



**SAAB Nordic Defence Industries  
A/S**

Stenholm 11  
9400 Nørresundby  
CVR No. 18032430

**Annual report 2019**

The Annual General Meeting adopted the  
annual report on 23.06.2020

---

**Anne-Marie Vösu**  
Conductor

# Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	4
Management commentary	6
Income statement for 2019	7
Balance sheet at 31.12.2019	8
Statement of changes in equity for 2019	10
Notes	11
Accounting policies	13

# Entity details

## Entity

SAAB Nordic Defence Industries A/S

Stenholm 11

9400 Nørresundby

CVR No.: 18032430

Registered office: Aalborg

Financial year: 01.01.2019 - 31.12.2019

## Board of Directors

Anne-Marie Vösu, Chairman

Nils Christian Wang

Heino Lundgren

## 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 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 23.06.2020

## Executive Board

**Henrik Nøjgaard**  
CEO

## Board of Directors

**Anne-Marie Vösu**  
Chairman

**Nils Christian Wang**

**Heino Lundgren**

# 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 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aalborg, 23.06.2020

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Lars Birner Sørensen**

State Authorised Public Accountant  
Identification No (MNE) mne11671

# Management commentary

## Primary activities

The company's activities include production, product development, marketing and sales and new production assets have successfully been introduced during the year. The integration with the mother company is almost complete, and now includes transfer of entire supply chains.

## Description of material changes in activities and finances

### Activities

During 2019 the company was severely struck by late deliveries caused by unforeseen delays from sub suppliers. Measures, such as changes in sourcing strategies, have been implemented in order to avoid similar situations in the future.

### Finances

The annual result in 2019 is -1.896.195 DKK, which is not satisfactory which, however, is as expected with the current limited product portfolio and a potential negative effect on the annual result every second year as a consequence of the periodic order intake from the main customer. The company has therefore taken steps to expand the product portfolio to avoid this negative effect on the annual result.

## Events after the balance sheet date

The current outbreak of the COVID-19 disease is not expected to influence the company's situation significantly. The customers are governments for whom the requirement for demining activities is expected to remain unchanged. Further, the production methods do not require the workers to operate in close proximity of each other. As a consequence, the business and production strategies remain unchanged.

# Income statement for 2019

	Notes	2019 DKK	2018 DKK
Revenue		4,089,276	13,041,637
Other operating income		33,086	13,273
Costs of raw materials and consumables		(1,383,116)	(3,452,588)
Other external expenses		(2,405,432)	(1,657,672)
<b>Gross profit/loss</b>		<b>333,814</b>	<b>7,944,650</b>
Staff costs	1	(2,554,222)	(2,635,893)
Depreciation, amortisation and impairment losses		(162,439)	(191,854)
<b>Operating profit/loss</b>		<b>(2,382,847)</b>	<b>5,116,903</b>
Other financial income		0	3,538
Other financial expenses		(48,173)	(8)
<b>Profit/loss before tax</b>		<b>(2,431,020)</b>	<b>5,120,433</b>
Tax on profit/loss for the year	2	534,825	(1,127,226)
<b>Profit/loss for the year</b>		<b>(1,896,195)</b>	<b>3,993,207</b>
<b>Proposed distribution of profit and loss:</b>			
Retained earnings		(1,896,195)	3,993,207
<b>Proposed distribution of profit and loss</b>		<b>(1,896,195)</b>	<b>3,993,207</b>



# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		453,238	148,821
Leasehold improvements		0	51,856
<b>Property, plant and equipment</b>	3	<b>453,238</b>	<b>200,677</b>
<b>Fixed assets</b>		<b>453,238</b>	<b>200,677</b>
Raw materials and consumables		4,343,523	2,195,612
<b>Inventories</b>		<b>4,343,523</b>	<b>2,195,612</b>
Trade receivables		340,765	140,170
Receivables from group enterprises		834,100	834,302
Deferred tax		646,660	111,835
Other receivables		0	12,834
Prepayments		38,503	25,792
<b>Receivables</b>		<b>1,860,028</b>	<b>1,124,933</b>
<b>Cash</b>		<b>3,707,856</b>	<b>9,573,781</b>
<b>Current assets</b>		<b>9,911,407</b>	<b>12,894,326</b>
<b>Assets</b>		<b>10,364,645</b>	<b>13,095,003</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK</b>	<b>2018 DKK</b>
Contributed capital		1,000,000	1,000,000
Retained earnings		8,641,779	10,537,974
<b>Equity</b>		<b>9,641,779</b>	<b>11,537,974</b>
Other payables		92,502	0
<b>Non-current liabilities other than provisions</b>	<b>4</b>	<b>92,502</b>	<b>0</b>
Trade payables		252,535	187,633
Income tax payable		0	1,035,299
Other payables		377,829	334,097
<b>Current liabilities other than provisions</b>		<b>630,364</b>	<b>1,557,029</b>
<b>Liabilities other than provisions</b>		<b>722,866</b>	<b>1,557,029</b>
<b>Equity and liabilities</b>		<b>10,364,645</b>	<b>13,095,003</b>
Unrecognised rental and lease commitments	5		
Contingent liabilities	6		
Group relations	7		

# Statement of changes in equity for 2019

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	1,000,000	10,537,974	11,537,974
Profit/loss for the year	0	(1,896,195)	(1,896,195)
<b>Equity end of year</b>	<b>1,000,000</b>	<b>8,641,779</b>	<b>9,641,779</b>

# Notes

## 1 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	2,362,982	2,312,923
Pension costs	275,910	239,027
Other social security costs	47,072	40,963
Other staff costs	53,257	42,979
	<b>2,739,221</b>	<b>2,635,892</b>
Staff costs classified as assets	(184,999)	1
	<b>2,554,222</b>	<b>2,635,893</b>
Average number of full-time employees	5	5

## 2 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	0	1,035,299
Change in deferred tax	(534,825)	91,927
	<b>(534,825)</b>	<b>1,127,226</b>

## 3 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,237,580	568,027
Additions	415,000	0
Disposals	(95,000)	0
<b>Cost end of year</b>	<b>1,557,580</b>	<b>568,027</b>
Depreciation and impairment losses beginning of year	(1,088,759)	(516,171)
Depreciation for the year	(110,583)	(51,856)
Reversal regarding disposals	95,000	0
<b>Depreciation and impairment losses end of year</b>	<b>(1,104,342)</b>	<b>(568,027)</b>
<b>Carrying amount end of year</b>	<b>453,238</b>	<b>0</b>

#### 4 Non-current liabilities other than provisions

	<b>Due after more than 12 months 2019 DKK</b>
Other payables	92,502
	<b>92,502</b>

Liabilities outstanding after 5 years is 0 DKK.

#### 5 Unrecognised rental and lease commitments

	<b>2019 DKK</b>	<b>2018 DKK</b>
Liabilities under rental or lease agreements until maturity in total	<b>1,759,870</b>	<b>875,000</b>

#### 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, P.O. 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 certain provisions for reporting class C.

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

## Income statement

### 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.

### 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 ordinary writedowns of the relevant inventories.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including xpenses 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 roperty, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year.

### Other financial income

Other financial income comprises interest income.

### 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:

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.

**Income tax receivable or payable**

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.