

**Northern Aerotech ApS**  
**Mærskvej 11, 2791 Dragør**

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**Annual report**  
**2021/22**

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**Company reg. no. 33 76 62 46**

The annual report was submitted and approved by the general meeting on the 16 March 2023.

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**Morten Schalls Jørgensen**  
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.

- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

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## **Management's statement**

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Today, the Managing Director has approved the annual report of Northern Aerotech ApS for the financial year 2021/22.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 October 2021 - 31 December 2022.

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

We recommend that the annual report be approved at the Annual General Meeting.

Dragør, 15 March 2023

**Managing Director**

Morten Schalls Jørgensen

## **Independent auditor's report on extended review**

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### **To the Shareholders of Northern Aerotech ApS**

#### **Opinion**

We have performed an extended review of the financial statements of Northern Aerotech ApS for the financial year 1 October 2021 - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 October 2021 - 31 December 2022 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the Financial Statements" section of our report. 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. We believe that the 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 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 extended review of the Financial Statements**

Our responsibility is to express an opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.

## **Independent auditor's report on extended review**

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An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

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

### **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 opinion thereon.

In connection with our extended review 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 extended review, 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 Statements Act. We did not identify any material misstatement in the Management's Review.

Copenhagen, 15 March 2023

### **Martinsen**

State Authorised Public Accountants  
Company reg. no. 32 28 52 01

Chris Winther Bjørholm Dyhr  
State Authorised Public Accountant  
mne34473

## Company information

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<b>The company</b>	Northern Aerotech ApS Mærskvej 11 2791 Dragør  Company reg. no. 33 76 62 46 Financial year: 1 October - 31 December
<b>Managing Director</b>	Morten Schalls Jørgensen
<b>Auditors</b>	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø
<b>Parent company</b>	F&E Aviation Holdings, Inc.

## **Management´s review**

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### **Description of key activities of the company**

The main activities of the Company consist of services for the aircraft industry both in Denmark and abroad.

### **Development in activities and financial matters**

The gross profit for the year totals DKK 8.533.284 against DKK 962.685 last year. Income or loss from ordinary activities after tax totals DKK 869.292 against DKK -715.980 last year.



## Income statement

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All amounts in DKK.

<u>Note</u>	1/10 2021 - 31/12 2022	1/10 2020 - 30/9 2021
<b>Gross profit</b>	<b>8.533.284</b>	<b>962.685</b>
2 Staff costs	-7.715.792	-1.604.066
Depreciation, amortisation, and impairment	-138.669	-118.770
<b>Operating profit</b>	<b>678.823</b>	<b>-760.151</b>
Other financial income from group enterprises	0	22.147
Other financial income	299.532	6.790
3 Other financial expenses	-16.771	-33.066
<b>Pre-tax net profit or loss</b>	<b>961.584</b>	<b>-764.280</b>
Tax on net profit or loss for the year	-92.292	48.300
<b>Net profit or loss for the year</b>	<b>869.292</b>	<b>-715.980</b>
<b>Proposed distribution of net profit:</b>		
Transferred to retained earnings	869.292	0
Allocated from retained earnings	0	-715.980
<b>Total allocations and transfers</b>	<b>869.292</b>	<b>-715.980</b>

## Balance sheet

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All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>31/12 2022</u>	<u>30/9 2021</u>
<b>Non-current assets</b>		
4 Acquired concessions, patents, licenses, trademarks, and similar rights	104.168	0
5 Goodwill	0	19.231
Total intangible assets	<u>104.168</u>	<u>19.231</u>
6 Other fixtures, fittings, tools and equipment	352.542	123.700
Total property, plant, and equipment	<u>352.542</u>	<u>123.700</u>
7 Deposits	425.282	299.090
Total investments	<u>425.282</u>	<u>299.090</u>
<b>Total non-current assets</b>	<b><u>881.992</u></b>	<b><u>442.021</u></b>
<b>Current assets</b>		
Trade receivables	2.482.178	1.554.169
Receivables from group enterprises	9.348	407.735
Other receivables	448.134	74.261
Prepayments	306.715	275.944
Total receivables	<u>3.246.375</u>	<u>2.312.109</u>
Cash and cash equivalents	141.619	166
<b>Total current assets</b>	<b><u>3.387.994</u></b>	<b><u>2.312.275</u></b>
<b>Total assets</b>	<b><u>4.269.986</u></b>	<b><u>2.754.296</u></b>

## Balance sheet

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All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>31/12 2022</u>	<u>30/9 2021</u>
<b>Equity</b>		
Contributed capital	80.000	80.000
Retained earnings	1.160.957	581.968
<b>Total equity</b>	<b>1.240.957</b>	<b>661.968</b>
<b>Provisions</b>		
Provisions for deferred tax	20.000	0
<b>Total provisions</b>	<b>20.000</b>	<b>0</b>
<b>Liabilities other than provisions</b>		
Bank debts	226	479.073
Trade payables	851.275	441.392
Payables to group enterprises	278.792	299.695
Income tax payable	72.292	150.326
Other payables	1.113.988	721.842
Deferred income	692.456	0
Total short term liabilities other than provisions	3.009.029	2.092.328
<b>Total liabilities other than provisions</b>	<b>3.009.029</b>	<b>2.092.328</b>
<b>Total equity and liabilities</b>	<b>4.269.986</b>	<b>2.754.296</b>

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## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 October 2020	80.000	1.297.948	1.377.948
Profit or loss for the year brought forward	<u>0</u>	<u>-715.980</u>	<u>-715.980</u>
Equity 1 October 2021	80.000	581.968	661.968
Profit or loss for the year brought forward	0	869.292	869.292
	<u>0</u>	<u>-290.303</u>	<u>-290.303</u>
	<u><b>80.000</b></u>	<u><b>1.160.957</b></u>	<u><b>1.240.957</b></u>

## Accounting policies

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The annual report for Northern Aerotech ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The financial year 2021/2022 ended 31 december 2022, and therefore includes 15 months.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

## Income statement

### Gross profit

Gross profit comprises the revenue, cost of sales, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales includes purchases of goods and services used for production in the year.

Other operating income comprises compensation due to the coronavirus situation. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for sales, administration and premises.

## Accounting policies

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### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

### Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, and transactions in foreign currency.

### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## Statement of financial position

### Intangible assets

#### Goodwill

Acquired goodwill is measured at cost less accumulated amortisation.

#### Rights

Acquired rights is measured at cost less accumulated depreciation and impairment losses .

### Other fixtures and fittings, tools and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accrued depreciation and write-down for impairment.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

## Accounting policies

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Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

### Investments

#### Other financial instruments

Other unlisted financial instruments are measured at cost. Write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

### Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. The value is reduced by provisions for bad debts.

### Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

### Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Northern Aerotech ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

## Accounting policies

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Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

### Deferred income

Payments received concerning future income are recognised under deferred income.



## Notes

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All amounts in DKK.

### 1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

Income:

Covid-19 support	19.006	1.039.572
	<u>19.006</u>	<u>1.039.572</u>

Special items are recognised in the following items in the financial statements:

Other operating income	19.006	1.039.572
<b>Profit of special items, net</b>	<u><b>19.006</b></u>	<u><b>1.039.572</b></u>

1/10 2021	1/10 2020
<u>- 31/12 2022</u>	<u>- 30/9 2021</u>

### 2. Staff costs

Salaries and wages	7.391.981	1.463.160
Pension costs	279.065	112.545
Other costs for social security	44.746	28.361
	<u><b>7.715.792</b></u>	<u><b>1.604.066</b></u>

Average number of employees	<u>6</u>	<u>3</u>
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### 3. Other financial expenses

Other financial costs	16.771	33.066
	<u><b>16.771</b></u>	<u><b>33.066</b></u>

## Notes

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All amounts in DKK.

	1/10 2021 - 31/12 2022	1/10 2020 - 30/9 2021
<b>4. Acquired concessions, patents, licenses, trademarks, and similar rights</b>		
Additions during the year	130.209	0
<b>Cost 31 December 2022</b>	<b>130.209</b>	<b>0</b>
Amortisation for the year	-26.041	0
<b>Amortisation and write-down 31 December 2022</b>	<b>-26.041</b>	<b>0</b>
<b>Carrying amount, 31 December 2022</b>	<b>104.168</b>	<b>0</b>
<b>5. Goodwill</b>		
Cost 1 October 2021	768.620	768.620
<b>Cost 31 December 2022</b>	<b>768.620</b>	<b>768.620</b>
Amortisation and write-down 1 October 2021	-749.389	-672.529
Amortisation for the year	-19.231	-76.860
<b>Amortisation and write-down 31 December 2022</b>	<b>-768.620</b>	<b>-749.389</b>
<b>Carrying amount, 31 December 2022</b>	<b>0</b>	<b>19.231</b>
<b>6. Other fixtures, fittings, tools and equipment</b>		
Cost 1 October 2021	495.665	450.665
Additions during the year	322.239	45.000
<b>Cost 31 December 2022</b>	<b>817.904</b>	<b>495.665</b>
Depreciation and write-down 1 October 2021	-371.965	-330.055
Depreciation for the year	-93.397	-41.910
<b>Depreciation and write-down 31 December 2022</b>	<b>-465.362</b>	<b>-371.965</b>
<b>Carrying amount, 31 December 2022</b>	<b>352.542</b>	<b>123.700</b>

## Notes

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All amounts in DKK.

	<u>31/12 2022</u>	<u>30/9 2021</u>
<b>7. Deposits</b>		
Cost 1 October 2021	299.090	299.090
Additions during the year	<u>126.192</u>	<u>0</u>
<b>Cost 31 December 2022</b>	<u><b>425.282</b></u>	<u><b>299.090</b></u>
<b>Carrying amount, 31 December 2022</b>	<u><b>425.282</b></u>	<u><b>299.090</b></u>

## 8. Charges and security

For bank loans, DKK 226, the company has provided security in company assets representing a nominal value of DKK 600.000. This security comprises the assets below, stating the carrying amounts:

	<u>DKK in thousands</u>
Goodwill	0
Acquired concessions, patents, licenses, trademarks, and similar rights	104.168
Other fixtures, fittings, tools and equipment	352.541

For leasing company Trade receivables amount of DKK 2.482.178 at 31 December 2022, have been restricted from being put as collateral by other parties.

## 9. Contingencies

### Contingent liabilities

The Company has total rental or lease obligations of T.DKK 821.

### Joint taxation

With SCHALLS HOLDING ApS, company reg. no 33760612 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The total tax payable under the joint taxation scheme totals DKK 72.292.

The company has withdrawn from the joint taxation with the former management company Schalls Holding ApS as of 12th March 2022 and is liable for any tax claims against the other jointly taxed companies until the time of withdrawal from the joint taxation.