

Northern Aerotech ApS
Mærskvej 1, 2791 Dragør

Annual report
2024

Company reg. no. 33 76 62 46

The annual report was submitted and approved by the general meeting on the 27 February 2025.

Morten Schalls Jørgensen
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.

- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

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Management's statement

Today, the Managing Director has approved the annual report of Northern Aerotech ApS for the financial year 2024.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

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

Dragør, 27 February 2025

Managing Director

Morten Schalls Jørgensen

The independent practitioner's report

To the Shareholders of Northern Aerotech ApS

Conclusion

We have performed an extended review of the financial statements of Northern Aerotech ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

The independent practitioner's report

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Copenhagen, 27 February 2025

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Chris Winther Bjørholm Dyhr
State Authorised Public Accountant
mne34473

Company information

The company	Northern Aerotech ApS Mærskvej 1 2791 Dragør Company reg. no. 33 76 62 46 Financial year: 1 January - 31 December
Managing Director	Morten Schalls Jørgensen
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø
Parent company	F&E Aviation Holdings, Inc.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2024</u>	<u>2023</u>
Gross profit	17.991.650	12.497.852
3 Staff costs	-10.288.694	-9.510.046
Depreciation, amortisation, and impairment	-1.168.386	-232.957
Other operating expenses	-66.609	0
Operating profit	6.467.961	2.754.849
Other financial income	41.274	98.620
4 Other financial expenses	-298.713	-118.206
Pre-tax net profit or loss	6.210.522	2.735.263
5 Tax on net profit or loss for the year	-1.384.022	-600.930
Net profit or loss for the year	4.826.500	2.134.333
 Proposed distribution of net profit:		
Transferred to retained earnings	4.826.500	2.134.333
Total allocations and transfers	4.826.500	2.134.333

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2024</u>	<u>2023</u>
Non-current assets		
6 Acquired concessions, patents, licenses, trademarks, and similar rights	4.817.395	1.456.180
Total intangible assets	4.817.395	1.456.180
7 Other fixtures, fittings, tools and equipment	1.339.733	568.559
Total property, plant, and equipment	1.339.733	568.559
8 Deposits	947.744	810.159
Total investments	947.744	810.159
Total non-current assets	7.104.872	2.834.898
Current assets		
Trade receivables	6.603.241	6.432.137
Receivables from group enterprises	13.629	9.992
Other receivables	2.226.386	616.885
Prepayments	287.673	329.602
Total receivables	9.130.929	7.388.616
Cash and cash equivalents	1.267.056	2.316.725
Total current assets	10.397.985	9.705.341
Total assets	17.502.857	12.540.239

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2024</u>	<u>2023</u>
Equity and liabilities		
Equity		
Contributed capital	80.000	80.000
Retained earnings	8.121.790	3.295.290
Total equity	8.201.790	3.375.290
Provisions		
Provisions for deferred tax	910.200	97.000
Total provisions	910.200	97.000
Liabilities other than provisions		
Trade payables	4.420.087	3.501.067
Payables to group enterprises	411.268	1.965.265
Income tax payable	555.147	523.930
Other payables	2.847.047	1.519.987
Deferred income	157.318	1.557.700
Total short term liabilities other than provisions	8.390.867	9.067.949
Total liabilities other than provisions	8.390.867	9.067.949
Total equity and liabilities	17.502.857	12.540.239

- 1 Accounting policies
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Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2023	80.000	1.160.957	1.240.957
Profit or loss for the year brought forward	<u>0</u>	<u>2.134.333</u>	<u>2.134.333</u>
Equity 1 January 2024	80.000	3.295.290	3.375.290
Profit or loss for the year brought forward	<u>0</u>	<u>4.826.500</u>	<u>4.826.500</u>
	<u>80.000</u>	<u>8.121.790</u>	<u>8.201.790</u>

Notes

1. Accounting policies

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

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

Recognition and measurement in general

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

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

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

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

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

Income statement

Gross profit

Gross profit comprises the revenue, cost of sales, other operating income, and external costs.

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

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

Cost of sales includes purchases of goods and services used for production in the year.

Notes

1. Accounting policies (continued)

Own work capitalised

Own work capitalised includes staff cost and other internal costs incurred during the financial year and recognised in the cost of proprietary intangible and tangible fixed assets.

Other operating income comprises compensation due to the coronavirus situation. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for sales, administration and premises.

Staff costs

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

Depreciation, amortisation, and write-down for impairment

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

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, and transactions in foreign currency.

Tax on net profit or loss for the year

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

Statement of financial position

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation.

Rights

Acquired rights is measured at cost less accumulated depreciation and impairment losses .

Notes

1. Accounting policies (continued)

Other fixtures and fittings, tools and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

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

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

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

Investments

Other financial instruments

Other unlisted financial instruments are measured at cost. Write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Deposits

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

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. The value is reduced by provisions for bad debts.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Income tax and deferred tax

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

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

Notes

1. Accounting policies (continued)

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

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

Liabilities other than provisions

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

Deferred income

Payments received concerning future income are recognised under deferred income.

2. The significant activities of the enterprise

The main activities of the Company consist of services for the aircraft industry both in Denmark and abroad.

	<u>2024</u>	<u>2023</u>
3. Staff costs		
Salaries and wages	9.966.160	9.193.288
Pension costs	274.393	282.246
Other costs for social security	48.141	34.512
	<u>10.288.694</u>	<u>9.510.046</u>
 Average number of employees	 <u>6</u>	 <u>5</u>
 4. Other financial expenses		
Other financial costs	298.713	118.206
	<u>298.713</u>	<u>118.206</u>

Notes

All amounts in DKK.

	<u>2024</u>	<u>2023</u>
5. Tax on net profit or loss for the year		
Tax of the results for the year, parent company	561.902	523.930
Adjustment for the year of deferred tax	813.200	77.000
Adjustment of tax for previous years	8.920	0
	<u>1.384.022</u>	<u>600.930</u>
6. Acquired concessions, patents, licenses, trademarks, and similar rights		
Cost 1 January 2024	1.544.040	130.209
Additions during the year	4.294.659	1.413.831
Cost 31 December 2024	<u>5.838.699</u>	<u>1.544.040</u>
Amortisation and write-down 1 January 2024	-87.860	-26.042
Amortisation for the year	-933.444	-61.818
Amortisation and write-down 31 December 2024	<u>-1.021.304</u>	<u>-87.860</u>
Carrying amount, 31 December 2024	<u>4.817.395</u>	<u>1.456.180</u>
7. Other fixtures, fittings, tools and equipment		
Cost 1 January 2024	1.205.060	817.903
Additions during the year	1.006.116	387.157
Disposals during the year	-109.979	0
Cost 31 December 2024	<u>2.101.197</u>	<u>1.205.060</u>
Depreciation and write-down 1 January 2024	-636.501	-465.362
Depreciation for the year	-234.942	-171.139
Reversal of depreciation, amortisation and writedown, assets disposed of	109.979	0
Depreciation and write-down 31 December 2024	<u>-761.464</u>	<u>-636.501</u>
Carrying amount, 31 December 2024	<u>1.339.733</u>	<u>568.559</u>

Notes

All amounts in DKK.

	<u>31/12 2024</u>	<u>31/12 2023</u>
8. Deposits		
Cost 1 January 2024	810.159	425.282
Additions during the year	<u>137.585</u>	<u>384.877</u>
Cost 31 December 2024	<u>947.744</u>	<u>810.159</u>
Carrying amount, 31 December 2024	<u>947.744</u>	<u>810.159</u>

9. Charges and security

For bank loans the company has provided security in company assets representing a nominal value of DKK 600.000. This security comprises the assets below, stating the carrying amounts:

	<u>DKK in thousands</u>
Trade receivables	6.603
Goodwill	0
Acquired concessions, patents, licenses, trademarks, and similar rights	881
Other fixtures, fittings, tools and equipment	1.365

For leasing company Trade receivables amount of TDKK 6.603 at 31 December 2024, have been restricted from being put as collateral by other parties.

10. Contingencies

Contingent liabilities

The Company has total rental or lease obligations of TDKK 536.