

Cubic Technologies Denmark ApS

Bjergegade 22C, 1., 3000 Helsingør

CVR no. 33 26 55 06

Annual report 2020/21

Approved at the Company's annual general meeting on 9 March 2022

Chair of the meeting:



Karen Blom (Mar 9, 2022 11:33 PST)

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Karen Sue Blom

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Cubic Technologies Denmark ApS for the financial year 1 October 2020 - 30 September 2021.

The annual report is 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 30 September 2021 and of the results of the Company's operations for the financial year 1 October 2020 - 30 September 2021.

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

We recommend that the annual report be approved at the annual general meeting.

Helsingør, 9 March 2022
Executive Board:

Michael Knowles

Michael Knowles (Mar 9, 2022 18:02 PST)

Michael Knowles
General manager

Board of Directors:

Karen Blom

Karen Blom (Mar 9, 2022 11:33 PST)

Karen Sue Blom
Chair

Rhys Williams

Rhys Williams (Mar 9, 2022 11:49 PST)

Rhys Vincent Williams

Michael Knowles

Michael Knowles (Mar 9, 2022 18:02 PST)

Michael Knowles

Independent auditor's report

To the shareholders of Cubic Technologies Denmark ApS

Opinion

We have audited the financial statements of Cubic Technologies Denmark ApS for the financial year 1 October 2020 - 30 September 2021, which comprise income statement, balance sheet, statement of changes in equity 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 30 September 2021 and of the results of the Company's operations for the financial year 1 October 2020 - 30 September 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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' 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 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 the 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 Company's internal control.

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

Independent auditor's report

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.

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.

Odense, 9 March 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Kenneth Skov Hansen
State Authorized Public Accountant
mne32748

Management's review

Company details

Name	Cubic Technologies Denmark ApS
Address, Postal code, City	Bjergegade 22C, 1., 3000 Helsingør
CVR no.	33 26 55 06
Registered office	Helsingør
Financial year	1 October 2020 - 30 September 2021
Board of Directors	Karen Sue Blom, Chair Rhys Vincent Williams Michael Knowles
Executive Board	Michael Knowles, General manager

Management's review

Business review

The company's main activities are software development and providing support for the maintenance, operation and management of tactical engagement systems.

Financial review

The income statement for 2020/21 shows a loss of DKK 35,020 against a profit of DKK 944,987 last year, and the balance sheet at 30 September 2021 shows equity of DKK 6,484,888. The decrease in the profit is caused by no new contracts was awarded in financial year 2020-21 and a realized loss on an ongoing contract.

The profit for the year is lower compared to prior year as a result of lower activity. The Company expects to transfer contracts from Denmark to Sweden during 2021/22.

Events after the balance sheet date

No events with significance for the company's financial position have occurred subsequent to the financial year-end.

It is further expected that the company will be liquidated in the financial year 2021-2022.

Financial statements 1 October 2020 - 30 September 2021

Income statement

Note	DKK	<u>2020/21</u>	<u>2019/20</u>
	Gross profit	6,713,909	10,662,445
2	Staff costs	-6,796,533	-9,244,249
	Depreciation and impairment of intangible assets and property, plant and equipment	-65,511	-70,069
	Profit/loss before net financials	-148,135	1,348,127
	Financial income	155,283	43,302
	Financial expenses	-50,611	-178,315
	Profit/loss before tax	-43,463	1,213,114
3	Tax for the year	8,443	-268,127
	Profit/loss for the year	<u>-35,020</u>	<u>944,987</u>
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	<u>-35,020</u>	<u>944,987</u>

Financial statements 1 October 2020 - 30 September 2021

Balance sheet

Note	DKK	<u>2020/21</u>	<u>2019/20</u>
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	66,709	132,220
		<u>66,709</u>	<u>132,220</u>
	Total fixed assets	<u>66,709</u>	<u>132,220</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	0	346,693
	Work in progress for third parties	0	725,667
	Receivables from group entities	6,218,755	4,353,960
	Deferred tax assets	11,769	3,105
	Income taxes receivable	94,779	0
	Other receivables	223,934	315,978
	Prepaid expenses	0	13,936
		<u>6,549,237</u>	<u>5,759,339</u>
	Cash	<u>5,152,885</u>	<u>5,475,523</u>
	Total non-fixed assets	<u>11,702,122</u>	<u>11,234,862</u>
	TOTAL ASSETS	<u><u>11,768,831</u></u>	<u><u>11,367,082</u></u>

Financial statements 1 October 2020 - 30 September 2021

Balance sheet

Note	DKK	<u>2020/21</u>	<u>2019/20</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	400,000	400,000
	Retained earnings	<u>6,084,888</u>	<u>6,119,908</u>
	Total equity	<u>6,484,888</u>	<u>6,519,908</u>
	Liabilities other than provisions		
5	Non-current liabilities other than provisions		
	Income taxes payable	0	169,820
	Other payables	<u>959,737</u>	<u>945,554</u>
		<u>959,737</u>	<u>1,115,374</u>
	Current liabilities other than provisions		
	Work in progress for third parties	683,055	553,651
	Trade payables	183,491	471,590
	Payables to group entities	2,117,756	701,594
	Income taxes payable	65,820	125,935
	Other payables	<u>1,274,084</u>	<u>1,879,030</u>
		<u>4,324,206</u>	<u>3,731,800</u>
		<u>5,283,943</u>	<u>4,847,174</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>11,768,831</u></u>	<u><u>11,367,082</u></u>

- 1 Accounting policies
- 6 Contractual obligations and contingencies, etc.
- 7 Related parties

Financial statements 1 October 2020 - 30 September 2021

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 October 2019	400,000	5,174,921	5,574,921
Transfer through appropriation of profit	0	944,987	944,987
Equity at 1 October 2020	400,000	6,119,908	6,519,908
Transfer through appropriation of loss	0	-35,020	-35,020
Equity at 30 September 2021	400,000	6,084,888	6,484,888

Financial statements 1 October 2020 - 30 September 2021

Notes to the financial statements

1 Accounting policies

The annual report of Cubic Technologies Denmark ApS for 2020/21 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the selling price of the services rendered in the year (percentage of completion method).

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross margin'.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 October 2020 - 30 September 2021

Notes to the financial statements

1 Accounting policies (continued)

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment 2-7 years

Financial income and expenses

Financial expenses are recognised in the income statement at the amounts that relate to the financial reporting period.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. An impairment loss is recognised if there is objective evidence that a receivable is impaired, in which case the carrying amount is reduced to the net realisable value.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

Work in progress for third parties

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Financial statements 1 October 2020 - 30 September 2021

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Income taxes, payable and deferred tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Financial statements 1 October 2020 - 30 September 2021

Notes to the financial statements

DKK	<u>2020/21</u>	<u>2019/20</u>
2 Staff costs		
Wages/salaries	6,123,947	8,368,699
Pensions	617,583	833,390
Other social security costs	55,003	42,160
	<u>6,796,533</u>	<u>9,244,249</u>
 Average number of full-time employees	 <u>10</u>	 <u>13</u>
 3 Tax for the year		
Estimated tax charge for the year	221	273,820
Deferred tax adjustments in the year	-8,664	-5,693
	<u>-8,443</u>	<u>268,127</u>
 4 Property, plant and equipment		
DKK		Other fixtures and fittings, tools and equipment
Cost at 1 October 2020		<u>1,143,615</u>
Cost at 30 September 2021		<u>1,143,615</u>
Impairment losses and depreciation at 1 October 2020		1,011,395
Depreciation in the year		65,511
Impairment losses and depreciation at 30 September 2021		<u>1,076,906</u>
Carrying amount at 30 September 2021		<u>66,709</u>
 Depreciated over		 <u>2-7 years</u>

Financial statements 1 October 2020 - 30 September 2021

Notes to the financial statements

5 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 0 falls due for payment after more than 5 years after the balance sheet date.

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

The company was jointly taxed with the Danish branch, 'Cubic Nordic, branch of Cubic Transportation Systems, Limited, United Kingdom' until liquidation of the branch in 2020. The company and the branch are jointly and severally liable for corporate income taxes and withholding taxes payable on or after 1 July 2012 within the joint taxation. The corporate tax payable for the jointly taxation entities as pr. 30 September 2021 totals DKK 184,082.

Other financial obligations

Other rent and lease liabilities:

DKK	2020/21	2019/20
Rent and lease liabilities	149,400	149,118

Rent and lease liabilities include a rent obligation totally DKK 149 thousand relating to non-cancellable rent agreements with remaining contract terms of 6 months calculated on the actual rent for 2020/21.

7 Related parties

Cubic Technologies Denmark ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Cubic Defence New Zealand Limited	Level 2, 41 Bath Street, Auckland, 1052, New Zealand	Principal shareholder, owns 100%
Veritas Capital Fund Management, L.L.C.	9 West 57th Street, 32nd Floor, New York, NY 10019	Ultimate parent of the Group

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Cubic Holdings Limited	Trident Trust Company (NZ) Limited, Level 2, 41 Bath Street, Auckland, 1052, New Zealand	https://companies-register.companiesoffice.govt.nz/