.01.	**86,927,148**	**399,905,352**	**392,163,500**	**64,336,262**	**(749,106,155)**	**194,226,107**
Capital increase	1,655,755	390,507,745	(392,163,500)		-	-
Unregistered paid-in capital						-
Cost incurred with capital increase		(54,342)				(54,342)
Effects due to Share-based payments*				13,178,863		13,178,863
Group contribution (with tax)				12,409,465		12,409,465
Group contribution (without tax)				200,000,000		200,000,000
Net income for the year					(297,170,115)	(297,170,115)
Equity 31.12.	**88,582,903**	**790,358,755**	-	**289,924,590**	**(1,046,276,270)**	**122,589,978**

*The company recognizes the effects of share-based payments in compliance with NRS 15.

Note 10 Investments in subsidiaries

Subsidiaries	Location	Ownership/ voting right	Equity 31.12.2023	Net income 2023	Balance sheet value 2023
Gelato Sweden AB	Stockholm	100%	15,204,810	676,368	24,510,478
Gelato Estonia Oü	Tallinn	100%	1,562,569	-531,419	2,655,006
Gelato Brasil Distribuicao de Materiais Impressos LTDA	São Paulo	100%	4,512,521	669,449	5,156,517
Gelato Chile SpA	Santiago	100%	-	-	-
Gelato information and technology (Shanghai) Ltd.	Shanghai	100%	1,334,787	152,587	1,524,169
Gelato Print Services India Private Limited	Mumbai	100%	2,653,107	718,120	3,369,651
Limited Liability Company Gelato Rus (non-operational and under liquidation)	Moscow	99%	1,013,998	-439,283	1,374,930
Gelato Group UK Ltd	London	100%	36,949,577	7,105,618	57,149,840
Gelato International AS	Oslo	100%	-56,199	-37,267	164
Gelato Japan LLC	Tokyo	100%	704,506	250,052	1,662,016
Gelato Tech Espana SLU	Madrid	100%	7,739,427	2,120,485	12,239,901
Gelato Tech Holding AS	Oslo	100%	12,182	-	712,762

Note 11 Receivables and liabilities

	2023	2022
Non-current receivables for payment later than one year	320,859	851,863
Non-current liabilities due for payment later than 5 years	-	-

Note 12 Inventories

	2023	2022
Frames	14,745,087	10,900,100
Packaging	598,972	659,932
Obsolescence	-	-
Total	**15,344,059**	**11,560,032**

Inventories are measured at the lower of amounts between purchase costs and net realizable value.

Note 13 Balance with group companies

	2023	2022
Other receivables	2,515,501	1,570,893
Total receivables	**2,515,501**	**1,570,893**
Trade payables	234,567,696	50,827,422
Other current liabilities	-	-
Total liabilities	**234,567,696**	**50,827,422**

Note 14 Restricted bank deposits

	2023	2022
Restricted bank deposits	5,926,561	6,036,111

Restricted cash is due to Nordea bank has mortgage in certain monetary claims up to NOK 2,960,000. Additional restricted cash is due to that Norwegian tax authorities has collateral in certain monetary claims up to NOK 2,966,561. The book value of receivables (non-current and current) is NOK 70,062,690.

Note 15 Shareholders' equity and share information

The share capital of NOK 88,582,903 comprises 8,278,776 shares of NOK 10.7. The company has one shareholder.

Name	Number of shares	Ownership
OP Invest AS	8,278,776	100%

Gelato ASA's parent OP Invest AS prepares consolidated financial statements where Gelato AS are included. The parent company, OP Invest AS has its registered offices in Gelato ASA, Dronning Eufemias gate 8, 0191 Oslo, where the consolidated financial statements can be obtained.

Note 16 Related-party transactions

Remuneration to executives is disclosed in note 4, and balance with group companies is disclosed in note 13.

The following internal transactions have taken place between Group entities in the accounting year.

Related parties	Type transactions	Total
Cost of services		
Gelato Sweden AB	Service fee (NOK)	30,079,718
Gelato Estonia	Service fee (NOK)	5,719,691
Gelato Brazil	Service fee (NOK)	7,475,432
Gelato Chile	Service fee (NOK)	-
Gelato China	Service fee (NOK)	2,716,648
Gelato India	Service fee (NOK)	11,147,346
Gelato Russia	Service fee (NOK)	116,883
Gelato UK	Service fee (NOK)	101,590,480
Gelato USA	Service fee (NOK)	219,504,104
Gelato Japan	Service fee (NOK)	9,335,674
Gelato Spain	Service fee (NOK)	59,575,975
Gelato Singapore	Service fee (NOK)	4,605,226
Gelato Canada	Service fee (NOK)	67,874
Gelato Germany	Service fee (NOK)	5,415,315
Revenue		
Gelato USA	Intellectual property fee (NOK)	21,652,213

Gelato ASA

Group Consolidated Financial Statements

Financial Statements for the Year ended 31 December 2023

Gelato ASA

Consolidated statement of profit or loss 1 January - 31 December
in NOK

	Note	2023	2022
Sales revenue	4	1,143,304,116	1,087,303,856
Other revenue	4	(1,857)	605,309
Total revenues		**1,143,302,259**	**1,087,909,165**
Cost of goods	13	(645,347,037)	(640,151,677)
Payroll expenses	5	(319,117,683)	(253,909,636)
Other operating expenses	6	(487,458,137)	(458,778,968)
Other gains/(losses) - net	8	2,422,464	(13,072,214)
Losses before interest, taxes, depreciation, amortization (EBITDA)		**(306,198,134)**	**(278,003,330)**
Depreciation, amortization	11,12	(25,788,586)	(20,579,502)
Amortization of right-of-use assets	7	(11,965,704)	(10,321,250)
Net operating income/(expense)		**(343,952,424)**	**(308,904,083)**
Financial items			
Other financial income		1,502,336	604,533
Other financial expenses		(12,386,357)	(7,312,752)
Currency effects gains/(losses) - net		(6,776,573)	2,065,067
Net financial items	9	**(17,660,594)**	**(4,643,152)**
Losses before tax		**(361,613,018)**	**(313,547,235)**
Income tax	10	74,488,816	62,027,378
Net losses		**(287,124,202)**	**(251,519,856)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		5,690,836	1,566,573
Other comprehensive income for the year, net of tax		5,690,836	1,566,573
Total comprehensive income/(loss) for the year		**(281,433,366)**	**(249,953,283)**

Gelato ASA

Consolidated balance sheet for the year ended 31 December 2023
in NOK

Assets	Note	2023	2022
Non-current assets			
Intangible assets	11	83,358,220	65,111,668
Deferred tax asset	10	308,959,020	227,698,071
Property, plant & equipment	12	1,887,502	1,897,425
Right-of-use assets	7	18,487,332	9,697,446
Other non-current receivables	14	950,455	1,422,742
Total non-current asset		**413,642,529**	**305,827,353**
Current assets			
Intercompany receivables	19	51,774	6,880
Inventories	13	21,331,889	12,021,868
Other current receivables	14	17,351,691	26,662,463
Trade receivables	14	74,958,019	40,521,715
Cash and cash equivalents	15	159,884,698	163,688,592
Total current asset		**273,578,071**	**242,901,519**
Total assets		**687,220,600**	**548,728,871**
Equity and liabilities			
Share capital	16	88,582,903	86,927,148
Share premium	16	790,358,754	399,905,352
Unregistered paid-in capital	16	-	392,163,500
Additional paid-in capital	16	88,118,045	74,939,182
Retained earnings		(995,157,281)	(713,723,915)
Total equity		**(28,097,579)**	**240,211,267**
Non-current liabilities			
Long-term lease liability	7	7,946,642	1,360,809
Total non-current liabilities		**7,946,642**	**9,297,997**
Current liabilities			
Intercompany loans	19	397,658,463	20,000
Short-term lease liability	7	10,754,013	9,135,969
Income tax obligation	10	4,431,698	5,290,473
Other current liabilities	18	93,136,977	115,887,674
VAT, social security & other taxes		64,172,867	73,934,518
Trade payables		137,217,519	102,888,162
Total current liabilities		**707,371,537**	**307,156,796**
Total liabilities		**715,318,179**	**308,517,605**
Total equity and liabilities		**687,220,600**	**548,728,871**

Oslo, 27.06.2024
Bod in Gelato ASA

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Nicole Marie Vanderbilt
Board member

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Jan Tellef Thorleifsson
Chairman of the board

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John Hepburn
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John Keith Hepburn
Board member

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Henrik Muller-Hansen
CEO

Gelato ASA

Consolidated statement of equity

in NOK	Note	Shareholders equity	Share premium	Unregistered paid-in capital	Additional paid-in capital	Retained earnings	Total equity
Equity 31.12.2021		**86,927,148**	**399,905,352**	**-**	**61,397,124**	**(463,770,632)**	**84,458,992**
Profit for the year						(251,519,856)	(251,519,856)
Other comprehensive income (foreign currency rate changes)						1,566,573	1,566,573
Total comprehensive income for the year		-	-	-	-	**(249,953,283)**	**(249,953,283)**
Employee share schemes – value of employee services	**17**				11,076,728		11,076,728
Deferred tax from employee share schemes	**17**				2,465,330		2,465,330
Capital increase	**16**						-
Unregistered paid-in capital	**16**			392,163,500			392,163,500
Transactions with owners in their capacity as owners		-	-	**392,163,500**	**13,542,058**	-	**405,705,558**
Equity 31.12.2022		**86,927,148**	**399,905,352**	**392,163,500**	**74,939,182**	**(713,723,915)**	**240,211,267**

Gelato ASA

Consolidated statement of equity

in NOK	Note	Shareholders equity	Share premium	Unregistered paid-in capital	Additional paid-in capital	Retained earnings	Total equity
Equity 31.12.2022		**86,927,148**	**399,905,352**	**392,163,500**	**74,939,182**	**(713,723,915)**	**240,211,267**
Profit for the year						(287,124,202)	(287,124,202)
Other comprehensive income (foreign currency rate changes)						5,690,836	5,690,836
Total comprehensive income for the year						**(281,433,366)**	**(281,433,366)**
Employee share schemes – value of employee services	**17**						-
Deferred tax from employee share schemes	**17**				13,178,863		13,178,863
Capital increase	**16**	1,655,755	390,507,745	(392,163,500)			-
Cost directly related to issuance of equity	**16**		(54,343)				(54,343)
Transactions with owners in their capacity as owners		**1,655,755**	**390,453,402**	**(392,163,500)**	**13,178,863**	**-**	**13,124,520**
Equity 31.12.2023		**88,582,903**	**790,358,754**	**-**	**88,118,045**	**(995,157,281)**	**(28,097,579)**

Gelato ASA

Consolidated statement of cash flows

in NOK

	Note	2023	2022
Cash flows from operating activities			
Losses before income tax		(361,613,018)	(313,547,235)
Income taxes paid	10	(7,747,513)	(4,385,730)
Depreciation, amortization	11,12	25,788,586	20,579,502
Amortization of right-of-use assets	7	11,965,704	10,321,250
Share based payments		13,317,048	10,988,563
Change in intercompany payables/receivables	19	(8,531)	(12,571,796)
Change in inventories	13	(9,310,021)	(4,656,430)
Change in trade receivables	14	(34,436,304)	(3,383,619)
Change in trade payables		34,329,357	(27,490,409)
Change in other accruals		(22,729,289)	59,782,749
Net cash inflow (outflow) from operating activities		**(350,443,981)**	**(264,363,155)**
Cash flows from investing activities			
Payments for purchases of non-current assets			-
Payments for purchases of fixed assets	12	(703,697)	(1,564,149)
Payment for purchases of intangible assets and capitalized development cost	11	(43,324,198)	(35,139,339)
Net cash inflow (outflow) from investing activities		**(44,027,894)**	**(36,703,488)**
Cash flows from financing activities			
Proceeds from capital increase	16	-	392,163,500
Shares issuance cost	16	(54,343)	-
Loan from group parent	19	397,602,100	
Payment of leases		(12,551,712)	(9,937,622)
Net cash inflow (outflow) from financing activities		**384,996,045**	**382,225,878**
Net (decrease) / increase in cash and cash equivalents		(9,475,830)	81,159,235
Cash and cash equivalents at the beginning of the period		163,688,592	80,987,898
Effects of exchange rate changes on cash	15	5,671,936	1,541,459
Cash and cash equivalents at the end of the period	15	**159,884,698**	**163,688,592**

1 General information

Gelato ASA is a privately held software company. Gelato offers software for creators (Gelato-Create) and makers (Gelato-Connect) and has developed software connecting creators and makers globally. Through our partners, we represent the world's largest network for local, on-demand production, and facilitate the production of personalized products in 32 countries.

Gelato ASA was transformed into a public limited company (ASA) as of 8 June 2021. Previously, Gelato ASA was named Gelato AS. The company's principal offices are located at Dronning Eufemias, Gate 8, Oslo, Norway. The consolidated financial statements of the Group for the year ended December 31, 2023, comprise the Company and its subsidiaries.

The financial statements were authorized for issue by the Directors on June 27, 2024.

2 Summary of potentially material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Gelato ASA have been prepared in accordance with IFRS® Accounting Standard as adopted by the EU.

The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities at fair value through profit or loss.

The consolidated financial statements have been prepared on a going-concern basis.

2.1.1 Changes in accounting policy and disclosures

New or amended standards adopted by the Group
The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2023:

Definition of Accounting Estimates – amendments to IAS 8
The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

Amendments to IAS 1 and IFRS Practice Statement 2
The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements).

Amendments to IAS 12
In May 2021, the IASB approved amendments to IAS 12 removing the exemption for recognition of deferred tax assets and liabilities arising from the initial recognition of right-of-use assets and lease liabilities. The amendments apply to annual reporting periods beginning on or after 1 January 2023.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Other standards and amendments that are not yet effective and not adopted
Certain amendments to accounting standards have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions

2.2 Consolidation

The Group consists of the following companies as of 31.12.2023:

Parent and subsidiaries	*Place of business*	*% of ownership interest*
Gelato ASA (Previously "Gelato AS")	Oslo, Norway	100%
Gelato International AS	Oslo, Norway	100%
Gelato Tech Holding AS	Oslo, Norway	100%
Gelato Sweden AB	Stockholm, Sweden	100%
Gelato Estonia OÜ	Talinn, Estonia	100%
Gelato Brasil Distribuicao de Materiais Impressos LTDA	São Paulo, Brazil	100%
Gelato information and technology (Shanghai) Ltd.	Shanghai, China	100%
Gelato Print Services India Private Limited	Mumbai, India	100%
Limited Liability Company Gelato Rus (non-operational and under liquidation)	Moscow, Russia	100%
Gelato Group UK Limited	London, United Kingdom	100%
Gelato USA LLC	Boston, United States	100%
Gelato Japan LLC	Tokyo, Japan	100%
Gelato Tech Espana Slu	Madrid, Spain	100%
Gelato Tech Germany GmbH	Norderstedt, Germany	100%
Gelato Tech Singapore Private Limited	Singapore	100%
Gelato Tech Canada Limited	Canada	100%
Gelato Tech Pakistan (Private) Limited	Pakistan	100%

Subsidiaries

Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2.3 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian Krones (NOK), which is the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or date of valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit or loss.

Foreign exchange gains and losses related to operations are presented in the consolidated statement of profit or loss within 'Other gains/(losses) – net'.

c) Group Companies

The results and financial position of all the Group entities (none of which has the currency of a hyper- inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1) assets and liabilities for each consolidated balance sheet presented are translated at the closing rate at the date of that consolidated balance sheet.
2) income and expenses for each consolidated statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).
3) all resulting exchange differences are recognized in other comprehensive income.

2.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost comprises expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of replaced parts is derecognized. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate costs or revalued amounts to their residual values over their estimated useful lives. Furniture, fittings and equipment have an estimated useful life of 3 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within *Other gains/(losses) – net* in the consolidated statement of profit or loss.

2.5 Intangible assets

Software
Costs associated with the maintenance of computer software are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use
- management intends to complete the software product and use or sell it
- there is an ability to use or sell the software product
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available
- the expenditure attributable to the software product during its development can be reliably measured

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as expenses are not recognized as intangible assets in subsequent periods.

Computer software development costs recognized as assets are amortized over their estimated useful lives, which does not exceed five years. Residual values and useful lives are reviewed at each reporting date.

Website
Web-domain is related to the purchase of various internet properties. The cost of acquiring web-domains is capitalized as an intangible asset on the balance sheet and amortized over their estimated useful life of 10 years on a straight-line.

2.6 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.7 Financial assets

The Group classifies its financial assets to be measured at amortized cost. The Group measures financial assets at amortized cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and;
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

At initial recognition, the group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Assets measured at amortized cost include 'Other receivables', 'Trade receivables' and 'Cash' in the consolidated balance sheet (see Notes 2.18 and 2.10).

Impairments
The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade

receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

2.8 Financial Liabilities

Financial liabilities are classified in the following categories: at fair value through profit or loss (FVOPL) or at amortized cost.

a) Financial liabilities at fair value through profit or loss

Derivatives, including embedded derivatives that are liabilities are measured at FVOPL unless they are designated as a hedge accounting instrument. Derivatives designated as cash flow hedge accounting instruments are shown at fair value in the balance sheet and at fair value over OCI.

b) Amortised cost

Borrowings and other financial liabilities, such as trade payables are included in this category. The liabilities are measured at amortized cost. Trade and other payables that have a short anticipated maturity are measured at nominal amounts without discount.

2.9 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, shipping costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.10 Trade receivables and contract assets

Trade receivables and contract assets are recognized initially at fair value and subsequently measured at amortized cost using the

effective interest method, less provision for expected credit loss. Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See note 20 for an assessment of the Group's credit risk.

2.11 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Shareholders equity, share premium and additional paid in capital

Shareholders equity is classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Additional paid in capital is capital from owners, but not included in share capital and share premium.

Share capital that has been issued but not registered at the year end is shown as unregistered share capital on the balance sheet.

2.13 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.14 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the consolidated balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Post- employment obligation

The Group operates a defined contribution pension plan.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group is obliged to have an occupational pension scheme according to the act relating to mandatory occupational pensions and has established a pension scheme that meets the requirements of the Act. The Group's contributory scheme covers all eligible employees.

2.16 Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (stock options) of the Group. The fair value of options granted is recognised as an employee benefits expense, with a corresponding increase in equity.

The total expense is recognised over the vesting period. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognizes the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

2.17 Provisions

Provisions for loss contracts, restructuring costs and legal claims are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.18 Revenue recognition

The Group's revenues derive from software connecting creators and makers globally including sale of physical products and distribution to creators and consumers.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, discounts and amounts collected on behalf of third parties.

The Group recognizes revenue when the performance obligations in the contracts with customers are delivered. Specific criteria have been established for each of the Group's revenue generating activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The specific accounting policies for the Group's main revenue generating activities are as follows:

Physical products
The revenue from the of physical products is recognized when control of the goods has transferred, being when the goods are delivered to the customer. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Gelato Plus and Gelato Gold
Gelato Plus and Gelato Gold are Software as a Service ("SaaS") revenue providing customer exclusive access to software tools to help customers save time and scale their business, including but not limited to, software tools for mockups, personalization, product expansion, and price setting. Revenue is recognized as a right to access the entity's intellectual property as it exists throughout the license period and amortized over the non-cancellable contractual period.

Optimalprint Plus
Sales of Optimalprint Plus are considered arrangements with multiple performance obligations, including unlimited shipping, access to exclusive discounts and extended warranty in exchange for an upfront annual fee. The revenue of each performance obligation is amortized over time, during the non-cancellable contractual period, and based on the estimated timing that the disbursements for fulfilling the performance obligations will occur. The expected cost is estimated upon historical information of past orders and expected customer behavior.

Extended warranty revenue is recognized when management considers the probability that warranty claims will occur beyond the statutory warranty period.

2.19 Interest income

Interest income is recognized using the effective interest method. Interest income on impaired loan and receivables is recognized using the original effective interest rate.

2.20 Leases

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

Separating components in the lease contract
For contracts that constitute, or contain a lease, The Group separates lease components if it benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The Group then accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

Recognition of leases and exemptions
The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.
The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset.

The Group has elected not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less, and leases of low-value assets with an annual cost of €5,000. The payments for low value leases or short-term leases as an operating expense on a straight-line basis over the contractual term of the lease arrangement.

Over the course of a lease contract, there will be taxable timing differences that could give rise to deferred tax, subject to local tax laws and regulations.

3 Estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Estimates and underlying assumptions are reviewed on an ongoing basis.

Changes in accounting estimates are recognized in the period when the changes occurred, if they only apply to that period. If the changes also apply to future periods, the effect will be distributed between the current period and future periods.

Detailed information about each of these estimates and judgments is included in note 4, note 10 and note 11.

Deferred tax asset
The group recognizes a deferred tax asset related to tax loss carried forward which occurs when the Group has higher tax costs than tax revenues. Capitalization assumes that future earnings enables the utilization of the deficit. Management's assessment of future utilization of tax losses carried forward are based on forecasts that estimate future revenues and costs. The forecasts are based on current strategic plans for the next 8 years. The core assumptions underlying these forecasts are based on management's assessment of growth, gross margin and cost trajectories of existing businesses (Optimalprint and API) using historical data and trend analysis. There is uncertainty relating to the estimates in the forecasts and the timing of future utilization of tax losses. However we assess the likelihood of utilization of the deferred tax asset to be more likely than not.

Software
The group recognizes an intangible asset related to investments in software product development to enhance the capabilities and services offered to end customers. The largest components of this software asset relate to investments made to manage the global on-demand production cloud which supplies business customers with production and distribution. As at 31 December 2023, the carrying amount of this software was NOK 82,779,669 (2022 – NOK 64,255,401). The group estimates the useful life of the software to be at least five years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than five years, depending on technical innovations and competitor actions. Management expects these investments to return significantly higher value than the cost basis of the investment. However, there is uncertainty related to these assessments.

Lease term - Judgement
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of office buildings, following factors are normally the most relevant:

- If there are significant penalty payments to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate)
- If any leasehold improvements are expected to have a significant remaining value, the group is typically reasonably certain to extend (or not terminate).
- Otherwise, the group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

There are no extension options in current office leases that need to be included in the lease liability. The Group could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option for extension is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of extending leases was an increase in recognised lease liabilities and right-of-use assets of NOK 19,195,922 (2022 – nil).

Lease accounting - estimate
The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security

The company used an incremental borrowing rate of 5.5% for its leases.

Worldwide conflicts

As of the current date, multiple conflicts persist in various regions worldwide, and these ongoing conflicts may potentially result in significant accounting implications for some entities. While we acknowledge the existence of these conflicts, we assess that the direct and indirect financial impacts of these conflicts on operations of the Group are insignificant. Therefore, these financial statements have not been updated to address these global developments. Further, at the signing of these financial statements, the subsidiary based in Russia is non-operational. The Group is in the process of winding up the company which will be completed in the next 12 months.

Agent and principal relation
The Group recognizes gross revenue for transactions when acting as the principal and net revenue for transactions when acting as the agent. The Group has no fixed assets, and the entire production is outsourced with its global network of printing and shipping suppliers. The Group recognizes gross revenue from services and sales of print-on-demand products. The Group assumes the primary risks of the transactions, including the obligation to fulfill customer orders, discretion to establish price policies and the risk of managing its intellectual property.

4 Revenue and other income

The Group has recognized the following amounts relating to revenue in the statement of profit or loss:

	2023	**2022**
Revenue from contract with customers		
Revenue from services/software	23,630,611	14,473,841
Revenue from physical products and distribution	1,119,673,505	1,072,830,015
Other revenue		
Other	(1,857)	-
Government grant (Skattefunn)	-	605,309
Total	**1,143,302,259**	**1,087,909,165**

Other revenue
Government grant revenue related to accrual of government grant via Skattefunn.

See note 14 and note 18 for revenue-related contract assets and liabilities recognized in the consolidated balance sheet at period end.

Table below shows the geographical distribution of revenue from contracts with customers:

	2023	2022
EMEA	715,583,046	672,490,429
Asia Pacific	81,674,883	75,255,455
Americas	345,424,250	338,677,898
Africa	621,937	880,074
Total	**1,143,304,116**	**1,087,303,856**

Financing components
The group does not have contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Therefore, the group does not adjust the transaction prices for the time value of money.

5 Employee benefit expense

Specification of employee benefit expenses	**2023**	**2022**
Salaries/wages	260,461,907	202,361,884
Social security fees	34,830,648	34,291,794
Share options granted to employees	13,317,048	10,988,563
Pension and employee insurance expenses	7,211,210	4,594,674
Other remuneration	3,296,870	1,672,720
	319,117,683	**253,909,635**
Average number of employees	250	223

Chief Executive officer (CEO) remuneration	**2023**	**2022**
Salaries and Board fee	2,948,167	3,170,211
Social security fees	527,842	452,687
Pension expenses - Defined contribution plan	2,888	27,101
Other remuneration	24,900	13,236

Board of directors remuneration	**2023**	**2022**
Salaries/board fee	-	-
Social security fees	-	-
Pension expenses - Defined contribution plan	-	-
Other remuneration	-	-

No loans/securities have been granted to the CEO, Board Chairman or other related parties. No such benefits have been given to the Group management.

Share based payments have been issued to employees. See note 17 for further information.

6 Other operating expense

	2023	2022
External services	92,633,458	94,350,219
Marketing and sales expenses	292,437,895	275,091,829
Other expenses	102,386,784	89,336,920
Other operating expenses	**487,458,137**	**458,778,968**

Expensed audit fee (excl. VAT)	**2023**	**2022**
Statutory audit (incl. technical assistance with financial statements)	1,280,105	924,123
Tax advisory fee (incl. technical assistance with tax return)	35,000	32,000
Other assistance	73,405	106,260
Total audit fees	**1,388,510**	**1,062,383**

7 Leases

The Group has entered into office leases for the offices located in Oslo, London, Stockholm, Lund, São Paulo, Shanghai, Tallin, Mumbai, Madrid and Boston. In July 2021, Gelato ASA entered into a lease agreement for the new office spaces in Oslo with a lease term of 36 months. In 2023, this lease was extended for another 3 years. In September 2021, Gelato Group UK Ltd entered into a lease agreement for new office spaces in London with a lease term of 24 months. This lease was extended in 2023 for a further 12 months. The Group adopts the practice of not recognizing leases for a period longer than the contractual arrangement. The new lease agreements for Oslo and London offices have been recognized in the balance sheet since the commencement date.

As of December 31, 2023, the Group discount rate for leases is 5.5% per year and weighted-average remaining term of 31 months.

Maturities of lease liabilities (excluding short-term leases) were as follows as of 31 December 2022:

Year ending 31 December 2022	**in NOK**
2023	9,013,670
2024	1,744,260
Total	10,757,930
Less: imputed interest	(261,153)
Present value of leases liabilities	10,496,778
Current lease portion	9,135,969
Total long term lease liability	1,360,809

Right-of-use assets movement:

	Office leases
As of 1 January 2022	19,543,243
Additions	0
Amortisation	(10,321,250)
Foreign exchange differences	475,453
As of 31 December 2022	9,697,446
Interest expense 2022	907,854

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Maturities of lease liabilities (excluding short-term leases) were as follows as of 31 December 2023:

Year ending 31 December 2023	in NOK
2024	10,905,460
2025	3,909,840
2026	3,909,840
2027	1,303,280
Total	20,028,420
Less: imputed interest	1,327,765
Present value of leases liabilities	18,700,655
Current lease portion	10,754,013
Total long term lease liability	7,945,642

Right-of-use assets movement:

	Office leases
As of 1 January 2023	9,697,446
Additions	20,455,419
Amortisation	(11,965,704)
Foreign exchange differences	300,171
As of 31 December 2023	18,487,332
Interest expense 2023	490,739

During 2023, the Group expenses with low value and short-term leases, that are not shown above, amounted to NOK 8,230,431 (NOK 2,604,656 in 2022). The total cash outflow for leases in 2023 was NOK 20,028,420.

8 Other gains/(losses) – net

	2023	2022
Net foreign exchange from operating activities:		
- Foreign exchange gains	121,218,217	57,153,739
- Foreign exchange losses	(118,795,753)	(70,225,954)
	2,422,464	**(13,072,214)**

9 Finance income and costs

	2023	2022
Interest income:		
- Interest income on short-term bank deposits	1,482,520	599,972
- Other financial income	19,816	4,561
Finance income	**1,502,336**	**604,533**
Interest expense:		
- Other interest expense	(849,275)	(7,112,256)
- Other financial costs	(11,537,082)	(200,496)
Finance costs	**(12,386,357)**	**(7,312,752)**
Currency effects gains/(losses) - net	**(6,776,573)**	**2,065,066**
Net financial items	**(17,660,594)**	**(4,643,152)**

10 Taxes

Temporary differences	2023	2022
Fixed and intangible assets	276,960	210,312
Accounts receivable	(150,000)	(130,000)
Deferred taxes from employee share scheme	(89,129,466)	(91,280,055)
Net temporary differences	(89,002,506)	(91,199,743)
Tax losses carried forward	**(1,324,976,138)**	**(952,696,831)**
Basis for deferred tax	**(1,413,978,644)**	**(1,043,896,574)**
Deferred tax		
Deferred tax asset	(308,959,020)	(227,698,071)
Deferred tax asset not recognized in the balance sheet	-	-
Deferred tax in the balance sheet	**(308,959,020)**	**(227,698,071)**

Deferred tax is capitalized in the consolidated balance sheet based on the Group's ability to recover them against estimated future taxable profits.

Components of the income tax expense	2023	2022
Tax payable on this year's result	6,888,738	6,584,438
Adjustment in respect of priors	-	1,393,347
Total tax payable	**6,888,738**	**7,977,785**
Change in deferred tax	(81,377,554)	(70,005,074)
Change in deferred tax due to change in tax rate	-	-
Prior year	-	-
Tax expense	(74,488,816)	(62,027,289)

Reconciliation of the tax expense	2023	2022
Losses before tax	(361,613,018)	(313,547,235)
Calculated tax	(79,554,864)	68,980,392
Tax expense	(74,488,816)	62,027,289
Difference	**5,066,048**	**6,953,102**
The difference consist of:		
Permanent differences	1,786,833	5,485,900
Change in deferred tax in equity transaction	(410,046)	2,467,099
Differences due to local GAAP adjustments	(13,118)	-
Adjustment in respect of priors	1,840,565	(1,393,347)
Differences due to different tax rates	1,861,814	393,450
Sum explained differences	**5,066,048**	**6,953,102**

Tax payable in the balance sheet	2023	2022
Tax payable in the tax charge	6,888,738	6,584,438
Tax paid in advance	2,457,040	1,293,965
Tax payable in the balance sheet	**4,431,698**	**5,290,473**
Weighted average tax rate	20.6%	18.8%

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Deferred tax asset movement	**2023**	**2022**
Opening balance	**227,698,071**	**155,375,823**
Deferred tax recognised in the income statement	81,377,554	70,005,074
Deferred tax recognised in the equity:		
From transaction costs in equity transaction	-	-
From stock option expenses	(410,046)	2,467,099
Effects of foreign exchange	293,440	(149,925)
Closing balance	**308,959,020**	**227,698,071**

11 Intangible assets

2022	**Web-domain**	**Software**	**Total**
Cost 01.01	2,777,134	126,353,346	**129,130,480**
Accumulated amortization	(1,643,151)	(77,483,781)	(79,126,932)
At 01.01	1,133,983	48,869,565	**50,003,548**
Additions	-	35,139,339	35,139,339
This years amortization	(277,716)	(19,753,503)	(20,031,219)
At 31.12	**856,267**	**64,255,401**	**65,111,668**
Cost 31.12	2,777,134	161,492,685	164,269,819
Accumulated amortization	(1,920,867)	(97,237,284)	(99,158,151)
At 31.12	**856,267**	**64,255,401**	**65,111,668**

2023	**Web-domain**	**Software**	**Total**
Cost 01.01	2,777,134	161,492,685	164,269,819
Accumulated amortization	(1,920,867)	(97,237,284)	(99,158,151)
At 01.01	**856,267**	**64,255,401**	**65,111,668**
Additions	-	43,324,198	43,324,198
This years amortization	(277,716)	(24,799,930)	(25,077,646)
At 31.12	**578,551**	**82,779,669**	**83,358,220**
Cost 31.12	2,777,134	204,816,883	207,594,017
Accumulated amortization	(2,198,583)	(122,037,214)	(124,235,797)
At 31.12	**578,551**	**82,779,669**	**83,358,220**
Amortization plan (straight line)	10 years	5 years	

Intangible assets consist of the costs for consultants and employees to develop the software solutions which are the basis of the Groups' business. The anticipated total earnings from ongoing R&D exceeds total expenses incurred. Web-domain is related to purchase of various internet properties.

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12 Property, plant and equipment

2022	Furniture, fittings and equipment
Cost 01.01	4,030,955
Additions	1,564,149
Cost per 31.12	**5,595,104**
Accumulated depreciation 01.01	3,180,791
This years depreciation	548,283
Foreign exchange	(31,395)
Accumulated depreciation 31.12	**3,697,679**
At 31.12	**1,897,425**

2023	Furniture, fittings and equipment
Cost 01.01	**5,595,104**
Additions	703,697
Cost per 31.12	**6,298,801**
Accumulated depreciation 01.01	-3,697,679
This years depreciation	-719,503
Foreign exchange	5,883
Accumulated depreciation 31.12	**-4,411,299**
At 31.12	**1,887,502**

The net book value of leased assets shown as Right-of-use assets in the Balance Sheet is presented in Note 7.

13 Inventories

	2023	2022
Frames	19,436,049	9,890,729
Packaging	891,929	871,344
Prepayments	1,003,911	1,259,796
Total	**21,331,889**	**12,021,868**

	2023	2022
Inventory valued at purchase cost	21,331,889	12,021,868
Total	**21,331,889**	**12,021,868**

Inventories consist of frames and packaging used for production of canvas. Inventories are held at production houses or at outsourced warehouses. Inventories are valued at purchase cost. It is expected that all inventories will be sold within 1 year.

Costs directly associated with generating revenues have been included in cost of goods. Cost of goods include costs related to printing and packaging as well as inventory utilized in production including envelopes, frames and mobile phone cases.

14 Trade receivables and other receivables

	2023	2022
Trade receivables (gross)	75,108,019	40,651,715
Provision for impairment of trade receivables (See note 2.7)	-150,000	130,000
Trade receivables	**74,958,019**	**40,521,715**

	2023	2022
Prepayments	11,828,530	9,818,325
Accrued Revenue	1,054,539	14,383,170
Deposit office premises	2,793,314	2,379,160
Other current receivables	1,675,309	81,808
Other current receivables	**17,351,692**	**26,662,463**

	2023	2022
Deposit office premises	228,178	244,124
Other non-current receivables	722,277	1,178,618
Other non-current receivables	**950,455**	**1,422,742**

15 Cash

	2023	2022
Cash at bank and in hand	153,958,137	157,652,481
Short-term bank deposits (restricted bank deposits)	5,926,561	6,036,111
Total	**159,884,698**	**163,688,592**

Restricted cash is due to Nordea bank has mortgage in certain monetary claims up to NOK 2,960,000. Additional restricted cash is due to that Norwegian tax authorities has collateral in certain monetary claims up to NOK 2,966,561.

16 Shareholders equity and shareholders information

The Group is 100% owned by OP Invest AS. The share capital has the following composition:

	Number of shares 31.12.2023	Nominal value 31.12.2023	Number of shares 31.12.2022	Nominal value 31.12.2022
Shares	8,278,776	88,582,903	8,278,776	86,927,148

Gelato ASA's parent OP Invest AS prepares consolidated financial statements where Gelato AS are included. The parent company OP Invest AS has its registered offices in Gelato ASA, Dronning Eufemias gate 8, 0191 Oslo, where the consolidated financial statements can be obtained.

2023

During 2023, the Group issued 81,671 Ordinary B-shares to employees in its stock option program at an average value of EUR 17.62 per share. Shares were issued by the parent legal entity OP Invest AS.

2022

During 2022, The Group issued and sold 5,198 Ordinary B-shares to employees in its stock option program at an average value of EUR 7.55 per share. Shares were issued by the parent legal entity OP Invest AS.

On 23 December 2022, OP Invest AS ("The Parent undertaking") and the board of directors also approved loans owed by Gelato ASA to OP Invest AS to be converted into share capital. The loans had nominal amounts of EUR25,000,000, USD7,000,000 and NOK65,000,000. The subscription amount equals a converted amount of NOK392,163,500, which is based on agreed exchange rates between the parties of NOK 10.362 (EUR 1 = NOK 10.362) and NOK 9.7305 (USD 1 = NOK 9.7305), which equals to the exchange rate published by Norges bank per 14 December 2022. Nominal share value was increased from NOK10.50 to NOK10.70.

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17 Share-based payments

In 2016 and before, certain employees have been offered options to buy shares in OP Invest AS currently owned by Basset AS. Options typically vested annually over three years after a 6-month waiting period. After 2016, certain employees have been offered options under this program as an additional incentive. In this case, options typically have a three-year vesting period as above, but no waiting period prior to the start of vesting.

A new employee equity program was launched in 2016 with the shareholders authorizing up to 2 million B- shares to be used for the program.

The equity program allows management to grant selected employees options and to give them the opportunity to purchase restricted stock. Options grants typically vest quarterly over a three-year period after a 6 to 9 month waiting period. Restricted stock typically vests in a similar fashion. Prior to vesting, the Group has a right to buy back restricted stock from the employee if the employee ends their employment with a Group company for any reason.

The number of and weighted average exercise price of options are as follows:

	Number of options		Weighted Average Exercise Price (NOK)		Weighted Average Remaining Life	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Outstanding at Beginning of Year	**1,840,639**	**1,581,712**	**127.24**	**97.3**	**3.83**	**4.24**
Exercisable at the End of the Year	1,348,317	1,237,188	106.10	86.46	2.53	2.83
Granted During the Year	70,544	355,245	265.85	265.85	6.12	6.44
Exercised During the Year	47,486	6,394	69.16	65.2	0	0
Canceled during the Year	88,102	86,257	232.74	113.48	0	0
Canceled during the Year (Expired)	87,398	3,667	**79.95**	13.72	**0**	0
Outstanding at the End of the Year	**1,688,197**	**1,840,639**	131.60	**127.24**	3.09	**3.83**
Options Vested During the Year	241,425	252,093	189.58	125.85	4.63	4.58
Vested at end of Year	1,348,317	1,237,188	106.10	86.46	2.53	2.83
Shares Expected to Vest	339,880	603,451	232.80	210.83	5.31	5.88
Vested and Expected to Vest	1,688,197	1,840,639	131.60	127.24	3.09	3.83

Options outstanding at the end of the year have the following expiry date and exercise prices:

Exercise prices	**Options Outstanding**		**Weighted Average Remaining Contractual Life**		**Shares Exercisable**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
NOK 13,72	60,380	68,880	2.04	2.39	60,380	65,546
NOK 73,77	16,000	47,535	1.50	1.53	16,000	47,535
NOK 80,98	1,126,935	1,236,768	2.20	3.05	1,066,169	1,061,715
NOK 265,85	484,882	487,456	5.34	6.26	205,768	62,392

The fair value of services received in return for stock options granted is measured by using the Black & Scholes option pricing model. The significant inputs into the model are weighted average share price at the grant date, exercise price shown above, volatility of 40 %, an expected option life of seven years and an annual risk-free interest rate of 1.2 %.

See note 5 for the total expense recognized in the consolidated statement of profit or loss for share options granted to employees.

At end of 2023, the group has granted 229,368 share options to its key management personnel.

18 Other current liabilities

	2023	2022
Other current payables	11,795,195	15,375,142
Accrued expenses	63,223,610	85,832,211
Deferred revenue from government grants (Skattefunn)	-	-
Contract liabilities	18,118,172	14,680,321
Current payables related parties	-	-
Other current liabilities	**93,136,977**	**115,887,674**

19 Related parties

Gelato Norway is a parent company and has direct control of nineteen different companies in Norway, Sweden, Estonia, Brazil, China, India, Russia, UK, Japan, Spain, Germany, Pakistan, Canada, Singapore and US. Directly-owned subsidiaries are presented in note 2.

The Group's related parties include its key management, members of the board and the sole shareholder.

None of the Board members have been granted loans or guarantees in the current year. Further information regarding remuneration to the executive management and Board members is disclosed in note 5 to the consolidated financial statements.

The Group`s employee benefit expenses for related parties were disclosed on note 5. In addition, The Group and its related parties incurred on loan transactions and the closing balance as follows:

Intercompany receivable	31.12.2023	31.12.2022
Flow Transactions	51,774	6,880
Total	**51,774**	**6,880**

Intercompany payables	31.12.2023	31.12.2022
OP Invest AS	397,658,463	20,000
Flow transactions	-	-
Total	**397,658,463**	**20,000**

20 Financial instruments

Financial risks
This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Financial risk management is carried out by the Group's management and Board of Directors and management regularly evaluates these. The Group does not use derivatives and does not use financial instruments for revenue purposes.

Currency risk
Both revenues and operating expenses are exposed to foreign exchange rate fluctuations. 94% of the revenues in 2023 (92 % in 2022) were received in foreign currencies.

The underlying currency risk for the Group is limited since nearly all revenues are matched with costs in like-for-like currencies across geographical markets. The currency risk is therefore mainly related to the translation into the Group presentation currency.

The below table shows the positive effect on the Group's sales revenue of a 10% appreciation of relevant currencies relative to the NOK.

Numbers in NOK (million)	2023	2022
EUR	37.3	34.5
GBP	17.5	13.2
USD	37.3	23.7

Similarly, a 10% depreciation of all foreign currencies in the table above would have had a similar negative effect on the Group's revenues.

Credit risk

Credit risk arises from, amongst others, cash and deposits with banks and financial institutions. In addition, risk occurs through exposure to customers, including outstanding receivables and contracted transactions.

Credit risk related to accounts receivable is assessed to be limited due to the prepaid nature of the Group's business, and due to the high number of customers in the Group's customer base. The Group does not have significant credit risk associated with a single counterparty in its customer portfolio.

For banks and financial institutions, only well-established independent parties are accepted.

In order to reduce the credit risk, the Group has guidelines to ensure that sales are made only to customers with high credit ratings. Customers having low credit rating must prepay for goods and services provided by the Group. It is also the Group's policy to ensure that any cash is held with banks with a high and stable credit rating.

Credit quality of financial assets

All new customers are being assessed for credit risk before payments and delivery terms are being offered. As at December 31 the aging of the Group's accounts receivables is as follows:

	2023	**2022**
Not overdue	67,406,130	22,541,517
Overdue less than 1 month	142,629	15,962,339
Overdue 1-2 months	890,718	1,575,476
Overdue more than 2 months	6,668,543	572,383
Total trade receivables (gross)	**75,108,020**	**40,651,715**

Impairment of financial assets

Trade receivables and contract assets are subject to the expected credit loss model.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts.

The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Accounts receivable and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group. Provisions for losses are considered to cover the actual losses that are expected in relation to accounts receivables and contract assets.

There are no material impairment losses on trade receivables and contract assets as of 31.12.2023. Other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by maintaining sufficient liquid funds at all times to meet its financial obligations, both under normal and extraordinary circumstances. The Group has no external or interest-bearing debt and a limited number of short term liabilities related primarily to accounts payables.

Financial instruments by category
The Group has the following classification of financial assets and liabilities. See note 2 for further description.

Financial assets at amortized cost	**At 31.12.2023**	**At 31.12.2022**
Trade receivables	74,958,019	40,521,715
Other receivables excluding prepayments	2,565,912	2,460,968
Cash	159,884,698	163,688,592
Total	**237,408,629**	**206,671,275**

Financial liabilities at amortized cost	**At 31.12.2023**	**At 31.12.2022**
Trade payables	137,217,519	102,888,162
Other payables excluding non-financial liabilities	93,136,976	115,887,674
Lease liabilities (short and long term)	18,700,655	10,496,778
Total	**249,055,150**	**229,272,614**

Credit quality of financial assets
Trade and other receivables do not contain impaired assets. There are no material receivables past due at the date of signing these financial statements. See note 15 for information on collateral.

Determination of fair value
The carrying amount of cash is fair value. Similarly, the carrying amount of accounts receivable and accounts payable approximates fair value as the impact of discounting is not significant. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed below.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. E.g. the case for unlisted equity securities

See note 17 for information of fair value, including changes in fair value for share options which are measured at level 3.