



SAAB Nordic Defence Industries A/S

Stenholm 11
9400 Nørresundby
CVR No. 18032430

Annual report 2023

The Annual General Meeting adopted the annual report on 17.06.2024

Niclas Kolmodin
Chairman

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Entity details

Entity

SAAB Nordic Defence Industries A/S
Stenholm 11
9400 Nørresundby

Business Registration No.: 18032430
Registered office: Aalborg
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Heino Lundgren
Nils Christian Wang
Niclas Christer Kolmodin

Executive Board

Henrik Nøjgaard, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Østre Havnepromenade 26, 4th floor
9000 Aalborg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of SAAB Nordic Defence Industries A/S for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting

Aalborg, 17.06.2024

Executive Board

Henrik Nøjgaard
CEO

Board of Directors

Heino Lundgren

Nils Christian Wang

Niclas Christer Kolmodin

Independent auditor's extended review report

To the shareholders of SAAB Nordic Defence Industries A/S

Conclusion

We have performed an extended review of the financial statements of SAAB Nordic Defence Industries A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity 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 a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aalborg, 17.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Birner Sørensen

State Authorised Public Accountant
Identification No (MNE) mne11671

Management commentary

Primary activities

The company activities include production, product development, maintenance, marketing, and sales primarily of mine disposal charges.

Description of material changes in activities and finances

2023 has seen a significant increase in the number on incoming orders in the existing portfolio, as well as production of test- and prototype units for new products ordered by other Saab business units. Substantial investments have been made in setting up a new supply chain for a new product, planned to commence serial production mid- to late 2024.

Due to the war in Ukraine, energetic materials are in extremely short supply, and competent fillers in Europe are unable to accept new orders. The 2022 warranty case is there for still unsolved and will remain so until 2025. This has had a large negative impact on the 2023 result, which is not acceptable.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		1,875,841	(3,962,603)
Staff costs	1	(4,350,525)	(3,589,725)
Depreciation, amortisation and impairment losses		(92,021)	(88,000)
Operating profit/loss		(2,566,705)	(7,640,328)
Other financial income		19,648	814
Financial expenses from group enterprises		(567,625)	0
Other financial expenses		(2,379)	(4,997)
Profit/loss before tax		(3,117,061)	(7,644,511)
Tax on profit/loss for the year	2	685,754	1,681,621
Profit/loss for the year		(2,431,307)	(5,962,890)
Proposed distribution of profit and loss			
Retained earnings		(2,431,307)	(5,962,890)
Proposed distribution of profit and loss		(2,431,307)	(5,962,890)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Other fixtures and fittings, tools and equipment		95,888	157,749
Leasehold improvements		0	0
Property, plant and equipment	3	95,888	157,749
Fixed assets		95,888	157,749
Raw materials and consumables		12,814,235	6,833,369
Inventories		12,814,235	6,833,369
Trade receivables		5,096,409	1,342,295
Deferred tax		2,280,934	1,678,907
Other receivables		376,759	0
Prepayments		295,909	282,210
Receivables		8,050,011	3,303,412
Cash		56,341,736	832,542
Current assets		77,205,982	10,969,323
Assets		77,301,870	11,127,072

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		1,000,000	1,000,000
Retained earnings		3,485,466	5,916,773
Equity		4,485,466	6,916,773
Payables to group enterprises		33,000,000	0
Non-current liabilities other than provisions	4	33,000,000	0
Bank loans		0	1,772,657
Trade payables		918,568	1,277,449
Payables to group enterprises		35,113,205	0
Joint taxation contribution payable		0	361,752
Other payables		3,784,631	798,441
Current liabilities other than provisions		39,816,404	4,210,299
Liabilities other than provisions		72,816,404	4,210,299
Equity and liabilities		77,301,870	11,127,072
Unrecognised rental and lease commitments	5		
Contingent liabilities	6		
Group relations	7		

Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000,000	5,916,773	6,916,773
Profit/loss for the year	0	(2,431,307)	(2,431,307)
Equity end of year	1,000,000	3,485,466	4,485,466

Notes

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	3,764,701	3,124,054
Pension costs	440,762	383,840
Other social security costs	64,870	58,852
Other staff costs	80,192	22,979
	4,350,525	3,589,725
Average number of full-time employees	7	6

2 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Change in deferred tax	(685,754)	(1,681,621)
	(685,754)	(1,681,621)

3 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,582,580	568,027
Additions	30,160	0
Cost end of year	1,612,740	568,027
Depreciation and impairment losses beginning of year	(1,424,831)	(568,027)
Depreciation for the year	(92,021)	0
Depreciation and impairment losses end of year	(1,516,852)	(568,027)
Carrying amount end of year	95,888	0

4 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK
Payables to group enterprises	33,000,000
	33,000,000

5 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Liabilities under rental or lease agreements until maturity in total	483,668	820,369

6 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where SAAB Danmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

7 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
SAAB AB (publ.), PO. Box 12062, SE-102 22 Stockholm, Sweden

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Public grants

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and normal writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year.

Other financial income

Other financial income comprises interest income.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies,.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	7 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.