



NEWS RELEASE

GINSMS ANNOUNCES FINANCIAL RESULTS FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2024 AND PROVIDES FINANCIAL FORECASTS FOR YEAR 2025

Calgary, Alberta, February 13, 2025 – GINSMS Inc. (TSXV: GOK) (“GINSMS” or the “Corporation”) has announced its financial results for the fourth quarter and twelve months ended December 31, 2024.

The annual audited financial statements of the Corporation for the twelve months ended December 31, 2024 are currently under audit and in the process of preparation. As required under Canadian securities law regulations, the Corporation will be disclosing and filing on SEDAR its annual audited financial statements and the related management’s discussion and analysis (“MD&A”) within 120 days after the end of its year end of December 31, 2024.

This financial disclosure was done in advance of the filing of the audited financial statements of the Corporation to allow GINSMS’ ultimate holding company, Beat Holdings Limited (“BHL”), a public company in Japan, to use certain of GINSMS’ financial information in the preparation of BHL’s financial statements and announcements.

The Corporation’s financial information for the twelve months ended December 31, 2024 is prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). All amounts are expressed in Canadian Dollars unless otherwise noted.

Highlights include:

- Revenue of \$2,506,107 for the twelve-month period ended December 31, 2024 as compared to revenue of \$3,188,505 for the twelve-month period ended December 31, 2023.
- Revenue of \$459,833 for the three-month period ended December 31, 2024 as compared to revenue of \$755,164 for the three-month period ended December 31, 2023.
- Gross Profit of \$1,154,956 for the twelve-month period ended December 31, 2024 as compared to gross profit of \$1,316,952 for the twelve-month period ended December 31, 2023.
- Gross Profit of \$194,057 for the three-month period ended December 31, 2024 as compared to gross profit of \$347,799 for the three-month period ended December 31, 2023.
- Operating expenses and finance costs of \$1,131,005 for the twelve-month period ended December 31, 2024 decreased from \$1,450,602 for the twelve-month period ended December 31, 2023.
- Operating expenses and finance costs of \$418,574 for the three-month period ended December 31, 2024 decreased from \$636,353 for the three-month period ended December 31, 2023.
- Net profit of \$21,485 for twelve-month period ended December 31, 2024 as compared to a net loss of \$129,656 for twelve-month period ended December 31, 2023.
- Net loss of \$224,541 for three-month period ended December 31, 2024 as compared to a net loss of \$280,939 for three-month period ended December 31, 2023.

Selected Profit and Loss Information

Financial Highlights	Three-month period ended December 31, 2024 (Unaudited)	Three-month period ended December 31, 2023 (Unaudited)	Twelve-month period ended December 31, 2024 (Unaudited)	Twelve-month period ended December 31, 2023 (Audited)
Revenues \$				
A2P Messaging Service	92,877	162,229	715,934	986,715
Software Products & Services	366,956	592,935	1,790,173	2,201,790
	459,833	755,164	2,506,107	3,188,505
Cost of sales \$				
A2P Messaging Service	58,517	90,242	344,322	661,385
Software Products & Services	207,259	317,123	1,006,829	1,210,168
	265,776	407,365	1,351,151	1,871,553
Gross profit \$				
A2P Messaging Service	34,360	71,987	371,612	325,330
Software Products & Services	159,697	275,812	783,344	991,622
	194,057	347,799	1,154,956	1,316,952
Gross margin %				
A2P Messaging Service	37.0%	44.4%	51.9%	33.0%
Software Products & Services	43.5%	46.5%	43.8%	45.0%
	42.2%	46.1%	46.1%	41.3%
Adjusted EBITDA ⁽¹⁾ \$	(129,990)	(264,350)	188,661	(38,624)
Adjusted EBITDA margin	(28.3)%	(35.0)%	7.5%	(1.2)%
Net (loss)/profit \$	(224,541)	(280,939)	21,485	(129,656)
Net (loss)/profit margin	(48.8)%	(37.2)%	0.9%	(4.1)%
Net (loss)/earnings per share \$				
Basic and Diluted	(0.119)	(0.149)	0.012	(0.069)
(in Canadian cents)				

- (1) Adjusted EBITDA is a non-IFRS measure which does not have any standardized meaning under IFRS Accounting Standards. Adjusted EBITDA is related to cash earnings and is defined for these purposes as earnings before income taxes, depreciation and amortisation (in both cost of sales and general and administration expenses), interest expenses and also excludes certain non-recurring or non-cash expenditure and income. This non-IFRS measure is not recognised under IFRS Accounting Standards and accordingly, shareholders are cautioned that this measure should not be construed as an alternative to net income determined in accordance with IFRS Accounting Standards. The non-IFRS measure presented is unlikely to be comparable to similar measure presented by other issuers. The Corporation believes that Adjusted EBITDA is a meaningful financial metric as it measures cash generated from operations which the Corporation can use to fund working capital requirements, service interest and principal debt repayment and fund future growth initiatives.

Cost of Sales

	Three-month period ended December 31, 2024 (Unaudited)	Three-month period ended December 31, 2023 (Unaudited)	Twelve-month period ended December 31, 2024 (Unaudited)	Twelve-month period ended December 31, 2023 (Audited)
Depreciation	11,243	11,340	44,891	40,610
- Property, plant and equipment				
Salaries and wages	186,670	283,763	906,724	1,118,788
Subcontractor costs	60,257	102,769	367,611	673,912
Software and hardware	-	-	-	1,951
Others	7,606	9,493	31,925	36,292
	265,776	407,365	1,351,151	1,871,553

Operating Expenses and Finance Costs

	Three-month period ended December 31, 2024 (Unaudited)	Three-month period ended December 31, 2023 (Unaudited)	Twelve-month period ended December 31, 2024 (Unaudited)	Twelve-month period ended December 31, 2023 (Audited)
Salaries and wages	130,414	343,367	377,658	617,261
Directors' fees	10,000	10,000	40,000	40,000
Professional fees	69,928	61,517	301,269	271,009
Foreign currency exchange loss	44,998	34,650	3,913	50,584
Other general & administrative expenses	46,018	69,289	254,414	312,666
Allowance for doubtful debts	33,932	104,666	33,932	104,666
Research & development costs	69,184	-	69,184	-
Depreciation				
- Property, plant and equipment	265	86	778	356
- Right-of-use assets	12,273	11,542	46,250	46,901
Lease interests on lease liabilities	1,562	1,236	3,607	7,159
	418,574	636,353	1,131,005	1,450,602

Selected Balance Sheet Information

The figures reported below are based on the unaudited consolidated financial statements of the Corporation which have been prepared in accordance with IFRS Accounting Standards.

	December 31, 2024 (Unaudited) \$	December 31, 2023 (Audited) \$
Current Assets		
Accounts receivable	671,730	635,568
Deposits and prepayments	68,360	63,439
Current tax assets	156	330
Bank and cash balances	191,903	239,824
	932,149	939,161
Non-Current Assets		
Property, plant and equipment	48,375	83,061
Right-of-use assets	81,912	30,954
TOTAL ASSETS	1,062,436	1,053,176
Current Liabilities		
Accounts payable and accrued liabilities	719,374	827,380
Advances from related parties	780,755	698,935
Loans from related parties	1,453,662	1,390,642
Promissory note payable	580,000	580,000
Lease liabilities	49,116	25,354
Current tax liabilities	-	3,972
	3,582,907	3,526,283
Non-Current Liabilities		
Lease liabilities	25,874	-
TOTAL LIABILITIES	3,608,781	3,526,283
Equity		
Share capital	15,148,160	15,148,160
Deficit	(17,891,667)	(17,913,638)
Accumulated other comprehensive income	212,655	307,289
Total deficiency attributable to equity shareholders	(2,530,852)	(2,458,189)
Non-controlling interests	(15,493)	(14,918)
TOTAL DEFICIENCY	(2,546,345)	(2,473,107)
TOTAL LIABILITIES & EQUITY	1,062,436	1,053,176

Total assets of GINSMS including bank and cash balances, accounts receivable, deposits and prepayments, current tax assets, property, plant and equipment and right-of-use assets as at December 31, 2024 amounted to \$1,062,436 compared to \$1,053,176 as at December 31, 2023. Bank and cash balances amounted to \$191,903 as at December 31, 2024, an decrease of 20.0% compared to \$239,824 as at December 31, 2023. The decrease was mainly due to more net cash outflow from operating activities offset with net cash inflow from financing activities during the year.

Selected Liquidity and Capital Resources Information

Financial Highlights	Three-month period ended December 31, 2024 (Unaudited) \$	Three-month period ended December 31, 2023 (Unaudited) \$	Twelve-month period ended December 31, 2024 (Unaudited) \$	Twelve-month period ended December 31, 2023 (Audited) \$
Cash, beginning of period/year	240,595	115,252	239,824	191,126
Operating activities				
Net (loss)/profit before tax	(224,517)	(288,554)	23,951	(133,650)
Interest expenses	1,562	1,236	3,607	7,159
Foreign currency exchange loss	44,998	34,650	3,913	50,584
Allowance for doubtful debts	33,932	104,666	33,932	104,666
Depreciation of property, plant and equipment	11,508	11,426	45,669	40,966
Depreciation of right-of-use assets	12,273	11,542	46,250	46,901
Changes in working capital items	30,447	294,595	(400,792)	41,902
Interest expenses on lease liabilities	(1,562)	(1,236)	(3,607)	(7,159)
Income tax (paid)/refunded	(57)	5	(6,180)	884
Net cash (used in)/generated from operating activities	(91,416)	168,330	(253,257)	152,253
Financing activities				
Advances from related parties	134,207	55,470	406,621	431,853
Repayment of advances from related parties	(77,654)	(75,592)	(151,184)	(385,951)
Principal elements of lease payments	(11,770)	(12,058)	(47,504)	(46,816)
Net cash generated from/(used in) financing activities	44,783	(32,180)	207,933	(914)
Investing activities				
Purchase of property, plant and equipment	(1,814)	(5,467)	(10,730)	(61,919)
Net cash used in investing activities	(1,814)	(5,467)	(10,730)	(61,919)
Effect of exchange rate changes on cash held in foreign currencies	(245)	(6,111)	8,133	(40,722)
(Decrease)/increase in cash	(48,692)	124,572	(47,921)	48,698
Cash, end of period/year	191,903	239,824	191,903	239,824

SEGMENTED INFORMATION

a) Revenue by customers

	Twelve-month period ended December 31, 2024 (Unaudited)		Twelve-month period ended December 31, 2023 (Audited)	
	\$	% of total revenue	\$	% of total revenue
Customer A	968,700	38.7	1,510,790	47.4
Next five top customers				
Customer B	444,531	17.7	478,672	15.0
Customer C	257,135	10.3	123,004	3.9
Customer D	207,539	8.3	148,235	4.6
Customer E	144,888	5.8	40,040	1.3
Customer F	139,432	5.6	65,802	2.1
All other customers	343,882	13.6	821,962	25.7
Total	2,506,107	100.0	3,188,505	100.0

b) Revenue by geographical location (by location of operations)

	Twelve-month period ended December 31, 2024 (Unaudited)		Twelve-month period ended December 31, 2023 (Audited)	
	\$	% of total revenue	\$	% of total revenue
Singapore	1,437,755	57.4	2,013,538	63.1
Indonesia	224,854	9.0	413,811	13.0
Other Asia countries	364,032	14.5	372,061	11.7
Europe	295,536	11.8	200,917	6.3
United States	171,925	6.9	182,531	5.7
Other regions	12,005	0.4	5,647	0.2
Total	2,506,107	100.0	3,188,505	100.0

c) Total non-current assets by geographical location

	As at December 31, 2024 (Unaudited)		As at December 31, 2023 (Audited)	
	\$	% of total assets	\$	% of total assets
Indonesia	122,695	94.2	100,787	88.4
Other Asia countries	7,592	5.8	13,228	11.6
Total	130,287	100.0	114,015	100.0

d) Financial information by business segments

	Messaging	Software products and services	Unallocated	Total
	\$	\$	\$	\$
Twelve-month period ended December 31, 2024 (Unaudited)				
Revenue	715,934	1,790,173	-	2,506,107
Intersegment revenue	19,071	302,548	-	321,619
Amortisation and depreciation	8,694	83,225	-	91,919
Other material items of income and expense:				
Staff costs	206,528	1,077,854	-	1,284,382
Interest income	727	394	-	1,121
Interest and finance expenses	87	3,520	-	3,607
Income tax expense	-	2,466	-	2,466
Segment profits/(losses)	133,324	121,387	(233,226)	21,485
Additions to segment non-current assets	6,846	99,566	-	106,412
At December 31, 2024 (Unaudited)				
Segment assets	111,865	931,267	19,304	1,062,436
Segment liabilities	(400,999)	(1,597,481)	(1,610,301)	(3,608,781)

	Messaging	Software products and services	Unallocated	Total
	\$	\$	\$	\$
Twelve-month period ended December 31, 2023 (Audited)				
Revenue	986,715	2,201,790	-	3,188,505
Intersegment revenue	35,469	273,994	-	309,463
Amortisation and depreciation	19,391	68,476	-	87,867
Other material items of income and expense:				
Staff costs	278,633	1,457,416	-	1,736,049
Interest income	314	524	-	838
Interest and finance expenses	1,504	5,655	-	7,159
Income tax credit	(893)	(3,101)	-	(3,994)
Segment (losses)/profits	(200,021)	334,643	(264,278)	(129,656)
Additions to segment non-current assets	14,066	47,853	-	61,919
At December 31, 2023 (Audited)				
Segment assets	180,759	847,329	25,088	1,053,176
Segment liabilities	(520,019)	(1,665,304)	(1,340,960)	(3,526,283)

Outlook

The Corporation announces its financial forecasts for the next twelve months ending December 31, 2025. The information included in this news release represents management's guidance as approved on February 13, 2025. The financial outlook was prepared for BHL, the ultimate holding company of the Corporation, for its public company reporting obligations in Japan.

The material factors and assumptions used to develop the financial outlook include:

- a. Continued business from the Corporation's major customers. The actual gross margin of the Software Products and Services segment achieved 43.8% for the year ended December 31, 2024 and with the expected decrease in revenue earned from business with key customers of the Corporation, the forecasted gross margin of 37.7% in 2025 is reasonable and achievable. The man-hour rates in 2024 were in line with prevailing market rates hence the increment in man-hour rates in 2025 will be at reduced rate while the salary increments are factored in the 2025 budget. Management believes that the forecast revenue and gross margin is conservative and reasonable.
- b. The actual traffic growth rate of A2P business for the year ended December 31, 2024 increased by 1.5% compared to the year ended December 31, 2023. All the regions suffered lower growth due to stiff competition. The Corporation also adjusted the prices of its products and services to maintain gross margin. Revenue of A2P business for the year ended December 31, 2024 decreased by 27.4% while annual gross margin of 51.9% is higher than gross margin of 33.0% for the year ended December 31, 2023 due to strengthening of USD against Euro.
- c. No significant changes in the environment (including competition) where the Corporation operates that will significantly affect the pricing of the Corporation's services resulting in changes of the gross margin for the various business segments, except what is disclosed in notes a and b above.
- d. Timely completion and launch of certain additional value-added services for the Corporation's customers.
- e. Continued ability to obtain financing through loans and cash advances to support the sales operations of the Corporation.

The purpose of this financial outlook is to allow the Corporation's ultimate holding company, BHL, to make reference and/or to use such outlook in its own financial disclosure. The operation of GINSMS is a major part of the growth strategy of BHL. As such, BHL believes that disclosing such information would be useful for its shareholders. Consequently, readers of this press release are cautioned that the financial outlook of GINSMS concerning its expected gross margin and revenue is forward looking information and may not be appropriate for other purposes.

Financial Highlights	Forecast	Forecast	Forecast	Forecast
(\\$)	Jan – Mar 2025	Apr – Jun 2025	Jul – Sep 2025	Oct – Dec 2025
Revenues \$				
A2P Messaging Service	102,217	103,037	103,864	104,697
Software Products & Services	428,279	428,279	428,279	428,279
	530,496	531,316	532,143	532,976
Cost of sales \$				
A2P Messaging Service	64,451	64,968	65,489	66,014
Software Products & Services	266,933	266,933	266,933	266,933
	331,384	331,901	332,422	332,947
Gross profit \$				
A2P Messaging Service	37,766	38,069	38,375	38,683
Software Products & Services	161,346	161,346	161,346	161,346
	199,112	199,415	199,721	200,029
Gross margin %				
A2P Messaging Service	36.9%	36.9%	36.9%	36.9%
Software Products & Services	37.7%	37.7%	37.7%	37.7%
	37.5%	37.5%	37.5%	37.5%
Selling, general and administrative expenses	(173,191)	(173,191)	(173,191)	(173,191)
Operating profit	25,921	26,224	26,530	26,838
Non-operating income (1)	-	-	-	-
Non-operating expenses (1)	(755)	(755)	(755)	(755)
Ordinary profit	25,166	25,469	25,775	26,083
Extraordinary gains	-	-	-	-
Extraordinary losses	-	-	-	-
Profit before tax and non-controlling interests	25,166	25,469	25,775	26,083
Income taxes	-	-	-	-
Non-controlling interests	-	-	-	-
Net profit for the period	25,166	25,469	25,775	26,083
Adjusted EBITDA (2)	49,281	49,584	49,890	50,198

- (1) Non-operating income included interest income and other non-operating income. Non-operating expenses included loss on foreign exchange and interest expense.
- (2) Adjusted EBITDA is a non-IFRS measure which does not have any standardized meaning under IFRS Accounting Standards. Adjusted EBITDA is related to cash earnings and is defined for these purposes as earnings before income taxes, depreciation and amortisation (in both cost of sales and general and administration expenses), interest expenses and also excludes certain non-recurring or non-cash expenditure and income. This non-IFRS measure is not recognised under IFRS Accounting Standards and accordingly, shareholders are cautioned that this

measure should not be construed as an alternative to net income determined in accordance with IFRS Accounting Standards. The non-IFRS measure presented is unlikely to be comparable to similar measure presented by other issuers. The Corporation believes that Adjusted EBITDA is a meaningful financial metric as it measures cash generated from operations which the Corporation can use to fund working capital requirements, service interest and principal debt repayment and fund future growth initiatives.

About GINSMS

GINSMS is a mobile technology and services company focusing on 2 areas namely its A2P Messaging Service and its Software Products and Services. GINSMS operates a cloud-based A2P messaging service that allows the termination of SMS to mobile subscribers of more than 200 mobile operators globally. GINSMS also develops and distribute innovative software products and services for mobile operators and enterprises and have successfully deployed more than 100 solutions worldwide. GINSMS has offices in China, Singapore, Hong Kong, Malaysia and Indonesia.

Forward Looking Statements

Certain information included in this press release may contain forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, or “continue” or the negative thereof or variations thereon or similar terminology. These statements are not historical facts, but reflect management’s current beliefs and are based on information currently available to management regarding future results and events. Particularly, these forward-looking statements are based on management’s estimate of future events based on technological advances relating to the Corporation’s services, current market conditions and past experiences of management in relation to how certain contracts will affect revenues. Forward-looking statements, by their very nature, involve significant risks, uncertainties and assumptions.

A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to dependence on major customers, system failures, delays and other problems, increasing competition, security and privacy breaches, dependence on third-party software and equipment, adequacy of network reliance, network diversity and backup systems, loss of significant information, insurance coverage, capacity limits, rapid technology changes, market acceptance, decline in volume of attractions, retention of key members of the management team, success of expansion into Chinese and other Asian markets, credit risk, consolidation of existing customers, dependence on required licenses, economy and politics in countries where the Corporation operates, conflicts of interest and residency of directors and officers. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, the Corporation cannot assure the reader that actual results will be consistent with these forward-looking statements.

In particular, forward-looking statements include the following assumptions:

- Management’s belief that the Corporation’s software products and services are expected to take on a different focus based on an outsourcing model approach leveraging on the lower cost base in Indonesia and Malaysia. The Corporation will explore new customers as the revenue from the key customers is expected to decrease for the software segment. On the other hand, management’s belief that the future growth in messaging is in the area of A2P Messaging Service will be continued to be affected by stiff competition and hence profitability of the business in the future is uncertain.
- Management’s belief that the Corporation is able to generate sufficient amounts of cash through operations and financing activities to fulfil the working capital requirements of its present operations.

These forward-looking statements are made as of the date of this press release and the Corporation assumes no obligation to update or revise them to reflect new events or circumstances except as may be required by law. Accordingly, readers should not place undue reliance on the forward-looking statements. Forward looking statements

are presented in this news release for the purpose of assisting investors and others in understanding certain key elements of our expected fiscal 2024 financial results, as well as our objectives, strategic priorities and business outlook for fiscal 2025, and in obtaining a better understanding of the Corporation's anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes. All forward-looking statements contained in this press release are qualified by this cautionary statement.

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