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# Scanvogn ApS

**Hovedvejen 50A, Tornby, 9850 Tornby**

**Company reg. no. 33 95 83 58**

# Annual report

# 1 October 2022 - 31 December 2023

The annual report was submitted and approved by the general meeting on the 24 June 2024.

Anders Hornebo
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

# Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Scanvogn ApS for the financial year 1 October 2022 - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 October 2022 – 31 December 2023.

Further, in our 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.

Tornby, 20 June 2024

**Managing Director**

Anders Hornebo
CEO

**Board of directors**

| | | |
|---|---|---|
| John Babcock<br>Chairman | Lori Klukow | Todd Hilde |
| Georges Köller | | |

# Independent auditor's report

**To the Shareholders of Scanvogn ApS**

**Opinion**

We have audited the consolidated financial statements and the parent company financial statements of Scanvogn ApS for the financial year 1 October 2022 to 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 October 2022 - 31 December 2023 in accordance with the Danish Financial Statements Act.

**Basis for conclusion**

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 Consolidated Financial Statements and the Parent Company Financial Statements” section of our report. We are independent of the Group 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 Consolidated Financial Statements and the Parent Company Financial Statements**

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group´s and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 Group´s and the Company’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 consolidated financial statements and the parent company 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 Group´s and 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 consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Management’s Review**

Management is responsible for Management’s Review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover Management’s Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the consolidated financial statements and the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management’s Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management’s Review.

Thisted, 20 June 2024

**RSM Danmark**
Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45

Rune Vangsøe Sunesen
State Authorised Public Accountant
mne47788

## Company information

| | | |
|---|---|---|
| **The company** | Scanvogn ApS<br>Hovedvejen 50A<br>Tornby<br>9850 Tornby | |
| | Company reg. no. | 33 95 83 58 |
| | Financial year: | 1 October 2022 - 31 December 2023 |
| **Board of directors** | John Babcock, Chairman<br>Lori Klukow<br>Todd Hilde<br>Georges Köller | |
| **Managing Director** | Anders Hornebo, CEO | |
| **Auditors** | RSM Danmark Statsautoriseret Revisionspartnerselskab<br>Thyparken 10<br>7700 Thisted | |
| **Parent company** | Satellite Industries SRL | |
| **Subsidiaries** | One Site Company LLC, 81500, Lviv region, Ukraine<br>Futedo ApS, 9492 Blokhus, Denmark | |

## Consolidated financial highlights

| DKK in thousands. | 2022/23 | 2021/22 | 2020/21 | 2019/20 | 2018/19 |
|---|---|---|---|---|---|
| **Income statement:** | | | | | |
| Gross profit | 64.280 | 83.870 | 57.398 | 36.482 | 37.252 |
| Profit from operating activities | -4.955 | 6.664 | 8.397 | 119 | 4.001 |
| Net financials | -685 | -953 | -301 | 126 | -141 |
| Net profit or loss for the year | -4.593 | 3.795 | 6.319 | 188 | 3.033 |
| **Statement of financial position:** | | | | | |
| Balance sheet total | 74.231 | 73.195 | 73.332 | 56.665 | 51.672 |
| Investments in property, plant and equipment | 738 | 2.949 | 1.238 | 288 | 1.842 |
| Equity | 39.781 | 45.015 | 44.746 | 39.427 | 40.239 |
| **Cash flows:** | | | | | |
| Operating activities | -18.432 | -15.174 | 19.471 | -6.776 | 1.481 |
| Total cash flows | 57 | -16.435 | 13.347 | -5.260 | -3.354 |
| **Employees:** | | | | | |
| Average number of full-time employees | 127 | 127 | 91 | 76 | 70 |
| **Key figures in %:** | | | | | |
| Solvency ratio | 53,6 | 61,5 | 61,0 | 69,6 | 77,9 |
| Return on equity | -11,5 | 8,4 | 15,0 | 0,5 | 7,5 |

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

The financial highlights for 2022/23 comprise the period 1 October 2022 to 31 December 2023 (in total 15 months due to the change in accounting period). The financial highlights for the other years consists of 12 months.

### Description of key activities of the company

As in previous years, the Company's principal activities are manufacturing of and trade in light-weight portable cabins for the construction industry, letting business and event industry. The Company manufactures products in Denmark and from a newly established production facility in Ukraine. The Company's products are sold from Denmark and via agents abroad.

### Unusual circumstances

As of May 31, 2023, Satellite Industries has purchased 100% of the share capital of the Company. Satellite Industries has a high degree of focus on developing the Company. The development of the company includes both investments in production equipment and reallocation of resources for maintaining production capacity at a high level.

The fiscal year of the Company has been changed to follow the calendar year. This change is done in this fiscal year, covering the period from October 1, 2022 to December 31, 2023 (15 months). The numbers from last year have not been changed.

### Development in activities and financial matters

The net profit (loss) after tax totals DKK -5,4 million against DKK 3,8 million last year. The loss for the year is not considered satisfactory. The profit is significantly down on expectations stated in the latest annual report but is attributable to several circumstances as described below.

The level of revenue decreased significantly compared with last year, and generally does not meet expectations.

The effects of the war in Ukraine, supply crisis, increase in raw materials and energy prices as well as a general shortage of manpower, have had a negative earnings impact.

In 2021, the Company established a subsidiary in Ukraine to supply the central European markets. Due to the war in Ukraine, the production is still running at a level much lower than originally planned. The lower level of activity in Ukraine implied that the subsidiary affected the Group's earnings negatively by approx. DKK 1.8 million.

In recent years, Scanvogn dedicated significant resources for product development and made investments in production equipment, just as the organization, procedures and systems are geared to handle expected growth in the coming years. The above measures are part of the implementation of the Company's new 2025 strategy, which focuses particularly on growth, earnings, automation, and efficiency.

To support the strategic growth ambitions, major investments were made in IT, a new on-line platform, and a new on-line strategy.

To strengthen the Company's market shares and the market-leading position, the Company continuously strives to further develop and increase the quality of products supplied.

The Company has put efforts in improving the production efficiency as this is considered a significant parameter in mitigating price increases. These efforts have become even more topical as the Company's suppliers have introduced price increases on raw materials, consumables and components for the production.

**Expected developments**

The Company expects also in the future to be market leader within the manufacturing and sale of high quality, light-weight portable cabins, offering short delivery time and customized products.

In general, Management has positive expectations for the 2024 financial year. Strategically, the Company has decided to adjust revenue expectations for 2024 downwards compared with last year to ensure that emphasis is directed at the areas positively affecting earnings. Based thereon, a positive influence on profit and a result of DKK 0 is expected.

**Knowledge resources**

The Company's business foundation also states that in addition to the Company's principal activities with manufacturing and sale of light-weight portable cabins, the Company should deliver flat package systems to disaster areas. This part makes heavy demands on our knowledge resources as the technical requirements, order handling, storage capacity and delivery differ from the primary business area.

**Environmental issues**

The Company continuously works on minimizing the production's environmental impact, and the higher the production volume, the higher the impact on the environment. Therefore, the Company has e.g. a high degree of waste separation and an exhaust ventilation plant for catching glass fiber dust.

The Company is continuously working on reducing its use of PVC and wood for production purposes, and efforts are made to reduce the consumption of water in the toilet cabins through increased use of vacuum toilets. Efforts are also made to reduce the energy consumption by using LED for all light sources in the production and in all produced cabins. Electric motors are regularly replaced by more energy efficient models and charging points have been installed both for the Company's own and the customers' electric cars.

The Company has initiated its work on preparing environmental reporting and expects gradually to introduce this over the coming years.

**Research and development activities**

The Company has devoted significant resources for developing an IOT solution, primarily for rental companies of festival toilet cabins. Going forward, the development of this IOT solution is expected to contribute to an improved market position.

The principal activities require a European type approval and a CoC document for all products, which is why quality assurance and development of new models in particular require qualified employees. All certifications are maintained and optimized regularly.

**Branches abroad**

The Company's sales activities abroad are mainly handled through distribution agreements.

**Financial risks and the use of financial instruments**

The Company's most significant operating risk relates to the ability to always deliver competitive and high-quality products.

*Foreign currency risks*

The Company's earnings are to some extent affected by exchange rate fluctuations - primarily in Norwegian and Swedish Kroners.

*Interest rate risks*

The Company is not particularly sensitive to changes to the interest rate level.

*Price risks*

The Company is deemed not to be very sensitive to price fluctuations as the competitors are subject to the same sensitivity. Long-term contracts or goods are not subject to significant price risks.

*Credit risks*

The Company's credit risks primarily relate to trade receivables. There is no considerable risk on individual customers. The Company is continuously focusing on managing and reducing credit risks

**Events occurring after the end of the financial year**

Management has decided to reduce production activities in Ukraine until the war in Ukraine comes to an end. The decision will not have a significant impact on the reported values or future perspectives for the Company.

No other events have occurred after the balance sheet date that materially affect the Company's financial position.

## Income statement

DKK thousand.

| Note | | Group 1/10 2022 - 31/12 2023 | Group 1/10 2021 - 30/9 2022 | Parent 1/10 2022 - 31/12 2023 | Parent 1/10 2021 - 30/9 2022 |
|---|---|---|---|---|---|
| | **Gross profit** | **64.280** | **83.870** | **63.928** | **85.486** |
| 3 | Staff costs | -67.211 | -75.897 | -66.059 | -75.308 |
| | Depreciation, amortisation, and impairment | -2.024 | -1.309 | -1.706 | -1.204 |
| | **Operating profit** | **-4.955** | **6.664** | **-3.837** | **8.974** |
| | Income from investments in group enterprises | 0 | 0 | -1.633 | -2.999 |
| | Income from investments in associates | 0 | 144 | 0 | 144 |
| | Other financial income | 1.150 | 35 | 1.109 | 9 |
| | Other financial expenses | -1.835 | -1.132 | -1.315 | -416 |
| | **Pre-tax net profit or loss** | **-5.640** | **5.711** | **-5.676** | **5.712** |
| 4 | Tax on net profit or loss for the year | 1.047 | -1.916 | 1.083 | -1.917 |
| **5** | **Net profit or loss for the year** | **-4.593** | **3.795** | **-4.593** | **3.795** |

## Balance sheet

DKK thousand.

**Assets**

| Note | | Group 31/12 2023 | Group 30/9 2022 | Parent 31/12 2023 | Parent 30/9 2022 |
|---|---|---|---|---|---|
| | **Non-current assets** | | | | |
| 6 | Development projects in progress and prepayments for intangible assets | 611 | 451 | 611 | 451 |
| | Total intangible assets | 611 | 451 | 611 | 451 |
| 7 | Land and buildings | 6.166 | 6.535 | 6.166 | 6.535 |
| 8 | Plant and machinery | 2.362 | 3.336 | 1.395 | 2.298 |
| 9 | Other fixtures, fittings, tools and equipment | 1.743 | 928 | 1.511 | 656 |
| 10 | Right-of-use assets | 33 | 14 | 0 | 0 |
| | Total property, plant, and equipment | 10.304 | 10.813 | 9.072 | 9.489 |
| 11 | Investments in group enterprises | 0 | 0 | 6.330 | 3.896 |
| 12 | Investments in participating interests | 0 | 24 | 0 | 24 |
| 13 | Deposits | 365 | 382 | 0 | 0 |
| | Total investments | 365 | 406 | 6.330 | 3.920 |
| | **Total non-current assets** | **11.280** | **11.670** | **16.013** | **13.860** |
| | **Current assets** | | | | |
| | Raw materials and consumables | 30.077 | 21.600 | 28.465 | 21.600 |
| | Work in progress | 9.517 | 10.781 | 7.146 | 9.583 |
| | Manufactured goods and goods for resale | 9.660 | 9.848 | 7.920 | 7.127 |
| | Total inventories | 49.254 | 42.229 | 43.531 | 38.310 |

## Balance sheet

DKK thousand.

**Assets**

| Note | | Group 31/12 2023 | Group 30/9 2022 | Parent 31/12 2023 | Parent 30/9 2022 |
|---|---|---|---|---|---|
| | Trade receivables | 8.387 | 16.247 | 8.387 | 16.247 |
| | Receivables from group enterprises | 0 | 0 | 6.781 | 4.025 |
| | Receivables from participating interest | 1.301 | 100 | 0 | 0 |
| 14 | Deferred tax assets | 196 | 0 | 196 | 0 |
| | Income tax receivables | 119 | 0 | 233 | 0 |
| | Other receivables | 2.178 | 1.952 | 1.303 | 311 |
| 15 | Prepayments | 830 | 368 | 348 | 361 |
| | Total receivables | 13.011 | 18.667 | 17.248 | 20.944 |
| | Cash and cash equivalents | 686 | 629 | 27 | 10 |
| | **Total current assets** | **62.951** | **61.525** | **60.806** | **59.264** |
| | **Total assets** | **74.231** | **73.195** | **76.819** | **73.124** |

## Balance sheet

DKK thousand.

### Equity and liabilities

| Note | | Group 31/12 2023 | Group 30/9 2022 | Parent 31/12 2023 | Parent 30/9 2022 |
|---|---|---|---|---|---|
| | **Equity** | | | | |
| 16 | Contributed capital | 5.000 | 5.000 | 5.000 | 5.000 |
| | Retained earnings | 34.781 | 40.015 | 34.781 | 40.015 |
| | **Total equity** | **39.781** | **45.015** | **39.781** | **45.015** |
| | **Provisions** | | | | |
| | Provisions for deferred tax | 0 | 887 | 0 | 887 |
| | **Total provisions** | **0** | **887** | **0** | **887** |
| | **Liabilities other than provisions** | | | | |
| | Lease liabilities | 749 | 0 | 749 | 0 |
| | Total long term liabilities other than provisions | 749 | 0 | 749 | 0 |
| | Current portion of long term liabilities | 176 | 0 | 176 | 0 |
| | Bank loans | 25.202 | 4.856 | 25.203 | 4.856 |
| | Prepayments received from customers | 262 | 267 | 262 | 267 |
| | Trade payables | 3.238 | 13.436 | 3.169 | 13.403 |
| | Payables to group enterprises | 0 | 0 | 2.698 | 0 |
| | Income tax payable | 0 | 967 | 0 | 967 |
| | Other payables | 4.823 | 7.767 | 4.781 | 7.729 |
| | Total short term liabilities other than provisions | 33.701 | 27.293 | 36.289 | 27.222 |
| | **Total liabilities other than provisions** | **34.450** | **27.293** | **37.038** | **27.222** |
| | **Total equity and liabilities** | **74.231** | **73.195** | **76.819** | **73.124** |

## Balance sheet

DKK thousand.

**Equity and liabilities**

| Note | |
|---|---|
| 1 | **Accounting policies** |
| 2 | **Subsequent events** |
| 17 | **Charges and security** |
| 18 | **Contingencies** |
| 19 | **Related parties** |

## Consolidated statement of changes in equity

DKK thousand.

| | Contributed capital | Reserve for foreign currency translation | Retained earnings | Proposed dividend for the financial year | Total |
|---|---|---|---|---|---|
| Equity opening balance | 5.000 | 0 | 40.015 | 0 | 45.015 |
| Retained earnings for the year | 0 | 0 | -4.593 | 0 | -4.593 |
| Foreign exchange adjustments of foreign group entities | 0 | 0 | -641 | 0 | -641 |
| | **5.000** | **0** | **34.781** | **0** | **39.781** |

## Statement of changes in equity of the parent

DKK thousand.

| | Contributed capital | Retained earnings | Total |
|---|---|---|---|
| Equity opening balance | 5.000 | 40.015 | 45.015 |
| Retained earnings for the year | 0 | -4.593 | -4.593 |
| Foreign exchange adjustments of foreign group entities | 0 | -641 | -641 |
| | **5.000** | **34.781** | **39.781** |

## Statement of cash flows

DKK thousand.

| Note | | Group 1/10 2022 - 31/12 2023 | 1/10 2021 - 30/9 2022 |
|---|---|---|---|
| | Net profit or loss for the year | -4.593 | 3.795 |
| 20 | Adjustments | 1.451 | 3.036 |
| 21 | Change in working capital | -15.290 | -20.493 |
| | Cash flows from operating activities before net financials | -18.432 | -13.662 |
| | Cash flows from ordinary activities | -18.432 | -13.662 |
| | Other cash flows from operating activities | 0 | -1.512 |
| | **Cash flows from operating activities** | **-18.432** | **-15.174** |
| | Purchase of intangible assets | -160 | -184 |
| | Purchase of property, plant, and equipment | -708 | -2.949 |
| | Sale of property, plant, and equipment | 0 | 45 |
| | Purchase of fixed asset investments | -1.600 | 0 |
| | Purchase of financial instruments | -30 | -382 |
| | Dividends received | 0 | 144 |
| | **Cash flows from investment activities** | **-2.498** | **-3.326** |
| | Cash and cash equivalents seen as financing activities at opening balance | -4.856 | -84 |
| | Cash and cash equivalents seen as financing activities at end of period | 25.202 | 4.856 |
| | Dividend paid | 0 | -3.000 |
| | Foreign exchange adjustments | 641 | 293 |
| | **Cash flows from financing activities** | **20.987** | **2.065** |
| | **Change in cash and cash equivalents** | **57** | **-16.435** |
| | Cash and cash equivalents at opening balance | 629 | 17.064 |
| | **Cash and cash equivalents at end of period** | **686** | **629** |
| | **Cash and cash equivalents** | | |
| | Cash and cash equivalents | 686 | 629 |
| | **Cash and cash equivalents at end of period** | **686** | **629** |

## 1. Accounting policies

The annual report for Scanvogn ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises) andis prepared in DKK .

### Changes in the accounting policies

The company has chosen to change the presentation of received wage subsidies, which were previously included under the accounting category of personnel expenses. The change results in the inclusion of wage subsidies under the accounting category of other operating income.

The change in the accounting policies is justified by a desire to provide a more accurate representation of the accounting items and in accordance with the updated practice for their presentation. The change affects only the income statement for the two accounting categories of personnel expenses and other operating income and has had no impact on assets, liabilities, equity, or taxes.

The monetary impact for the current year's figures amounts to 922 DKK in thousands, and the impact on the comparative figure is 394 DKK in thousands.

Comparative figures as well as financial and key figures have been adjusted to reflect the amended accounting practice.

Apart from this, the accounting policies applied remain unchanged compared to the previous year.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of  the transaction.

1. **Accounting policies (continued)**

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

**The consolidated financial statements**

The consolidated income statements comprise the parent company Scanvogn ApS and those group enterprises of which Scanvogn ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

*Consolidation policies*

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

## Income statement

**Gross profit**

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

The enterprise will be applying IAS 18 and IAS 11 as its basis of interpretation for the recognition of revenue.

**1. Accounting policies (continued)**

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 comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

**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, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

**Results from investments in group enterprises**

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual entities are recognised in the income statement of the parent as a proportional share of the entities' post-tax profit or loss.

**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.

1. **Accounting policies (continued)**

## Statement of financial position

**Intangible assets**

**Development projects, patents, and licences**

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

**Property, plant, and equipment**

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

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.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

| | Useful life |
|---|---|
| Buildings | 25 years |
| Plant and machinery | 5 years |
| Other fixtures and fittings, tools and equipment | 3-5 years |

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.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

1. **Accounting policies (continued)**

**Leases**

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

**Investments**

**Investments in group enterprises**

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a measurement method.

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises  transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

**Deposits**

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

1. **Accounting policies (continued)**

**Impairment loss relating to non-current assets**

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

**Inventories**

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

**Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

1. **Accounting policies (continued)**

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

**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.

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.

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.

## Statement of cash flows

The cash flow statement shows the cash flows of the group for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and group’ cash and cash equivalents at the beginning and the end of the year, respectively.

## 1. Accounting policies (continued)

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

**Cash flows from operating activities**

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

**Cash flows from investment activities**

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

**Cash flows from financing activities**

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits and short-term financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.

## 2. Subsequent events

Management has decided to reduce production activities in Ukraine until the war in Ukraine comes to an end. The decision will not have a significant impact on the reported values or future perspectives for the Company.

## Notes

DKK thousand.

| | Group | | Parent | |
|---|---|---|---|---|
| | 1/10 2022 - 31/12 2023 | 1/10 2021 - 30/9 2022 | 1/10 2022 - 31/12 2023 | 1/10 2021 - 30/9 2022 |
| **3. Staff costs** | | | | |
| Salaries and wages | 58.892 | 67.719 | 57.942 | 67.955 |
| Pension costs | 6.464 | 5.814 | 6.464 | 5.814 |
| Other costs for social security | 1.633 | 1.398 | 1.448 | 1.365 |
| Other staff costs | 222 | 966 | 205 | 174 |
| | **67.211** | **75.897** | **66.059** | **75.308** |
| Executive board and board of directors | 0 | 2.059 | 0 | 2.059 |
| Average number of employees | 127 | 127 | 110 | 115 |

Remuneration to management is not specified, as the company has applied the exemption provision in section 98b, subsection 3 of the Danish Financial Statements Act.

| | Group | | Parent | |
|---|---|---|---|---|
| **4. Tax on net profit or loss for the year** | | | | |
| Tax on net profit or loss for the year | 36 | 1.148 | 0 | 1.148 |
| Adjustment of deferred tax for the year | -1.083 | 768 | -1.083 | 769 |
| | **-1.047** | **1.916** | **-1.083** | **1.917** |

**5. Proposed distribution of net profit**

| | | |
|---|---|---|
| Transferred to retained earnings | 0 | 3.795 |
| Allocated from retained earnings | -4.593 | 0 |
| **Total allocations and transfers** | **-4.593** | **3.795** |

## Notes

DKK thousand.

| | | Group | | Parent | |
|---|---|---|---|---|---|
| | | 31/12 2023 | 30/9 2022 | 31/12 2023 | 30/9 2022 |
| **6.** | **Development projects in progress and prepayments for intangible assets** | | | | |
| | Cost opening balance | 451 | 267 | 451 | 267 |
| | Additions during the year | 160 | 184 | 160 | 184 |
| | **Cost end of period** | **611** | **451** | **611** | **451** |
| | **Carrying amount, end of period** | **611** | **451** | **611** | **451** |
| **7.** | **Land and buildings** | | | | |
| | Cost opening balance | 9.303 | 9.303 | 9.303 | 9.303 |
| | **Cost end of period** | **9.303** | **9.303** | **9.303** | **9.303** |
| | Depreciation and write-down opening balance | -2.768 | -2.473 | -2.768 | -2.473 |
| | Amortisation and depreciation for the year | -369 | -295 | -369 | -295 |
| | **Depreciation and write-down end of period** | **-3.137** | **-2.768** | **-3.137** | **-2.768** |
| | **Carrying amount, end of period** | **6.166** | **6.535** | **6.166** | **6.535** |

DKK thousand.

| | | Group | | Parent | |
|---|---|---|---|---|---|
| | | 31/12 2023 | 30/9 2022 | 31/12 2023 | 30/9 2022 |
| **8.** | **Plant and machinery** | | | | |
| | Cost opening balance | 12.634 | 10.662 | 11.528 | 10.662 |
| | Translation at the exchange rate at the balance sheet date end of period | -158 | 0 | 0 | 0 |
| | Additions during the year | 404 | 2.022 | 129 | 916 |
| | Disposals during the year | 0 | -50 | 0 | -50 |
| | **Cost end of period** | **12.880** | **12.634** | **11.657** | **11.528** |
| | Depreciation and write-down opening balance | -9.298 | -8.455 | -9.230 | -8.455 |
| | Translation at the exchange rate at the balance sheet date end of period | 10 | 0 | 0 | 0 |
| | Amortisation and depreciation for the year | -1.230 | -893 | -1.032 | -825 |
| | Depreciation, amortisation and impairment loss for the year, assets disposed of | 0 | 50 | 0 | 50 |
| | **Depreciation and write-down end of period** | **-10.518** | **-9.298** | **-10.262** | **-9.230** |
| | **Carrying amount, end of period** | **2.362** | **3.336** | **1.395** | **2.298** |

DKK thousand.

| | | Group | | Parent | |
|---|---|---|---|---|---|
| | | 31/12 2023 | 30/9 2022 | 31/12 2023 | 30/9 2022 |
| **9.** | **Other fixtures, fittings, tools and equipment** | | | | |
| | Cost opening balance | 3.567 | 2.657 | 3.260 | 2.657 |
| | Translation at the exchange rate at the balance sheet date end of period | -44 | 0 | 0 | 0 |
| | Additions during the year | 1.229 | 910 | 1.160 | 603 |
| | **Cost end of period** | **4.752** | **3.567** | **4.420** | **3.260** |
| | Depreciation and write-down opening balance | -2.639 | -2.521 | -2.604 | -2.521 |
| | Translation at the exchange rate at the balance sheet date end of period | 5 | 0 | 0 | 0 |
| | Amortisation and depreciation for the year | -375 | -118 | -305 | -83 |
| | **Depreciation and write-down end of period** | **-3.009** | **-2.639** | **-2.909** | **-2.604** |
| | **Carrying amount, end of period** | **1.743** | **928** | **1.511** | **656** |

## Notes

DKK thousand.

| | Group 31/12 2023 | Group 30/9 2022 | Parent 31/12 2023 | Parent 30/9 2022 |
|---|---|---|---|---|
| **10. Right-of-use assets** | | | | |
| Cost opening balance | 17 | 0 | 0 | 0 |
| Translation at the exchange rate at the balance sheet date end of period | -2 | 0 | 0 | 0 |
| Additions during the year | 30 | 17 | 0 | 0 |
| **Cost end of period** | **45** | **17** | **0** | **0** |
| Depreciation and writedown opening balance | -3 | 0 | 0 | 0 |
| Amortisation and depreciation for the year | -9 | -3 | 0 | 0 |
| **Depreciation and writedown end of period** | **-12** | **-3** | **0** | **0** |
| **Carrying amount, end of period** | **33** | **14** | **0** | **0** |

## Notes

DKK thousand.

| | Group 31/12 2023 | Group 30/9 2022 | Parent 31/12 2023 | Parent 30/9 2022 |
|---|---|---|---|---|
| **11. Investments in group enterprises** | | | | |
| Cost opening balance | 0 | 0 | 6.894 | 818 |
| Translation at the exchange rate at the balance sheet date | 0 | 0 | -1.174 | -526 |
| Additions during the year | 0 | 0 | 3.782 | 6.602 |
| **Cost end of period** | **0** | **0** | **9.502** | **6.894** |
| Writedown, opening balance opening balance | 0 | 0 | -2.998 | 0 |
| Translation at the exchange rate at the balance sheet date | 0 | 0 | 566 | 255 |
| Net profit or loss for the year before amortisation of goodwill | 0 | 0 | -1.666 | -3.253 |
| Other movements in capital | 0 | 0 | 926 | 0 |
| **Writedown end of period** | **0** | **0** | **-3.172** | **-2.998** |
| **Carrying amount, end of period** | **0** | **0** | **6.330** | **3.896** |

**Financial highlights for the enterprises according to the latest approved annual reports**

| | **Equity interest** | **Equity** | **Results for the year** | **Carrying amount, Scanvogn ApS** |
|---|---|---|---|---|
| One Site Company LLC, 81500, Lviv region, Ukraine | 100 % | 3.554 | -1.789 | 3.657 |
| Futedo ApS, 9492 Blokhus, Denmark | 100 % | 2.673 | 123 | 2.673 |
| | | **6.227** | **-1.666** | **6.330** |

In the above note "Other movements in capital" consists of the revaluation of Futedo ApS. Futedo ApS changed status during the financial year from a participating interests recognised to the initial cost price for 48 % of the ownership. During the financial year the last 52 % was bought and therefore Futedo ApS is at year end a 100 % group enterprise. Scanvogn ApS recognise and measure group enterprises at equity value. The change in value from book value to equity value is recognised as financial income.

## Notes

DKK thousand.

| | Group 31/12 2023 | Group 30/9 2022 | Parent 31/12 2023 | Parent 30/9 2022 |
|---|---|---|---|---|
| **12. Investments in participating interests** | | | | |
| Cost opening balance | 24 | 24 | 24 | 24 |
| Disposals during the year | -24 | 0 | -24 | 0 |
| **Cost end of period** | **0** | **24** | **0** | **24** |
| **Carrying amount, end of period** | **0** | **24** | **0** | **24** |

| | Group 31/12 2023 | Group 30/9 2022 | Parent 31/12 2023 | Parent 30/9 2022 |
|---|---|---|---|---|
| **13. Deposits** | | | | |
| Cost opening balance | 382 | 0 | 0 | 0 |
| Additions during the year | 38 | 382 | 0 | 0 |
| Translation at the exchange rate at the balance sheet date end of period | -55 | 0 | 0 | 0 |
| **Cost end of period** | **365** | **382** | **0** | **0** |
| **Carrying amount, end of period** | **365** | **382** | **0** | **0** |

DKK thousand.

| | | Group | | Parent | |
|---|---|---|---|---|---|
| | | 31/12 2023 | 30/9 2022 | 31/12 2023 | 30/9 2022 |
| **14.** | **Deferred tax assets** | | | | |
| | Deferred tax assets opening balance | -887 | -118 | -887 | -118 |
| | Deferred tax relating to the net profit or loss for the year | 1.083 | -769 | 1.083 | -769 |
| | | **196** | **-887** | **196** | **-887** |

At 31 December 2023, the enterprise has recognised a tax asset totalling DKK 196 thousand. The tax asset is a combination of a tax loss carryforward of DKK 319 thousand and unutilised tax deductions in the form of timing differences of DKK -123 thousand.

Based on the budgets up to and including 2024, management finds it likely that future taxable income will be available where unutilised tax losses and unutilised tax deductions may be utilised.

DKK thousand.

| | | Group | | Parent | |
|---|---|---|---|---|---|
| | | 31/12 2023 | 30/9 2022 | 31/12 2023 | 30/9 2022 |
| **15.** | **Prepayments** | | | | |
| | Prepaid insurance | 524 | 161 | 42 | 311 |
| | Other prepayments | 306 | 207 | 306 | 50 |
| | | **830** | **368** | **348** | **361** |
| **16.** | **Contributed capital** | | | | |
| | Contributed capital opening balance | 5.000 | 5.000 | 5.000 | 5.000 |
| | | **5.000** | **5.000** | **5.000** | **5.000** |

## 17. Charges and security

As callateral for mortgage loans, DKK 15,500 thousand has been provided as collateral for the parent companys's debt to it's bank secured on land and buildings representing a carrying amount of DKK 3,975 thousand at 31 December 2023.

A company charge of a nominal amount of DKK 40,000 thousand has been provided as collateral-for the parent company's dept to its bank.

## 18. Contingencies

**Contingent liabilities**

Lease liabilities

In addition to financial leases, the company has entered into operational leases with an average annual lease payment of DKK 2.443 thousand. The leases have 75 months to maturity and total outstanding lease payments total DKK 12.593 thousand.

## Notes

DKK thousand.

### 19. Related parties

**Controlling interest**

| | |
|---|---|
| Todd Hilde | Majority shareholder of the ultimate parent company |
| Satellite Industries SRL | Ultimate parent company |
| Satellite Industries SRL | Parent company |

**Transactions**

In the annual report, only transactions with related parties that are not conducted on market terms are disclosed. No such transactions have been conducted in the fiscal year.

| | Group 1/10 2022 - 31/12 2023 | 1/10 2021 - 30/9 2022 |
|---|---|---|
| **20. Adjustments** | | |
| Depreciation, amortisation, and impairment | 1.983 | 1.309 |
| Other financial income | -326 | -189 |
| Tax on net profit or loss for the year | -1.047 | 1.916 |
| Other adjustments | -208 | 0 |
| Equity adjustments Futedo | 1.049 | 0 |
| | **1.451** | **3.036** |
| **21. Change in working capital** | | |
| Change in inventories | -7.025 | -12.154 |
| Change in receivables | 5.853 | -2.755 |
| Change in trade payables and other payables | -14.118 | -5.584 |
| | **-15.290** | **-20.493** |