Annual Report 2024

Thrane & Thrane A/S
(trading as Cobham SATCOM)

The Annual Report was presented and adopted at the Annual General Meeting on 16 June 2025

Christophe Duret, Chair

Contents

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the Annual Report of Thrane & Thrane A/S for the financial year 1 January - 31 December 2024.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024 and of the results of their operations and consolidated cash flows for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters, the results for the year and the Group's and the Parent Company's financial position.

We recommend the Annual Report to be approved at the Annual General Meeting.

Kongens Lyngby, 16 June 2025

Executive Board

Christophe Duret,
CEO

Oluf Riddersholm,
CFO

Board of Directors

Sven Evan Lewis
Chair

Christophe Duret

Oluf Riddersholm

Karsten Vollmer-Larsen

Pia From Jeppesen

Mette Christiansen

Independent Auditor's report

To the shareholder of Thrane & Thrane A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements (hereinafter collectively referred to as "the financial statements") of Thrane & Thrane A/S for the financial year 1 January – 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on 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 conclusion thereon.

In connection with our audit 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 audit, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 16 June 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Mikkel Sthyr	Ole Becker
State Authorised	State Authorised
Public Accountant	Public Accountant
mne26693	mne33732

Company information

The Company	Thrane & Thrane A/S Lundtoftegårdsvej 93 D DK-2800 Kongens Lyngby www.cobham.com/satcom Telephone: +45 3955 8800 CVR no.: 65724618 Financial period: 1 January - 31 December Municipality of reg. office: Lyngby-Taarbæk
Board of Directors	Sven Evan Lewis, Chair Christophe Duret Oluf Riddersholm Karsten Vollmer-Larsen Mette Christiansen Pia From Jeppesen
Executive Board	Christophe Duret, CEO Oluf Riddersholm, CFO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 2000 Frederiksberg

Financial Highlights

USD million	2024	2023	2022	2021	2020
Key figures					
Income statement					
Revenue	150	223	202	233	180
Gross profit	26	75	34	82	60
Operating profit/(loss)	(46)	11	(30)	19	13
EBITDA[1])	(25)	28	(16)	31	27
EBITDA normalized[2])	(5)	36	(2)	42	41
Profit/(loss) before net financials	(46)	11	(30)	19	87
Net financials	(8)	(10)	(0)	1	2
Net profit/(loss) for the year	(51)	(0)	(20)	19	92
Balance sheet					
Non-current assets	95	103	103	88	73
Current assets	109	115	134	119	141
Total assets	204	218	237	207	214
Equity	60	84	84	104	138
Non-current liabilities	72	72	13	19	15
Current liabilities	71	62	139	85	61
Investments in property, plant and equipment	1	3	3	4	9
Cash flows from operating activities	(37)	3	(14)	63	61
Cash flows from investing activities	(12)	(12)	(18)	(30)	73
Cash flows from financing activities	48	(9)	43	(35)	(137)
Cash and cash equivalents, year end	2	3	22	11	14
Average number of full-time employees	418	427	453	485	518
Financial ratios					
Gross margin (bruttomargin)	17.4%	33.5%	17.1%	35.0%	33.5%
Profit margin (overskudsgrad)	-30.3%	4.9%	-15.1%	8.2%	7.0%
Current ratio (likviditetsgrad)	152.8%	185.9%	96.3%	140.2%	229.9%
Return on assets (afkastningsgrad)	-22.4%	5.0%	-12.8%	9.2%	5.9%
Solvency ratio (soliditetsgrad)	29.6%	38.6%	35.6%	50.0%	64.3%
Return on equity (egenkapitalforrentning)	-70.3%	-0.4%	-20.8%	15.5%	117.4%

Definitions are disclosed in the note for accounting policies.

[1] Profit/(loss) before tax, depreciation and amortisation, net financials and other operating income.
[2] EBITDA normalized: EBTIDA being adjusted for special items cf. Note 1 – Special items.

Management's Review

Cobham SATCOM Group's Management Review

Business activities

Thrane & Thrane A/S, trading as Cobham SATCOM, is the market-leading provider of radio and satellite communications solutions for fixed and mobile applications across a variety of end markets including maritime, government, military, and enterprise.

Cobham SATCOM designs and manufactures high-performance radio, satellite communications, safety, tracker and critical communications products under the EXPLORER, SAILOR, SeaTel and TRACKER brands. Our products provide customers with outstanding performance, value and support through our global sales and service network. All our solutions are underpinned by the core purpose of keeping people safe and connected across land and sea.

Connecting the future

Cobham SATCOM is the combination of earlier Cobham acquisitions of Sea Tel, Track Star and Thrane & Thrane, which all have a long history of providing antennas and related products to remote connectivity markets.

Cobham SATCOM successfully distributes its maritime product portfolio through a dedicated network of 350-400 global partners, situated mostly around the major world ports or shipyards, as well as governments, defense and large enterprises.

In 2024, 61% (2023: 64%) of revenues were generated in the maritime business. The maritime products address the needs for Radio, Safety and Tracking at sea as well as providing maritime connectivity through the market leading portfolio of L-band and VSAT antennas trading under the SAILOR and Sea Tel trademarks.

The remaining 39% (2023: 36%) of Cobham SATCOM revenue was derived from the land business, defense and network solutions. This is partly ground infrastructure for L-band constellation, where Cobham SATCOM builds and service RAN systems for Viasat and Space42 defense. The related land-based terminal solutions include Communication on the Move (COTM) and Communication on the Pause (COTP), trading under the EXPLORER brand. Cobham SATCOM offers a wide range of EXPLORER solutions for critical communications that allow public safety vehicles and other first responders to be "always connected".

Cobham SATCOM is building on its strategic direction to strengthen future investments and business activities within Government, Defense and Enterprise solutions in both the USA and Europe. This continuous growth area will be supported by a range of existing and new products and capabilities across the different brands, and in particular the multiband and multi-orbit Tactical TRACKER antenna which has been well received in the market to date.

2024 was a transformative year for Cobham SATCOM which saw an increased impact by Starlink in the VSAT market, which shifted part of the commercial market to Starlink. Following the disruption by Starlink, Maritime revenue was reduced by almost $50M. In addition the commercial Land business revenue dropped by almost $12M.

Research and development

Key focus for 2024 was the finalization of the development of the suite of Space42 (formerly known as Yahsat) constellation terminals which increased the total portfolio of L-Band terminals as well as introducing the first MIL-STD certified L-Band terminals.

The Space42 radio access network (RAN) program progressed in preparation for customer acceptance and service introduction in 2025.

New Omni directional antenna technologies were developed in support of new terminal development for both new constellations planned for 2026.

The first proof-of-concept of the 2D flat panel antenna technology was developed and successfully demonstrated to multiple interested parties.

Further development of the Tactical TRACKER product line was achieved adding support for additional frequency bands.

Development in the year

Following the disruption by Starlink, Cobham SATCOM decided to refocus its efforts and realign its internal structure to meet the future market demands. Cobham SATCOM carried out a restructuring of the business in Denmark and in US in June 2024 and October 2024 respectively with the aim, inter alia, to consolidate functions in Operations and R&D. The restructuring entailed increased efficiency across multiple sites and the overall rightsizing of costs in the organization to focus the company on future growth areas while also regaining previous margin levels.

Financial Performance 2024

The Group's income statement for the fiscal year 2024 shows a net loss of USD 50,730 thousand (2023: net loss of USD 301 thousand) and the Group's balance sheet at 31 December shows equity of USD 60,163 thousand (2023: 83,893 thousand).

Management’s Review

In 2024, revenue was USD 150,027 thousand, a decrease of 32.7%, compared to USD 222,874 thousand realized in 2023. The decrease was due to the disruption by Starlink in the VSAT market as well as some softening in the market within Maritime Safety.

For the Parent company, revenue decreased by USD 69,549 thousand from USD 191,865 thousand in 2023 to USD 122,316 thousand in 2024.

Maritime revenue showed a decrease of USD 49,559 thousand (-35%) compared to 2023, driven by the introduction and increased dominance of Starlink in the traditional VSAT market which gained market share and this slowed the sale of more traditional geostationary VSAT antennas in the Market, until the impact stabilized at the end of 2024.

The Land business realized a decrease in revenue of USD 12,150 thousand (43.4%) compared to 2023, driven by the VSAT decline but this was partly offset by the stronger momentum around our TRACKER products.

Cost of sales amounted to USD 123,887 thousand which resulted in a decrease of -16.4%. The change in gross margin vs. 2023 was driven by decrease in revenue, as operational overhead costs are considered semi-variable and not easily adjustable to shift reductions in revenue.

Gross margins for the Parent company also show a decrease of USD 48,605 thousand as cost of sales decreased by USD 30,874 thousand for the above reasons.

In 2024, an additional USD 9,930 thousand was capitalized as “Development projects” and USD 4,322 thousand was completed during the year with a positive revenue stream already being generated. R&D projects are all clearly defined with functional prototypes, technical feasibilities, and sufficient resource allocation to meet the strong future market opportunities we foresee. Accordingly, the projects are recognized as intangible assets. R&D costs that have not been defined to meet the capitalization criteria due to being more sustaining of products in nature have been expensed during the year.

Distribution and administrative expenses amounted to USD 52,749 thousand (2023: 50,826 thousand), which is an increase of USD 1,923 thousand compared to 2023, primarily driven by non-recurring restructuring cost, in part due to right sizing the company.

Net cash outflow in 2024 was USD 1,462 thousand compared to USD 18,567 thousand in 2023. The cash flow was negatively impacted by repayments of loans to the group as well as backend-loaded timing in payment milestones to be received in our Systems and TRACKER businesses, as recognition of revenue is in accordance with progress accounting.

Overall, the 2024 results were dissatisfactory and not in line with the expectations set for the year.

Outlook 2025

For 2025 Cobham SATCOM expects a year of stronger revenue and improved operating profit. We remain focused on investing in new product launches, innovative technology and growing the defense opportunities to create further value for business partners and end-customers to drive future profitability. Furthermore, significant investments have been made into improving operational processes, time to market and in streamlining delivery performance. The supply chain processes with contract manufactures and regional warehouses have been further refined during 2024.

Cobham SATCOM expects an improved 2025 revenue in the range of USD 150-165m and operating profit USD 15-20m. Expectation of operating profit adjusted for special items is in the range of USD 20-25m.

Subsequent events

In April 2025, it was announced that Cobham Ltd. had reached an agreement with Solix AB to sell Thrane & Thrane A/S . As the transaction was subject to regulatory approvals., final closing of the sale is expected to take between4-6 months from April 2025.

No subsequent events, other than the above, have taken place that would otherwise have an effect on the 2024 Annual Report .

Liquidity Risks

Cobham SATCOM remains financed mainly through equity and intercompany financing. In connection with this financing, there is a risk relating to interest fluctuations. The interest risk has not been hedged. The interest is furthermore fixed on the intercompany loans.

In April 2024, the liquidity was strengthened with a capital increase which resulted in an additional share premium of USD 27,000 thousand.

In October 2024, the company entered into a pledged overdraft agreement with Danske Bank to cover the short-term cash deficit due to the Starlink disruption and delayed cash profile of customer funded R&D projects.

The Company has also received a support letter from its parent company valid until the earlier of 31 December 2025 or until closing of the sale to Solix AB.

Management's Review

Financial Risks

Cobham SATCOM's currency exposure is continuously being assessed. Sales and most significant costs items are concentrated in USD, DKK and EUR. The overall policy is to hedge significant currency risks.

Statement of Corporate Social Responsibility cf. §99a

Cobham SATCOM takes a strategic approach to corporate responsibility and sustainability (CR&S). By managing external impacts, capitalizing on opportunities and conducting business in a responsible and sustainable way, we are better placed to mitigate our principal risks, strengthen business relationships and contribute to wider efforts to combat existential issues such as climate change.

Connectivity is no longer a luxury, but a necessity for economic and human development. By providing reliable communications in challenging environments, Cobham SATCOM brings important environmental and social benefits to the global community.

The decisions and behaviors demonstrated by acting ethically, managing impacts, implementing innovative solutions and engendering positive business relationships also promote and enhance our company culture and reputation. In early 2020, we started a journey to transform our culture, which included new values.

Cobham SATCOM designs and manufactures high-performance radio, satellite communications, safety, tracker and critical communications products. Our products provide customers with outstanding performance, value and support through our global sales and service network. All our solutions are underpinned by the core purpose of keeping people safe and connected across land and sea.

Health, safety and environmental matters

Ensuring the health and safety of the Group's people is a core value. As a diverse organization, employees are frequently required to work in different and often challenging environments and manage a range of risks. We have had a continued focus on zero harm, however 2024 has resulted in 5 minor injuries in Denmark. We continue to maintain a zero injuries record at our US facility for 2024. The injuries were closely monitored and new initiatives were implemented to prevent further injuries.

Our primary risk is non-compliance with environmental regulations, which could result in fines and legal action, alongside reputational damage due to negative public perception of our environmental practices.

In 2024 several actions continued to be carried out to ensure that the zero harm policy was fulfilled including necessary introduction during onboarding, fire drill and continuously requiring employees to comply with the company's safety policy at all times.

Going forward, Cobham SATCOM will continue to focus on ensuring the prevention of injuries, and take the necessary precautions and actions towards safeguarding the safety of our employees. As part of our journey towards a higher prevention level, we will work towards being more proactive in our approach, aiming to foresee work environment challenges before they manifest.

The Group also aims to continually ensure efficient use of resources to minimize the environmental impact of its operations.

A Safety, Health and Environment (SHE) policy underpins our commitment to ensuring the safety and health of employees and to minimizing the company's environmental impact. It commits us to continually improving management systems, standards and performance while developing a culture of individual responsibility. Performance was regularly reviewed throughout the year by management, our QA department and Facility Management.

Greenhouse gases

Cobham SATCOM has received an environmental certification (ISO 14001). The Company's environmental policy is to create and embrace an environmentally aware culture and framework that actively promotes employee engagement at all levels.

Cobham SATCOM will continuously endeavor to improve in the following areas:

- Efficiency in the use of raw materials, energy and natural resources through product design, operations and supply chain management and logistics
- Reduction of direct and indirect greenhouse gas emissions
- Protection of its operations (including its supply chain) from the significant adverse effects of climate change, reducing the type and amounts of hazardous substances used
- Capability to reduce, reuse or recycle waste wherever possible

Each year, we set a list of environmental goals that supports our policy. In 2024, we set the following objectives and targets:

ISO 14001 Cobham Satcom Main environmental categories	Objective	Measurement	Key results		Development 2024 over 2023	Notes
			Status 2023	Status 2024		
Consumption of Water, Heating and Electricity	Invest in one energy program per year.	Water [m^3]	3132	2232	-29 %	Due to the implemented initiatives, the consumption of water, heating and electricity has been reduced significantly. The initiatives is primarily actions limiting the excess use of water, heating and electricity.
		Heating [MWh]	784	699	-11 %	
		Electricity [MWh]	1173	1187	+1 %	Implementation of: - Solar system for energy generation installed
Canteen	Reduce CO_2 emmision.	CO_2 emission [ton]	70	60	-14 %	The CO2 emission was reduced due to: - Implementation of vegetarian day once a week. - Recyclable packaging was increased.
	Reduce food waste.	Food waste [ton]	13	10	-23 %	The food waste was decreased due to successful implementation of the "Too good to waste" concept (Lunch take away after lunch hours).
Waste	Reduce amount of waste by 3 % (reuse, reduce, scrap, rethink packaging).	Waste [ton]	62	54	-13 %	The amount of waste has decreased compared to prior year. This has been achieved by: - Reuse - Only centralized trash cans - Reduced use of plastic - Recyclable packaging for products was increased
Airtravel	Decrease use of airtravel by 3%.	CO_2 emission [ton]	994	946	-5 %	Decrease driven by less FTE in travel as we a contiuened customer interactions need across the world as well as travel between the locations of the Cobham Satcom Group following the reorganisation
Airfreight	Reduce the CO_2 emission from the use of airfreight by 3%.	CO_2 emission [ton]	876	542	-38 %	Airfreight has been substituted by seafreight to a much higher degree in 2023. This has resulted in lower CO_2 emission as seafreight can contain a larger capacity of delivery.

Employees

Our employees are the driving force behind our success. The Group is deeply committed to creating the best work environment, providing all its employees with equal opportunities, free from all forms of discrimination. This commitment entails empowering a diverse workforce and fostering an inclusive work environment where all employees can thrive and be themselves at work. In a business sense, a diverse workforce is essential for driving innovation and enhancing decision-making processes.

Recruiting individuals from diverse backgrounds, especially within STEM (Science, Technology, Engineering, and Mathematics) fields, has been a priority. Acknowledging the underrepresentation of women in STEM, the company actively encourages and attracts women of all ages to STEM education and careers. Initiatives like Girls' Day in Science, where young women visit our facilities to learn and gain inspiration about working within STEM, have been instrumental in this effort. Additionally, our recruitment efforts aim to replenish the talent pipeline and ensure that all STEM graduates recognize Cobham SATCOM as an employer of choice.

Additionally, our recruitment, selection, and career development are based solely on competencies and job requirements, regardless of race, gender, sexual orientation, religion, or disability. We welcome applications for employment from individuals with disabilities and ensure they receive full and fair consideration. For employees who become disabled, our policy is to take all reasonable steps, including retraining, to ensure they can remain in employment and have access to equal career development opportunities.

The primary risk faced by Cobham SATCOM in securing a diverse, healthy, and safe working environment is ensuring the physical and mental well-being of our employees. Discrimination and harassment pose significant risks to our employees' well-being. In addition to our anti-harassment and anti-bullying policies, we support our employees' well-being by promoting our Ethics Hotline and use our Employee Engagement Survey as a tool to directly address these risks.

A student diversity panel has been implemented, whose primary purpose is to focus on initiatives that will help improve diversity.

Management’s Review

Social matters

Our Group acknowledges its social, societal, and environmental responsibilities and is committed to continuously reinforcing actions toward achieving the UN Sustainable Development Goals. Our Corporate Responsibility and Sustainability (CR&S) strategy exemplifies our dedication to ethical action, inspiring stakeholders, suppliers, and employees alike by creating innovative solutions and managing environmental and social impacts directly and through our business relationships. Our strategy aims to enhance synergy between our company, suppliers, and key stakeholder groups to create value for the communities we serve. Consequently, CSR is integrated into our business practices through corporate governance, long-range strategic plans, performance management systems, product development, and reporting and assurance processes.

We aim to strengthen our social, societal, and environmental commitments through various initiatives, from significant steps to small-scale efforts like inviting homeless individuals in Copenhagen to benefit from collecting deposits from our empty bottles. Beyond engaging in STEM activities and ensuring a healthy and diverse work environment with equal opportunities, our social and societal responsibilities extend to positively contributing to society by promoting respect for fundamental human rights, ensuring justice, and combating corruption.

Anti-corruption and anti-bribery matters

Cobham SATCOM's culture is to act ethically and with integrity at all times, protecting the company's reputation, stakeholders and employees. The main risk that Cobham SATCOM faces regarding anti-corruption is to ensure that business is conducted fairly and honestly.

Cobham SATCOM has a reputation grounded in trust, integrity and of 'doing the right thing'. To protect that reputation and to help ensure business is conducted fairly and honestly, global standards of behavior have been adopted as set out in the Code of Business Conduct (“COBC”) which is approved by the CEO. This emphasizes the importance that each employee plays in building trust - with each other, customers and partners - to ensure every company employee conducts business to the same high standards of business ethics. The COBC includes a section on bribery and corruption and sets out a zero tolerance to both.

As the COBC cannot cover every eventuality or challenge employees may face, it is created as a resource for them to use when guidance is needed, to help them make informed decisions. The company promotes and runs a confidential Ethics Helpline where employees and customers can ask questions or raise a concern they may have, anonymously if they so wish. It also offers other alternative resources to employees, so they can raise a concern in a way they feel most comfortable.

To help ensure that all types of unethical behavior is avoided, Cobham SATCOM requires all employees (including all new employees) to complete COBC training at least once a year. There have been no material changes to our COBC since 2020.

Respect for human rights

Human rights are an important issue for Cobham SATCOM. There are growing requirements to comply with legislation and to respond to customer information requests on human rights issues such as modern slavery and conflict minerals. Cobham SATCOM supports the principles contained in the Universal Declaration of Human Rights and seeks to reflect these in the context of its business activities. The company also respects the rights of its employees in the International Labor Organization Declaration on Fundamental Principles and Rights at Work. Cobham SATCOM demonstrates its support and respect for human rights through the principles and policies contained in the COBC and COBC training.

A large part of Cobham SATCOM is internationally oriented with many touchpoints. Cobham SATCOM monitors throughout the supply chain to ensure that we comply with the policy at all times and this monitoring was successfully executed in 2024. Despite our precautions, there will always be a risk of human rights violations occurring in the supply chain that we don’t have visibility over. Cobham SATCOM opposes modern slavery and human trafficking in all its forms and is committed to acting ethically and with integrity in all business dealings and relationships. During 2024, no breaches to our human right policies were reported.

In 2025, we will continue our efforts to keep our employees informed about human rights policies through the COBC and its associated training programs. Furthermore, we have a specialized training course designed to address and prevent human rights violations.

Data Protection responsibilities & Data Ethics

The Group’s implements data protection measures to ensure that appropriate EU data protection standards and regulations are adhered to in line with applicable privacy laws. All employees in the EU are required to complete a General Data Protection Regulation (GDPR) training on a yearly basis. All employees are required to comply with the various company policies on data privacy and handling. In addition, in compliance with GDPR, the Group has a Data Subject Access Request (DSAR) Policy which ensures that the Group responds to requests from individuals relating to the exercising of their rights in relation to their personal data under the GDPR. No such data requests were received in 2024.

Management's Review

Gender diversity

Managerial positions consist of SMT (Senior Management Team) and EMT (Extended Management Team). SMT positions are defined as those people with overall employee responsibility, i.e. the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and all Senior Vice Presidents (SVP). Members of the EMT are managers or hold key positions that report directly to the SMT.

		2024
Top managerial position (Board of Directors)	Total number of members	6
	Underrepresented gender %.	33%
	Target figure %.	50%
	Year for fulfilment of target figure	2026

In 2024 the Parent Company's Board of Directors consisted of 6 members, the underrepresented gender being 33%. Thus, we have achieved gender balance in the board of directors cf. §99b in 2024, with our goal being to reach 50% in 2026. In the 2024 financial year, we have implemented different initiatives to improve the qualification rate of the underrepresented gender throughout all levels of the organization.

		2024
Other Managerial positions (1 & 2)	Total number of members	37
	Underrepresented gender in pct.	8%
	Target figure in pct.	18%
	Year for fulfilment of target figure	2026

SMT and EMT positions consist of 37 members, with the underrepresented gender being 8%. Thus, we have not achieved equal gender distribution in the managerial positions in 2024. Our goal is to reach 18% in 2026.
We have implemented a student diversity panel with the aim of finding ways of improving diversity in the company, which includes an aim to improve and continuously seek possibilities to improve diversity when new positions open up in the organization. During 2024, we have not been able to achieve the target due to limited changes in the SMT and EMT managerial positions.

Income Statement 1 January – 31 December 2024

		Group		Parent Company	
Note	**USD'000**	**2024**	**2023**	**2024**	**2023**
3	Revenue	150,027	222,874	122,316	191,865
4,9,10	Cost of sales	(123,887)	(148,129)	(103,624)	(133,281)
	Gross profit	**26,140**	**74,745**	**18,692**	**58,584**
4,9,10	Development expenses	(18,903)	(13,015)	(13,936)	(8,559)
4,9,10	Distribution expenses	(20,108)	(17,998)	(11,298)	(11,463)
4,9,10	Administrative expenses	(32,641)	(32,828)	(22,074)	(24,114)
	Operating profit/(loss)	**(45,512)**	**10,904**	**(28,616)**	**14,448**
5	Income from investments in subsidiaries	-	-	(14,921)	(3,756)
6	Financial income	1,594	861	3,813	2,830
7	Financial expenses	(9,169)	(10,557)	(8,549)	(9,781)
	Profit/(loss) before tax	**(53,087)**	**1,208**	**(48,273)**	**3,741**
8	Income tax	2,357	(1,509)	(2,458)	(4,042)
	Net profit/(loss) for the year	**(50,730)**	**(301)**	**(50,730)**	**(301)**

Balance Sheet at 31 December 2024

		Group		Parent Company	
Note	**USD'000**	**2024**	**2023**	**2024**	**2023**
	ASSETS				
	Non-current assets				
2	Completed development projects	23,508	27,922	23,508	27,922
2	Development projects in progress	14,062	9,667	14,062	9,667
	Software	7,377	8,009	6,849	7,746
	Goodwill	11,433	15,813	-	365
	Customer relationship	2,048	2,663	2,048	2,663
9	**Intangible assets**	**58,428**	**64,074**	**46,467**	**48,363**
	Right of use assets	11,911	13,483	10,192	12,188
	Plant and machinery	3,453	3,165	2,547	2,470
	Fixtures and fittings, tools and equipment	462	722	329	611
	Leasehold improvements	1,658	1,524	992	1,247
	Property, plant and equipment in progress	473	1,765	447	825
10	**Property, plant and equipment**	**17,957**	**20,659**	**14,507**	**17,341**
11	Investments in subsidiaries	-	-	16,220	31,201
2,12	Deferred tax assets	18,582	17,818	4,831	8,780
	Loan group	-	-	29,000	17,500
	Other non-current assets	**18,582**	**17,818**	**50,051**	**57,481**
	Total non-current assets	**94,967**	**102,551**	**111,025**	**123,185**
	Current assets				
	Raw materials and consumables	22,408	15,834	16,494	4,985
	Work in progress	10,154	11,722	5,396	6,487
	Finished goods and goods for resale	21,612	33,967	18,910	30,001
	Inventories	**54,174**	**61,523**	**40,800**	**41,473**
	Trade receivables	21,861	19,538	15,763	16,200
13	Contract work in progress	17,469	17,928	13,957	11,951
	Receivables from group entities	-	-	6,087	4,554
	Other receivables	2,500	2,163	2,220	2,114
	Corporation tax	598	562	-	-
15	Prepayments	10,335	10,163	10,009	9,417
	Receivables	**52,763**	**50,354**	**48,036**	**44,236**
14	**Cash**	**1,650**	**3,112**	**86**	**1,458**
	Total current assets	**108,587**	**114,989**	**88,922**	**87,167**
	TOTAL ASSETS	**203,554**	**217,540**	**199,947**	**210,352**

Balance Sheet at 31 December 2024

		Group		Parent Company	
Note	**USD'000**	**2024**	**2023**	**2024**	**2023**
	EQUITY AND LIABILITIES				
	Equity				
16	Share capital	19,543	19,543	19,543	19,543
	Reserve for development costs	-	-	29,304	29,319
	Other reserves	(1,314)	(1,314)	(1,314)	(1,314)
	Retained earnings	41,934	65,664	12,630	36,345
	Total equity	**60,163**	**83,893**	**60,163**	**83,893**
	Non-current liabilities				
17	Other provisions	2,648	3,078	2,199	2,273
18	Lease liabilities	9,015	11,526	8,335	10,920
	Loan group	60,674	57,174	60,674	57,174
	Total non-current liabilities	**72,337**	**71,778**	**71,208**	**70,367**
	Current liabilities				
18	Lease liabilities	3,192	2,719	2,139	2,083
	Trade payables	33,406	42,500	26,501	38,374
	Payables to group entities	11,271	3,161	17,889	3,988
	Credit institutions	14,719	2,011	14,719	2,011
	Other payables	8,466	11,478	7,328	9,636
	Total current liabilities	**71,054**	**61,869**	**68,576**	**56,092**
	Total liabilities	**143,391**	**133,647**	**139,784**	**126,459**
	TOTAL EQUITY AND LIABILITIES	**203,554**	**217,540**	**199,947**	**210,352**

1 Special items
2 Recognition and measurement uncertainties
19 Distribution of net profit/(loss) for the year
20 Fee to auditors appointed at Annual General Meeting
21 Contingent liabilities
22 Changes in working capital
23 Related parties with controlling interest
24 Accounting policies

Statement of Changes in Equity at 31 December 2024

USD'000	Group			
	Share capital	Retained earnings	Translation reserve	Total
Equity at 1 January 2023	19,543	65,965	(1,314)	84,194
Net profit/(loss) for the year	-	(301)	-	(301)
Equity at 1 January 2024	**19,543**	**65,664**	**(1,314)**	**83,893**
Net profit/(loss) for the year	-	(50,730)	-	(50,730)
Capital increases	-	27,000	-	27,000
Equity at 31 December	**19,543**	**41,934**	**(1,314)**	**60,163**

Statement of Changes in Equity at 31 December 2024

	Parent Company					
USD'000	Share capital	Reserve equity method	Reserve for development costs	Retained earnings	Translation reserve	Total
Equity at 1 January 2023	19,543	-	28,034	37,931	(1,314)	84,194
Net profit/(loss) for the year	-	-	1,285	(1,586)	-	(301)
Equity at 1 January 2024	**19,543**	**-**	**29,319**	**36,345**	**(1,314)**	**83,893**
Net profit/(loss) for the year	-	-	(15)	(50,715)	-	(50,730)
Capital increases	-	-	-	27,000	-	27,000
Equity at 31 December	**19,543**	**-**	**29,304**	**12,630**	**(1,314)**	**60,163**

Cash Flow Statement at 31 December 2024

Note	USD'000	Group 2024	Group 2023
	Profit/loss before net financials	(45,512)	10,904
9,10	Depreciation and amortisation	20,640	17,260
	Other adjustments of non-cash operating items	9,754	10
	Cash generated from operations before changes in working capital	(15,118)	28,174
22	Changes in working capital	(20,637)	(22,847)
	Cash generated from operations	(35,755)	5,327
6	Interest received	137	564
7	Interest paid	(3,094)	(3,640)
	Corporation tax paid	1,528	389
	Cash flows from operating activities	**(37,185)**	**2,640**
9	Acquisition of intangible assets	(10,662)	(9,331)
10	Acquisition of property, plant and equipment	(1,297)	(2,403)
	Cash flows from investing activities	**(11,959)**	**(11,734)**
	Loan financing:		
	Capital contribution	27,000	-
	Repayment of lease liability	(3,636)	(3,001)
	Repayment of borrowings	-	(63,646)
	Non-current borrowings	11,610	57,174
	Current borrowings	12,708	-
	Cash flows from financing activities	**47,682**	**(9,473)**
	Cash flows for the year	**(1,462)**	**(18,567)**
	Cash and cash equivalents, beginning of year	3,112	21,679
	Cash and cash equivalents, year end	**1,650**	**3,112**

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

1 Special items

Special items include significant income and expenses that have a special character in relation to the Group's revenue-generating activity such as the costs of comprehensive structuring of processes and basic structural adjustments, as well as any disposal gains and losses associated with them, and which are of considerable importance over time. Special items also include other significant one-off items of a nonrecurring nature, which, according to management's assessment, are not part of the Group’s operating activities.

As reported in the Management’s review, the profit for the period is affected by circumstances that differ from what management considers as part of the primary operations.

Special items for the period are specified below, and it is shown, where in the income statement these items are recognized.

	Group		Parent Company	
USD'000	**2024**	**2023**	**2024**	**2023**
Costs				
Restructuring costs	(4,589)	(29)	(3,402)	(9)
Transformation costs	(15,631)	(8,082)	(13,616)	(7,902)
Net loss from special items	**(20,220)**	**(8,111)**	**(17,018)**	**(7,911)**

Special items are recognized in the below line items:				
Cost of sales	(15,641)	(5,537)	(14,296)	(5,517)
Development expenses	(719)	(60)	(449)	(60)
Distribution expenses	(1,866)	-	(1,266)	-
Administrative expenses	(1,994)	(2,514)	(1,007)	(2,334)
Net loss from special items	**(20,220)**	**(8,111)**	**(17,018)**	**(7,911)**

2 Recognition and measurement uncertainties

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

The judgments, estimates, and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgements, estimates, and assumptions for the individual items are described below.

Critical accounting estimates

Critical accounting estimates are expectations of the future based on assumptions, that to the extent possible are supported by historical trends or reasonable expectations. The assumptions may change to adapt to the market conditions and changes in economic factors etc. The Group believe that the estimates are the most likely outcome of future events.

Development projects

For development projects in progress, management estimates on an ongoing basis whether each project is likely to generate future economic benefits for the Group in order to qualify for recognition. The development projects are evaluated on technical as well as commercial criteria. As of 31 December 2024, the carrying value of Development Projects and Development Projects in progress amount to USD 37,570 thousand (2023: USD 37,589 thousand).

Deferred tax asset

As of 31 December 2024, the group has recognized a tax asset of USD 18,582 thousand hereof tax-loss carry-forward amounts to USD 22,565 thousand which is the result of previous years' taxable income related to Thrane & Thrane A/S hereof USD 10,361 thousand is not recognized based on the expected utilisation. Recognition of deferred tax assets requires that it is probable that future taxable profits are available where the unused tax losses can be utilized. Based upon budgets the expected utilization on Thrane's assessment is 2025-2029 as well for Seatel.

		Group	
	USD'000	**2024**	**2023**
3	**Revenue**		
	Geographical segments		
	Americas	28,848	43,155
	EMEA	88,280	136,528
	APAC	32,899	43,191
		150,027	**222,874**
	Business segments		
	Maritime	91,983	141,542
	Land	15,828	27,978
	System	20,991	32,132
	Tracker	21,225	21,222
		150,027	**222,874**

USD'000	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
4 Staff cost				
Wages and salaries	39,654	35,966	23,182	22,559
Pensions	2,002	1,878	1,947	1,846
Other social security expenses	1,608	1,665	410	508
Other staff expenses	1,513	1,604	1,323	1,314
Salary cost capitalized in the year	(4,945)	(5,315)	(4,945)	(5,315)
	44,778	**41,114**	**26,863**	**26,227**
In the Income Statement staff costs are recognized as follows:				
Cost of sales	10,783	9,127	5,852	5,553
Development	10,822	8,603	4,727	2,951
Distribution expenses	13,567	13,505	8,561	8,715
Administrative expenses	9,606	9,879	7,724	9,008
	44,778	**41,114**	**26,863**	**26,227**
Key Management compensation				
Wages	1,414	1,151	1.414	1,151
Pensions	74	77	74	77
Executive Board	**1,488**	**1,228**	**1,488**	**1,228**
Board of Directors:	3	0	3	0
Total key management compensation	**1,491**	**1,228**	**1,491**	**1,228**

Remuneration to the executive board in 2023 includes severance pay to former members of the executive board.

Average number of full-time employees	**418**	**427**	**266**	**316**

USD'000	Parent Company 2024	Parent Company 2023
5 Income from investments in subsidiaries		
Share of profit/(loss) in subsidiaries	(10,427)	603
Amortisation of goodwill	(4,494)	(4,359)
Adjusted Income from investments in subsidiary	**(14,921)**	**(3,756)**

USD'000	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
6 Financial income				
Interest income from group	-	-	2,231	2,063
Other interest income	137	564	129	471
Foreign exchange rate gains	1,457	297	1,453	296
	1,594	**861**	**3,813**	**2,830**
7 Financial expenses				
Interest expenses to group entities	5,595	5,217	5,595	5,218
Other interest expenses costs	3,094	3,136	2,480	2,361
Foreign exchange rate losses	480	2,204	474	2,202
	9,169	**10,557**	**8,549**	**9,781**
8 Income tax				
Current tax on profit for the year	(721)	51	(721)	-
Previous year adjustment for tax	(872)	541	(770)	-
Change in deferred tax for the year	116	474	4,828	3,170
Previous year deferred tax adjustment	(879)	443	(879)	872
Income tax expense/(income)	**(2,357)**	**1,509**	**2,458**	**4,042**

9 Intangible assets

	Group					
USD'000	Completed Development projects	Development projects in progress	Software	Goodwill	Customer Relationship	Total
Cost at 1 January 2024	37,654	9,667	16,556	111,072	14,421	189,370
Additions	1,213	8,717	963	-	-	10,893
Disposals	(1,605)	-	188	-	-	(1,417)
Transferred	4,322	(4,322)	-	-	-	-
Cost at 31 December 2024	41,584	14,062	17,707	111,072	14,421	198,846
Amortisation and impairment losses at 1 January 2024	9,732	-	8,547	95,259	11,758	125,296
Amortisation	8,339	-	1,595	4,380	615	14,929
Disposals	(5)	-	(188)	-	-	(193)
Amortisation and impairment losses at 31 December 2024	18,076	-	10,330	99,639	12,373	140,418
Carrying amount at 31 December 2024	**23,508**	**14,062**	**7,377**	**11,433**	**2,048**	**58,428**
Amortised over	5 years		3-5 years	20 years	Up to 20 years	

	Parent Company					
USD'000	Completed Development projects	Development projects in progress	Software	Goodwill	Customer Relationship	Total
Cost at 1 January 2024	37,654	9,667	16,131	18,224	14,421	96,097
Additions	1,213	8,717	679	-	-	10,609
Disposals	(1,605)	-	188	-	-	(1,417)
Transferred	4,322	(4,322)	-	-	-	-
Cost at 31 December 2024	41,584	14,062	16,998	18,224	14,421	105,289
Amortisation and impairment losses at 1 January 2024	9,732	-	8,385	17,859	11,758	47,734
Amortisation	8,339	-	1,576	365	615	10,895
Disposals	(5)	-	(188)	-	-	(193)
Amortisation and impairment losses at 31 December 2024	18,076	-	10,149	18,224	12,373	58,822
Carrying amount at 31 December 2024	**23,508**	**14,062**	**6,849**	**-**	**2,048**	**46,467**
Amortised over	5 years		3-5 years	20 years	Up to 20 years	

USD'000	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
Amortisation				
Cost of sales	40	25	40	12
Development	8,329	5,984	8,329	6,013
Distribution	346	448	346	444
Administration	6,214	6,093	2,180	1,934
	14,929	**12,550**	**10,895**	**8,403**

Development projects in progress

Development projects in progress relates to development of professional radio and satellite communication equipment on the land and maritime business segments covering both hardware and software solutions. The relating expenses primarily consist of internal expenses in the form of payroll costs and production overheads, which are recorded through the Group's internal project module.

Completed development projects

Completed development projects relates to products that has been launched during the year 2024 or previously. The completed projects generated substantial revenue in 2024 and is expected to do onwards as well.

Goodwill

Goodwill is initially recognized at the amount by which the purchase price for a business combination exceeds the recognized value of identifiable assets and liabilities acquired.

10 Property, plant and equipment

USD'000	Group Right of use assets	Plant and machinery	Fixtures and fittings, tools and equipment	Lease-hold improve ments	Property, plant and equipment under con struction	Total
Cost at 1 January 2024	28,902	24,397	4,220	3,559	1,765	62,843
Additions	1,845	908	37	26	326	3,142
Transferred	-	877	93	530	(1,500)	-
Disposals	-	(27)	(46)	-	(118)	(191)
Cost at 31 December 2024	30,747	26,155	4,304	4,115	473	65,794
Depreciation and impairment losses at 1 January 2024	15,419	21,232	3,498	2,035	-	42,184
Depreciation	3,417	1,482	390	422	-	5,711
Disposals	-	(12)	(46)	-	-	(58)
Depreciation and impairment losses at 31 December 2024	18,836	22,702	3,842	2,457	-	47,837
Carrying amount at 31 December 2024	**11,911**	**3,453**	**462**	**1,658**	**473**	**17,957**
Depreciated over	3-13 years	3-7 years	3-7 years	3-13 years		

USD'000	Right of use assets	Plant and machinery	Fixtures and fittings, tools and equipment	Lease-hold improve-ments	Property, plant and equipment under con struction	Total
	Parent company					
Cost at 1 January 2024	23,231	17,849	3,079	2,127	825	47,111
Additions	497	555	-	-	300	1,352
Transferred	-	589	27	-	(616)	-
Disposals	-	(27)	-	-	(62)	(89)
Cost at 31 December 2024	23,728	18,966	3,106	2,127	447	48,374
Depreciation and impairment losses at 1 January 2024	11,043	15,379	2,468	880	-	29,770
Depreciation	2,493	1,052	309	255	-	4,109
Disposals	-	(12)	-	-	-	(12)
Depreciation and impairment losses at 31 December 2024	13,536	16,419	2,777	1,135	-	33,867
Carrying amount at 31 December 2024	**10,192**	**2,547**	**329**	**992**	**447**	**14,507**
Depreciated over	3-13 years	3-7 years	3-7 years	3-13 years		

USD'000	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
Depreciation				
Cost of sales	1,158	824	738	512
Development	543	483	512	450
Distribution	296	313	291	309
Administration	3,714	3,089	2,568	2,694
	5,711	**4,710**	**4,109**	**3,965**

USD'000	Parent Company 2024	Parent Company 2023
11 Investments in subsidiaries		
Cost at 1 January	136,228	136,228
Disposals	(104,495)	-
Cost at 31 December	**37,133**	**136,228**
Value adjustments at 1 January	(105,027)	(101,271)
Amortisation of goodwill	(4,494)	(4,359)
Share of profit/(loss) for the year	(10,427)	603
Disposal	104,435	-
Value adjustments at 31 December	(15,513)	(105,027)
Carrying amount at 31 December	**16,220**	**31,201**
Hereof the carrying amount of the non-depreciated value	11,433	15,447

Name and registered office	Voting rights and ownership
Sea Tel Inc., Concord, USA	100%

All subsidiaries are considered separate entities.

USD'000	Group 2024	Parent Company 2024
12 Deferred tax		
Deferred tax at 1 January	17,818	8,780
Currency adj. def. tax	(401)	(401)
Deferred tax adjustment for the year	286	(4,427)
Deferred tax adjustment for previous year	878	87
Deferred tax at 31 December	**18,582**	**4,831**
Deferred tax relates to:		
Intangible assets	(5,155)	(10,769)
Property, plant and equipment	939	880
Current assets	36	-
Provisions	3,811	2,216
Liabilities other than provisions	817	-
Tax loss carried forward	28,495	22,965
Limitations carry-forward	(10,361)	(10,361)
	18,582	**4,831**

The Group has recognized a tax asset of USD 18,582 thousand where USD 18,134 thousand relates to tax losses carried forward which is the result of previous years' taxable income. Based upon budgets for 2025 to 2029 it is expected to be utilized over the next 4-5 years. Unrecognised carry-forward losses amounts to USD 10,361 thousand which is expected to be utilized after 2029.

Notes to the Financial Statements

USD'000	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
13 Contract work in progress				
Current contract assets	17,469	17,928	13,957	11,951
Contract work in progress	**17,469**	**17,928**	**13,957**	**11,951**

14 Cash

The parent company of Cobham Satcom Group has confirmed that they are committed to provide liquidity if necessary for the company to meet its obligations as they fall due for the entire financial year or until closing of the agreed transaction of Thrane & Thrane A/S to Solix Group.

15 Prepayments

Prepayments include accrual of expenses relating to subsequent years.

16 Share Capital

The share capital comprises 5,944,666 shares of a nominal value of USD 3.29/DKK 20 each. The share capital is not divided into classes. Every share carries 1 voting right. During 2024 the share capital was increased with a single share with a subscription rate corresponding to a share premium of USD 27,000 thousand.

USD'000	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
17 Other provisions				
Other provisions at 1 January	3,078	5,171	2,273	4,070
Utilised during the year	(4,175)	(2,093)	(2,896)	(1,797)
Provisions for the year	3,745	-	2,822	-
Other provisions at 31 December	**2,648**	**3,078**	**2,199**	**2,273**

The Group provides warranties of 1 to 5 years on some of its products and is therefore committed to repair or replace products that are not satisfactory. Based on previous experience in respect of the level of repairs and returns, warranty provisions of USD 980 thousand (2023: USD 2,127 thousand), have been recognized for warranty claims and expected warranty repairs. Provision for restructuring of USD 667 thousand (2023: USD 0 thousand) and other provisions of USD 1,001 thousand (2023: USD 951 thousand).

Notes to the Financial Statements

18 Lease liabilities

In measuring the lease liabilities, the Group has used weighted average incremental borrowing rate to discount remaining lease payments of 2,3%.

For 2024, the Group has paid USD 3,637 thousand regarding leases, of which interest payments related to recognized leasing commitments amount to USD 457 thousand and repayments on recognized leasing debt USD 3,180 thousand. The lease commitments decreased by 673 thousand USD as a result of currency adjustment, due to lease contracts denominated in another currency than USD.

	Group		Parent Company	
USD'000	**2024**	**2023**	**2024**	**2023**
Maturity:				
0-1 year	3,192	2,719	2,139	2,083
1-5 years	9,015	9,106	8,335	8,500
> 5 years	-	2,420	-	2,420
Lease liabilities at 31 December	12,207	14,245	10,474	13,003

	Parent Company	
USD'000	**2024**	**2023**
19 Distribution of net profit/(loss) for the year		
Retained earnings	(50,715)	(1,586)
Reserve for development costs	(15)	1,285
	(50,730)	(301)

	Group		Parent Company	
USD'000	**2024**	**2023**	**2024**	**2023**
20 Fee to auditors appointed at Annual General Meeting				
Audit fee	278	279	198	191
Other assurance engagements	28	4	28	4
Tax advisory services	75	3	75	3
Other services	-	43	-	43
	381	**328**	**301**	**240**

21 Contingent liabilities

The Group has purchase commitments with suppliers as a part of normal operations.

The Danish group companies are jointly and severally liable for tax on the Group's jointly tax income.

	Group	
USD'000	**2024**	**2023**
22 Changes in working capital		
Changes in inventories	(5,499)	3,775
Changes in receivables	(2,372)	(3,029)
Changes in trade and other payables	(12,766)	(23,593)
	(20,637)	**(22,847)**

23 Related parties

Related party transaction comprises transactions with the Executive Board and the Board of Directors, as well as with other companies within the Cobham Group. Cobham SATCOM's related parties comprise the following:

- Cobham Ltd.
- Lockman Investments Ltd.

Transactions with related parties comprise ordinary business transactions and miscellaneous administration services. Remuneration of the Executive Board and the Board of Directors is disclosed in note 4. All transactions are carried out on an arm's length basis.

	Group	
USD'000	**2024**	**2023**
Transactions of operating nature		
Service charges to Cobham Group companies	2,570	2,812
Service charges from Cobham Group companies	-	52
Sales to Cobham Group companies	-	766
Payables and Receivables		
Payables to Cobham Group companies	11,271	3,161
Receivables from Cobham Group companies	-	-
Loans and dividends		
Interest paid to Cobham Group companies	-	-
Outstanding loans to Group companies	60,174	57,174

The following shareholders are recorded in the Group's shareholder register as holding at least 5% of the voting rights and/or holding at least 5% of the share capital:

Lockman Electronic Holdings Ltd.
Brook Road, Wimborne Dorset, UK

Thrane & Thrane A/S is part of the consolidated financial statements of AI Convoy (Luxembourg) S.á.r.l. which are the smallest and largest group, respectively in which the Company is included as a subsidiary. The consolidated financial statement of AI Convoy (Luxembourg) S.á.r.l. can be obtained at: https://www.cobham.com/news/

Notes to the Financial Statements

24 Accounting policies

The Annual Report of Cobham SATCOM Group for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

Financial Statements are presented in USD (USD'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date at Cobham Group currency rate. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company Cobham SATCOM A/S and subsidiaries controlled by Cobham SATCOM A/S.

Control means the power to exercise decisive influence over a subsidiary's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required. In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated.

Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

The subsidiaries' financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries that are not wholly owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

Acquisitions and disposals of non-controlling interests that are still controlled are recognized directly in equity as a transaction between shareholders.

Business combinations

Newly acquired entities are recognized in the consolidated financial statements from the acquisition date. Entities sold or otherwise disposed are recognized in the consolidated financial statements up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

24 Accounting policies (continued)

The acquisition date is the date when the Group obtains control of the acquiree.

The purchase method is applied to acquisitions of new businesses over which the Group obtains control. The acquired businesses' identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognized if they are separable or arise from a contractual right. Deferred tax on revaluations is recognized.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognized as goodwill in intangible assets. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognized in the income statement at the acquisition date.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the Group's presentation currency are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed, and equity instruments issued. If part of the purchase consideration is contingent on future events or compliance with agreed terms, such part of the purchase consideration is recognized at fair value at the acquisition date. Subsequent adjustments of contingent purchase considerations are recognized in the income statement.

Expenses incurred to acquire entities are recognized in the income statement in the year in which they are incurred.

If uncertainties regarding the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase consideration exist at the acquisition date, initial recognition will take place based on provisional values. If it turns out subsequently that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments are recognized as errors.

Gains or losses from divestment or winding-up of subsidiaries that implies that control is no longer maintained are calculated as the difference between, on the one hand, the net selling price and, on the other hand, the proportionate share of the carrying amount of net assets. If the Parent Company still holds equity investments in the divested entity, the remaining proportionate share of the carrying amount forms the basis for the measurement of equity investments in associates or securities and equity investments.

Recognition and measurement

Revenue is recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognized. Moreover, all expenses incurred to generate earnings for the year are recognized in the income statement.

24 Accounting policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognized when the risks and rewards relating to the goods sold have been transferred to the purchaser. The revenue can be measured reliable and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is accounted for in accordance with IFRS 15, Revenue from Contracts with Customers.

A five-step process must be applied before revenue can be recognised:

1. Identify contracts with customers;

2. identify the separate performance obligations;

3. Determine the transaction price of the contract;

4. Allocate the transaction price to each of the separate performance obligations; and

5. Recognise the revenue as each performance obligation is satisfied.

The transaction price is measured based on the consideration specified in a contract with a customer and, where applicable, the best estimate of any consideration related to modifications to the contract which has yet to be agreed. Any amounts expected to be paid to the customer, such as penalties for late delivery, are deducted from the consideration. Where a transaction price has to be allocated between multiple performance obligations, this is generally achieved through allocating a proportion of total price against each obligation using either standard list sales prices or an estimated costs methodology.

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, as well as operation and administration.

Cost of sales also includes research and development costs that do not qualify for capitalisation as well as amortisation of capitalised development costs. Finally, provisions for losses on contract work are recognized.

Development expenses

Development expenses comprise expenses which is not considered appropriate for capitalization due to either it being sustaining on existing portfolio or expenses early in the development process, depreciation, amortisation, etc.

Distribution expenses

Distribution expenses comprise costs of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for management, administrative staff, office expenses, depreciation, amortisation, etc.

Income from investments in subsidiaries (parent only)

A proportionate share of the underlying entities' profit/loss after tax is recognized in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

The proportionate share of the results after tax of the individual subsidiaries is recognized in the income statement of the Parent Company after full elimination of intra-group profits/losses.

24 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Financial income and expenses are recognized in the income statements at the amounts relating to the financial year.

Income tax

Income tax consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity.

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company acts as Administration Company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

Balance Sheet

Intangible assets

Goodwill and customer files acquired are measured at cost less accumulated amortisation. Goodwill and customer files are amortized over the expected economic useful life based upon management experience within the business. The assets are amortised on a straight-line basis over their useful lives determined. For strategic acquisitions of businesses with a strong market position and technologies that are complementary to T&T portfolio useful lives is considered 20 years for goodwill and up to 20 years for customer files.

Development projects that are clearly defined and identifiable, where there is a functional prototype and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognized as intangible assets. This applies if cost can be measured reliably, and sufficient certainty exists that the future earnings can cover cost of sales, distribution and administrative expenses involved as well as investments in development.

Completed development projects are recorded as intangible assets and amortised on a straight-line basis over the expected useful life determined at 5 years.

Software is measured at cost less accumulated amortisation. Software is amortised on a straight-line basis over the expected useful life determined at 3-5 years.

Amortisation is recognised under cost of sales, distribution, administration and development costs.

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition until the time when the asset is ready for use. In the case of assets of own construction, the cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

24 Accounting policies (continued)

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	3 – 7 years
Other fixtures and fittings. tools and equipment	3 – 7 years
Leasehold improvements	Term of lease (3 – 13 years)

Depreciation period and residual values are reassessed annually. Depreciation is recognised under cost of sales, distribution and administration costs.

Leasing contracts

IFRS 16 is chosen as the interpretative method for leasing contracts. The lease liability is measured as the present value of the remaining lease liabilities and the lease assets are measured at an amount equal to the lease liabilities. Leased assets are then treated as the Group's other assets.

Investments in subsidiaries (parent only)

Equity investments in subsidiaries are measured according to the equity method in the Parent Company financial statements. The Parent Company has chosen to consider the equity method as measurement method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding the consolidated financial statements above.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment and equity investments in subsidiaries is tested annually for evidence of impairment other than the decrease in value reflected by amortisation and depreciation.

An impairment test is conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the recoverable amount and carrying amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognized impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

24 Accounting policies (continued)

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

The Group and the Parent Company have chosen IAS 39 Financial instruments as interpretation for impairment write-down of financial receivables: Recognition and measurement.

Receivables are measured at amortised cost.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognized as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognized in the income statement as incurred.

Equity

Reserve for equity method (Parent only)
Net revaluation of equity investments are recognized under equity as reserve for equity method after the equity method if the accounting value exceeds the acquisition price.

Reserve for development costs (Parent only)
The reserve for development costs comprises recognized development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognized development costs are amortised or are no longer part of the Group's operations by a transfer directly to the distributable reserves under equity.

Provisions

Provisions are recognized when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

24 Accounting policies (continued)

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognized based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred tax is measured using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes based on the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured based on the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement.

Current tax receivable and liability

Current tax liabilities and receivables are recognized in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme is recognized in the income statement in financial income and expenses.

Financial liabilities

The Group and the Parent Company have chosen IAS 39 Financial instruments: Recognition and measurement as interpretation for recognition and measurement of liabilities.

Liabilities are measured at net realisable value.

Fair value

Fair value is determined based on the principal market. If no principal market exists, the fair value is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets/liabilities in an active market

Level 2: Value based on generally accepted valuation methods based on observable market information

Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information

24 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquisitions of entities are recognized in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognized up until the date of disposal.

Cash flows from operating activities
Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital, interest received and paid as well as corporation tax paid.

Cash flows from investing activities
Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments. Dividends received regarding securities are also considered investing activities.

Cash flows from financing activities
Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividend to shareholders.

Financial highlights

Financial ratios are based on following formulas:

Gross margin:	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin:	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Current ratio:	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Return on assets:	$\frac{\text{Operating profit x 100}}{\text{Total assets}}$
Solvency ratio:	$\frac{\text{Equity x 100}}{\text{Total assets}}$
Return on equity:	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$

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