

Cubic Technologies Denmark ApS

Bjergegade 22C, 1., 3000 Helsingør

CVR no. 33 26 55 06

Annual report 2021/22

Approved at the Company's annual general meeting on 31 March 2023

Chair of the meeting:

.....
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 2021 - 30 September 2022.

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 2022 and of the results of the Company's operations for the financial year 1 October 2021 - 30 September 2022.

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, 31 March 2023
Executive Board:

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Stevan Slijepcevic
General manager

Board of Directors:

.....
Karen Sue Blom
Chair

.....
Travis Lee Chester

.....
Matthew Shawn Luxton

Independent auditor's report

To the shareholder of Cubic Technologies Denmark ApS

Opinion

We have audited the financial statements of Cubic Technologies Denmark ApS for the financial year 1 October 2021 - 30 September 2022, 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 2022 and of the results of the Company's operations for the financial year 1 October 2021 - 30 September 2022 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' 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 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.

Independent auditor's report

- ▶ 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.

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, 31 March 2023
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 2021 - 30 September 2022
Board of Directors	Karen Sue Blom, Chair Travis Lee Chester Matthew Shawn Luxton
Executive Board	Stevan Slijepcevic, 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.

The company has winded up its activities during 2021/2022 and is expected to be liquidated by solvent liquidation during 2022/2023.

Financial review

The income statement for 2021/22 shows a profit of DKK 212,112 against a loss of DKK 35,020 last year, and the balance sheet at 30 September 2022 shows equity of DKK 6,697,000.

As a consequence of the expected liquidation assets and liabilities are measured at realizable value. The method for measurement has not impacted the figures as at 30 September 2022.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 October 2021 - 30 September 2022

Income statement

Note	DKK	<u>2021/22</u>	<u>2020/21</u>
	Gross profit	2,586,027	6,713,909
2	Staff costs	-2,026,128	-6,796,533
	Depreciation and impairment of intangible assets and property, plant and equipment	<u>-66,709</u>	<u>-65,511</u>
	Profit/loss before net financials	493,190	-148,135
	Financial income	0	155,283
	Financial expenses	<u>-193,650</u>	<u>-50,611</u>
	Profit/loss before tax	299,540	-43,463
3	Tax for the year	<u>-87,428</u>	<u>8,443</u>
	Profit/loss for the year	<u>212,112</u>	<u>-35,020</u>
	Recommended appropriation of profit/loss	212,112	-35,020
	Retained earnings/accumulated loss	<u>212,112</u>	<u>-35,020</u>

Financial statements 1 October 2021 - 30 September 2022

Balance sheet

Note	DKK	<u>2021/22</u>	<u>2020/21</u>
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	0	66,709
		<u>0</u>	<u>66,709</u>
	Total fixed assets	<u>0</u>	<u>66,709</u>
	Non-fixed assets		
	Receivables		
	Receivables from group entities	2,117,082	6,218,755
	Deferred tax assets	0	11,769
	Income taxes receivable	212,350	94,779
	Other receivables	2,797	223,934
		<u>2,332,229</u>	<u>6,549,237</u>
	Cash	<u>7,648,678</u>	<u>5,152,885</u>
	Total non-fixed assets	<u>9,980,907</u>	<u>11,702,122</u>
	TOTAL ASSETS	<u>9,980,907</u>	<u>11,768,831</u>

Financial statements 1 October 2021 - 30 September 2022

Balance sheet

Note	DKK	<u>2021/22</u>	<u>2020/21</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	400,000	400,000
	Retained earnings	<u>6,297,000</u>	<u>6,084,888</u>
	Total equity	<u>6,697,000</u>	<u>6,484,888</u>
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Other payables	<u>0</u>	<u>959,737</u>
		<u>0</u>	<u>959,737</u>
	Current liabilities other than provisions		
	Work in progress for third parties	499,714	683,055
	Trade payables	158,001	183,491
	Payables to group entities	2,625,730	2,117,756
	Income taxes payable	0	65,820
	Other payables	<u>462</u>	<u>1,274,084</u>
		<u>3,283,907</u>	<u>4,324,206</u>
	Total liabilities other than provisions	<u>3,283,907</u>	<u>5,283,943</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>9,980,907</u></u>	<u><u>11,768,831</u></u>

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.

Financial statements 1 October 2021 - 30 September 2022

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
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 1 October 2021	400,000	6,084,888	6,484,888
Transfer through appropriation of profit	0	212,112	212,112
Equity at 30 September 2022	<u>400,000</u>	<u>6,297,000</u>	<u>6,697,000</u>

Financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 Accounting policies

The annual report of Cubic Technologies Denmark ApS for 2021/22 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

Changes in accounting policies

Due to the winding up of activities and expected solvent liquidation in 2022/23 the assets and liabilities are consequently measured at realizable values. The changes in accounting policies has not impacted the figures as at 30 September 2022.

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 2021 - 30 September 2022

Notes to the financial statements

1 Accounting policies (continued)

Depreciation and impairment

The item comprises depreciation of property, plant and equipment.

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 realizable value.

Receivables

Receivables are measured at realizable value.

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.

Cash

Cash bank balances.

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.

Financial statements 1 October 2021 - 30 September 2022

Notes to the financial statements

1 Accounting policies (continued)

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 2021 - 30 September 2022

Notes to the financial statements

DKK	2021/22	2020/21
2 Staff costs		
Wages/salaries	1,865,435	6,174,739
Pensions	146,097	540,439
Other social security costs	14,596	81,355
	2,026,128	6,796,533
 Average number of full-time employees	 3	 10
3 Tax for the year		
Estimated tax charge for the year	-10,713	221
Deferred tax adjustments in the year	98,141	-8,664
	87,428	-8,443
4 Property, plant and equipment		Other fixtures and fittings, tools and equipment
DKK		
Cost at 1 October 2021		1,143,615
Cost at 30 September 2022		1,143,615
Impairment losses and depreciation at 1 October 2021		1,076,906
Impairment losses in the year		1,198
Depreciation in the year		65,511
Impairment losses and depreciation at 30 September 2022		1,143,615
Carrying amount at 30 September 2022		0
Depreciated over		2-7 years
5 Contractual obligations and contingencies, etc.		
Other contingent liabilities		
<p>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 2022 totals DKK 0.</p>		