



GateHouse SatCom A/S

Strømmen 6
9400 Nørresundby
CVR No. 26040299

Annual report 01.10.2022 - 30.09.2023

The Annual General Meeting adopted the annual
report on 11.12.2023

Michael Bondo Andersen
Chairman of the General Meeting

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Entity details

Entity

GateHouse SatCom A/S

Strømmen 6

9400 Nørresundby

Business Registration No.: 26040299

Registered office: Aalborg

Financial year: 01.10.2022 - 30.09.2023

Board of Directors

Michael Bondo Andersen, Chairman

Ulrik Vachet Rasmussen, Vice chairman

Petar Popovski, Board member

Kenney Schmidt Christiansen, Board member

Executive Board

Thomas Scott Jensen, CEO

Kenney Schmidt Christiansen, CFO

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 GateHouse SatCom A/S for the financial year 01.10.2022 - 30.09.2023.

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 30.09.2023 and of the results of its operations for the financial year 01.10.2022 - 30.09.2023.

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, 11.12.2023

Executive Board

Thomas Scott Jensen
CEO

Kenney Schmidt Christiansen
CFO

Board of Directors

Michael Bondo Andersen
Chairman

Ulrik Vachet Rasmussen
Vice chairman

Petar Popovski
Board member

Kenney Schmidt Christiansen
Board member

Independent auditor's report

To the shareholders of GateHouse SatCom A/S

Opinion

We have audited the financial statements of GateHouse SatCom A/S for the financial year 01.10.2022 - 30.09.2023, 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2023 and of the results of its operations for the financial year 01.10.2022 - 30.09.2023 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 audit of the financial statements

Our objectives are to obtain reasonable assurance about 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 the 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 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 audit 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 audit 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 the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aalborg, 11.12.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Lars Birner Sørensen

State Authorised Public Accountant

Identification No (MNE) mne11671

Management commentary

Financial highlights

	2022/23	2021/22	2020/21	2019/20	2018/19
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	33,014	24,145	23,296	16,847	19,742
Operating profit/loss	7,570	3,354	2,811	2,077	5,052
Net financials	(369)	(186)	(126)	(24)	(62)
Profit/loss for the year	5,642	2,755	2,404	1,597	3,879
Total assets	48,176	40,386	34,282	27,799	24,914
Investments in property, plant and equipment	0	0	1,643	280	825
Equity	26,303	20,683	17,911	15,524	13,869
Ratios					
Return on equity (%)	24.02	14.28	14.38	10.87	27.83
Equity ratio (%)	54.60	51.21	52.25	55.84	55.67

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year}}{\text{Average equity}} * 100$

Equity ratio (%):

$\frac{\text{Equity}}{\text{Total assets}} * 100$

Primary activities

The objective and activity of the company are to develop market-leading products for satellite and telecommunications purposes. The customers are serviced through delivery of products as well as adjustment and integration of these products.

Description of material changes in activities and finances

The company has realized a net profit of DKK 5,642k. On 30 September 2023, equity totals DKK 26,303k and the solvency ratio stands at 55.31%.

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 2022/23

	Notes	2022/23 DKK'000	2021/22 DKK'000
Gross profit/loss		33,014	24,145
Staff costs	1	(25,444)	(20,505)
Depreciation, amortisation and impairment losses		0	(286)
Operating profit/loss		7,570	3,354
Other financial income	2	182	100
Other financial expenses	3	(551)	(286)
Profit/loss before tax		7,201	3,168
Tax on profit/loss for the year		(1,559)	(413)
Profit/loss for the year		5,642	2,755
Proposed distribution of profit and loss			
Retained earnings		5,642	2,755
Proposed distribution of profit and loss		5,642	2,755

Balance sheet at 30.09.2023

Assets

	Notes	2022/23 DKK'000	2021/22 DKK'000
Completed development projects	5	0	0
Development projects in progress	5	14,530	8,945
Intangible assets	4	14,530	8,945
Fixed assets		14,530	8,945
Trade receivables		3,419	3,111
Contract work in progress	6	7,145	2,689
Receivables from group enterprises		8,967	8,852
Other receivables		2,137	988
Joint taxation contribution receivable	7	2,403	850
Prepayments		63	87
Receivables		24,134	16,577
Cash		9,512	14,864
Current assets		33,646	31,441
Assets		48,176	40,386

Equity and liabilities

	Notes	2022/23 DKK'000	2021/22 DKK'000
Contributed capital		500	500
Reserve for fair value adjustments of hedging instruments		(22)	0
Reserve for development expenditure		11,334	6,977
Retained earnings		14,491	13,206
Equity		26,303	20,683
Deferred tax		6,005	2,660
Provisions		6,005	2,660
Other payables		2,103	2,040
Non-current liabilities other than provisions	8	2,103	2,040
Prepayments received from customers		4,579	3,808
Contract work in progress	6	3,578	5,389
Trade payables		640	1,003
Payables to group enterprises		1,214	3,079
Other payables		3,754	1,724
Current liabilities other than provisions		13,765	15,003
Liabilities other than provisions		15,868	17,043
Equity and liabilities		48,176	40,386
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Statement of changes in equity for 2022/23

	Contributed capital DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	500	0	6,977	13,206	20,683
Fair value adjustments of hedging instruments	0	(28)	0	0	(28)
Tax of entries on equity	0	6	0	0	6
Transfer to reserves	0	0	4,357	(4,357)	0
Profit/loss for the year	0	0	0	5,642	5,642
Equity end of year	500	(22)	11,334	14,491	26,303

Notes

1 Staff costs

	2022/23	2021/22
	DKK'000	DKK'000
Wages and salaries	23,720	19,009
Pension costs	1,341	1,213
Other social security costs	383	260
Other staff costs	0	23
	25,444	20,505
Average number of full-time employees	35	32

From summer 2022, the company started receiving invoices for management fee and backoffice functions from GateHouse Group. As GateHouse Satcom A/S does not have the responsibility for the employees, the costs are presented under other external expenses in gross profit, where the costs in 2021/22 primarily was presented under staff costs.

2 Other financial income

	2022/23	2021/22
	DKK'000	DKK'000
Financial income from group enterprises	132	40
Other interest income	50	0
Exchange rate adjustments	0	60
	182	100

3 Other financial expenses

	2022/23	2021/22
	DKK'000	DKK'000
Financial expenses from group enterprises	194	0
Other interest expenses	51	236
Exchange rate adjustments	243	18
Other financial expenses	63	32
	551	286

4 Intangible assets

	Completed development projects DKK'000	Development projects in progress DKK'000
Cost beginning of year	24,849	8,945
Additions	0	5,585
Cost end of year	24,849	14,530
Amortisation and impairment losses beginning of year	(24,849)	0
Amortisation and impairment losses end of year	(24,849)	0
Carrying amount end of year	0	14,530

5 Development projects

Development projects in progress

Development projects in progress comprise the project development of communication technology. The product is expected to be in usage in 2023/24.

The management has performed impairment test of the carrying amount of the development project. The project is estimated to contribute to future positive cashflow and are upon completion expected to be a large part of the primary activities.

The value of the recognized development projects depends on the Company's ability to continue developing technology, as well as attracting enough customers to generate positive earnings that could yield the total investment.

Cost for the project is internal wages and external expenses.

6 Contract work in progress

	2022/23 DKK'000	2021/22 DKK'000
Contract work in progress	38,547	14,816
Progress billings regarding contract work in progress	(34,980)	(17,516)
Transferred to liabilities other than provisions	3,578	5,389
	7,145	2,689

7 Joint taxation contribution receivable

Joint taxation contribution receivable recognized in the balance sheet relates to the use of the tax credit scheme under Ligningsloven § 8X whereby the company can be paid the tax value of fiscal deficits which arise from costs for research and development. Based on the review of the criteria for application of the scheme, it is the management's opinion that the company is entitled to use the scheme. Whether the criteria for applying the scheme are met is, however, based on an assessment.

As a result, there may be a risk that the tax authorities consider that the criteria are not met. If applicable, the receivable will have to be refunded in whole or in part via the income statement in subsequent financial years

8 Non-current liabilities other than provisions

	Due after more than 12 months 2022/23 DKK'000	Outstanding after 5 years 2022/23 DKK'000
Other payables	2,103	1,738
	2,103	1,738

9 Financial instruments

At the balance sheet date, the Company has signed forward contracts with its banker for the sale of USD. The forward contract have been concluded to hedge the current payments on sales contract signed.

At 30 September 2023, the total hedge amounts USD 693k (DKK 4.862k) will expire on the 20th November 2023. In other payables in the balance sheet, an unrealised exchange loss of DKK 28k is recognised. The fair value adjustment is recognized in equity.

The banks valuations have been used as measurement.

10 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where GateHouse Holding 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.

11 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
GateHouse Holding A/S, Aalborg

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. There has been a change in the comparative figures that has affected the total assets by DKK 1.117,5k.

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.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently 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, own work capitalised, other operating income, and external expenses.

Revenue

Revenue from sales of software products and advisory services is recognised in the income statement when delivery and the risk transition to the buyer has taken place. Revenue from sales of support and maintenance is recognised in the income statement over the support and maintenance period. Royalty income is recognised in profit or loss over the period to which royalties relate. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

Other operating income

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

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.

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 and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, transactions in foreign currencies, and amortisation of financial liabilities.

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

Intangible assets

Intangible assets comprise development projects completed in progress.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-5 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for 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.

Prepayments

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

Cash

Cash comprises bank deposits.

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 or the planned settlement of each liability.

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.

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.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.