

Northern Aerotech ApS
Mærskvej 11, 2791 Dragør

Annual report
2023

Company reg. no. 33 76 62 46

The annual report was submitted and approved by the general meeting on the 14 February 2024.

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 2023.

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

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

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

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

Dragør, 14 February 2024

Managing Director

Morten Schalls Jørgensen

Independent auditor's report on extended review

To the Shareholders of Northern Aerotech ApS

Opinion

We have performed an extended review of the financial statements of Northern Aerotech ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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 "Auditor'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 opinion.

Management's Responsibilities for the Financial Statements

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

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

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

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

Independent auditor's report on extended review

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.

Statement on the Management's Review

Management is responsible for the Management's Review.

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

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

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

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

Copenhagen, 14 February 2024

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 11 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.

Management´s review

Description of key activities of the company

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

Development in activities and financial matters

The gross profit for the year totals DKK 12.497.852 against DKK 8.533.284 last year. Income or loss from ordinary activities after tax totals DKK 2.134.333 against DKK 869.292 last year.

Income statement

All amounts in DKK.

<u>Note</u>	1/1 2023 - 31/12 2023	1/10 2021 - 31/12 2022
Gross profit	12.497.852	8.533.284
1 Staff costs	-9.510.046	-7.715.792
Depreciation, amortisation, and impairment	-232.957	-138.669
Operating profit	2.754.849	678.823
Other financial income	98.620	299.532
2 Other financial expenses	-118.206	-16.771
Pre-tax net profit or loss	2.735.263	961.584
3 Tax on net profit or loss for the year	-600.930	-92.292
Net profit or loss for the year	2.134.333	869.292
Proposed distribution of net profit:		
Transferred to retained earnings	2.134.333	869.292
Total allocations and transfers	2.134.333	869.292

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Non-current assets		
4 Acquired concessions, patents, licenses, trademarks, and similar rights	1.456.180	104.168
Total intangible assets	1.456.180	104.168
6 Other fixtures, fittings, tools and equipment	568.559	352.542
Total property, plant, and equipment	568.559	352.542
7 Deposits	810.159	425.282
Total investments	810.159	425.282
Total non-current assets	2.834.898	881.992
Current assets		
Trade receivables	6.432.137	2.482.178
Receivables from group enterprises	9.992	9.348
Other receivables	616.885	448.134
Prepayments	329.602	306.715
Total receivables	7.388.616	3.246.375
Cash and cash equivalents	2.316.725	141.619
Total current assets	9.705.341	3.387.994
Total assets	12.540.239	4.269.986

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity		
Contributed capital	80.000	80.000
Retained earnings	3.295.290	1.160.957
Total equity	3.375.290	1.240.957
Provisions		
Provisions for deferred tax	97.000	20.000
Total provisions	97.000	20.000
Liabilities other than provisions		
Bank debts	0	226
Trade payables	3.501.067	851.275
Payables to group enterprises	1.965.265	278.792
Income tax payable	523.930	72.292
Other payables	1.519.987	1.113.988
Deferred income	1.557.700	692.456
Total short term liabilities other than provisions	9.067.949	3.009.029
Total liabilities other than provisions	9.067.949	3.009.029
Total equity and liabilities	12.540.239	4.269.986

8 Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 October 2021	80.000	581.968	661.968
Profit or loss for the year brought forward	0	869.292	869.292
	<u>0</u>	<u>-290.303</u>	<u>-290.303</u>
Equity 1 January 2023	80.000	1.160.957	1.240.957
Profit or loss for the year brought forward	0	2.134.333	2.134.333
	<u>80.000</u>	<u>3.295.290</u>	<u>3.375.290</u>

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.

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.

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.

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.

Accounting policies

Staff costs

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

Depreciation, amortisation, and write-down for impairment

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

Financial income and expenses

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

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.

Accounting policies

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.

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.

Notes

All amounts in DKK.

	1/1 2023 - 31/12 2023	1/10 2021 - 31/12 2022
1. Staff costs		
Salaries and wages	9.193.288	7.391.981
Pension costs	282.246	279.065
Other costs for social security	34.512	44.746
	<u>9.510.046</u>	<u>7.715.792</u>
Average number of employees	<u>5</u>	<u>6</u>
2. Other financial expenses		
Other financial costs	118.206	16.771
	<u>118.206</u>	<u>16.771</u>
3. Tax on net profit or loss for the year		
Tax of the results for the year, parent company	523.930	72.292
Adjustment for the year of deferred tax	77.000	20.000
	<u>600.930</u>	<u>92.292</u>
4. Acquired concessions, patents, licenses, trademarks, and similar rights		
Cost 1 January 2023	130.209	0
Additions during the year	1.413.831	130.209
Cost 31 December 2023	<u>1.544.040</u>	<u>130.209</u>
Amortisation and write-down 1 January 2023	-26.042	0
Amortisation for the year	-61.818	-26.041
Amortisation and write-down 31 December 2023	<u>-87.860</u>	<u>-26.041</u>
Carrying amount, 31 December 2023	<u>1.456.180</u>	<u>104.168</u>

Notes

All amounts in DKK.

	<u>31/12 2023</u>	<u>31/12 2022</u>
5. Goodwill		
Cost 1 January 2023	768.620	768.620
Cost 31 December 2023	<u>768.620</u>	<u>768.620</u>
Amortisation and write-down 1 January 2023	-768.620	-749.389
Amortisation for the year	0	-19.231
Amortisation and write-down 31 December 2023	<u>-768.620</u>	<u>-768.620</u>
6. Other fixtures, fittings, tools and equipment		
Cost 1 January 2023	817.903	495.665
Additions during the year	387.157	322.239
Cost 31 December 2023	<u>1.205.060</u>	<u>817.904</u>
Depreciation and write-down 1 January 2023	-465.362	-371.965
Depreciation for the year	-171.139	-93.397
Depreciation and write-down 31 December 2023	<u>-636.501</u>	<u>-465.362</u>
Carrying amount, 31 December 2023	<u>568.559</u>	<u>352.542</u>
7. Deposits		
Cost 1 January 2023	425.282	299.090
Additions during the year	384.877	126.192
Cost 31 December 2023	<u>810.159</u>	<u>425.282</u>
Carrying amount, 31 December 2023	<u>810.159</u>	<u>425.282</u>
8. Contingencies		
Contingent liabilities		
The Company has total rental or lease obligations of TDKK 583.		