

Cobham Aerospace ApS

Lyngby Hovedgade 94,4, 2800 Kgs. Lyngby

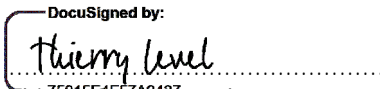
CVR no. 41 93 36 90

Annual report 2023

1 January - 31 December 2023

Approved at the Company's annual general meeting on 20 March 2024

Chair of the meeting:

DocuSigned by:

Thierry Gerard Level

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Statement by Management

The Executive Board have today discussed and approved the annual report of Cobham Aerospace ApS for the financial year 1 January - 31 December 2023.

The Annual Report has been 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 31 December 2023 and of the results of its operations for the financial year 1 January - 31 December 2023.


Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, the results for the year and the Company's financial position.


We recommend that the Annual Report be approved at the annual general meeting.


Kgs. Lyngby, 20 March 2024

Executive Board:

DocuSigned by:

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Thibault Pierre Claude Dupont
Director

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Thierry Gérard Level
Director

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Nicolas Roger Bonleux
Director

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Marcin Tomasz Kazmierczak
Director

Independent auditor's report

To the shareholder of Cobham Aerospace ApS

Opinion

We have audited the financial statements of Cobham Aerospace ApS for the financial year 1 January – 31 December 2023, 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 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of 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 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 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.

Independent auditor's report

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ 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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 20 March 2024
EY Godkendt Revisionspartnerselskab
CVR nr. 170 70 02 78



Mikkel Styr
State Authorised
Public Accountant
mne26693



Ste Becke
State Authorised
Public Accountant
mne33732

Company Information

The Company

Cobham Aerospace Aps
Lyngby Hovedgade 94,4
DK-2800 Kongens Lyngby
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CVR no.: 41933690

Financial period: 1 January – 31 December

Municipality of reg. office: Lyngby-Taarbæk

Executive Board

Thierry Gérard Level, Director
Thibault Pierre Claude Dupont, Director
Nicolas Roger Bonleux, Director
Marcin Tomasz Kazmierczak, Director

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg

Management's review

Principal activities

Cobham Aerospace ApS ("the Company") was established with effect from 30 November 2020. The Company's main activities are the development and marketing of professional radio and satellite communication equipment for the aerospace industry for both commercial and defence markets. Cobham Aerospace is a leader for Satcom aerospace technology for Inmarsat constellations.

The Company holds and supports the intellectual property rights of the Legacy Satcom aerospace technology (Phased Array and Legacy) and the Next Generation Satcom aerospace technology (Aviator-S).

Legacy refers to the collective Radio Frequency Hardware design, firmware programming and Control Software technologies integrated in the generation of aircraft terminals developed and sold since 2005. It includes the implementation of Inmarsat classic Aero, Swift64 and SwiftBroadband radio transmission modulation schemes in radio maps and a unique implementation of the supporting transmission control system in a software package known as protocol stack.

Phased Array refers to the Radio Frequency design and firmware programming in antenna topology, radiators, signal processing, mounting plates and electronic circuits for operation under extreme environmental conditions, embedded in several antennas developed and sold since 2003.

Aviator-S refers to Cobham's next generation digital antenna that combines both cockpit connection and cabin connection. The technology makes it possible to forward data on the aircraft's performance to ground crews long before landing, which reduces the aircraft's time on the ground and helps with predictable maintenance. In addition, improved position tracking can be used to allow multiple aircraft to use the same airspace, significantly improving efficiency and reducing fuel consumption.

The company finished the development of the Aviator-S and is engaged in additional certification for some platform. The production and commercial life began in 2023 after certification completion for each platform and is planning to pursue the development of the Next Generation Satcom aerospace technology for Yahsat and Iridium constellations.

At end of December 2023, the total headcount was 30 people.

Development in activities and financial matters

The Company operates the aerospace activities contributed by Thrane & Thrane A/S on 30 November 2020 in the continuity of previous years.

The year was marked by the pursuit of the development and certification of the Aviator-S system with Airbus, Boeing and Comac (thru Collins) and their respective platforms and the support of the legacy products. Most of the engineering resources were dedicated to the Aviator-S development and certification and the support of legacy technology, whereas revenues continued to be driven by legacy products.

Legacy volumes were higher than expected with an extended life on some of the major contracts and solid opportunities with military applications. Aviator-S Inmarsat final certifications were completed in 2023 except for A350 and Boeing 777X expected to be completed in 2024. These certifications cover all the platforms of the 3 main Airframer and first orders have already been placed.

If ramp up has been delayed and slower than expected initially, the acceleration of prospects in the recent months due to the upcoming certification process completion are in line with the business plan with several major awards and a strong appetite from the market.

Management's review (continued)

The company is pursuing actively the development of solutions for other constellations and involved in several commercial prospects for commercial and defence applications. Development activities on Next Generation Satcom aerospace technology for Yahsat and Iridium constellations have accelerated with promising opportunities.

The conditions that are necessary for an assessment of the company's activities and liabilities, the financial position and the result of the year's operations, appear from the balance sheet and income statement as well as from the notes, please refer to this.

2023 is the second year for the company as an autonomous R&D center with 2022 marked as the first year of the company transformation into a full and autonomous R&D center with the implementation of a transfer price policy providing recurrent and predictable revenue allowing to secure break-even in the short term and a net profitable situation on the long run. With revenue flows from its R&D activities to the benefit of other entities and the revenues of royalties.

The result is as expected.

Liquidity

Funding of the Company was fully restructured with the implementation of an intercompany loan from its direct parent company to fund working capital requirements.

Further, Cobham Aerospace SAS has declared to support Cobham Aerospace ApS, if necessary, to provide additional liquidity in order for the Company to meet its financial obligations and thereby ensuring Cobham Aerospace ApS' continued operations until June 2025.

Uncertainty related to recognition and measurement

The Company operates an active risk management policy, which includes identification of key risks and development of action plans to mitigate those risks.

Valuation of intangible assets

The preparation of the financial statements in accordance with the Danish Financial Statements Act requires management to make certain judgements regarding the existence and probability of realisation of certain risks and opportunities inherent in the operation of the business. The valuation of intangible asset is based on estimates on future cashflows from royalty payments depending on group sales of licensed products and as a result subject to estimation uncertainty.

The uncertainty relates both to the entity's estimation of future revenue and future cost throughout the estimation period. Management's assumptions on revenue are based on both revenue both locked in and revenue predictions based on prospective and current client negotiations. Management's valuation of intangible assets is based on a discounted cashflow model (DCF/Level 3).

Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Financial statements 1 January – 31 December

Income statement

		2023	2022
Note	DKK'000		
	Gross profit/loss	38,850	5,618
5	Staff expenses	-3,052	-5,720
	Depreciation and amortisation expense	-47,803	-33,996
	Reversal of prior year impairment on intangible assets	-	75,454
	Other operating income/cost	-	-45
	Profit/loss before net financials	-12,005	41,311
6	Financial income	2,035	4,118
7	Financial expenses	-4,557	-20,671
	Profit/loss before tax	-14,527	24,758
8	Tax for the year	1,004	-7,399
	Profit/loss for the year	-13,523	17,359
	Proposed distribution of profit/loss		
	Reserve for development costs	63,695	23,540
	Retained earnings	-77,218	-6,181
	Transferred to equity reserves	-13,523	17,359

Financial statements 1 January – 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Non-current assets		
9	Intangible assets		
	IP rights	239,551	97,481
	Software	27	350
	Development projects in progress	6,604	167,763
		<u>246,182</u>	<u>265,594</u>
10	Property, plant and equipment		
	Leasehold improvements	1,169	1,391
	Fixtures and fittings, tools and equipment	1,990	312
		<u>3,159</u>	<u>1,703</u>
	Financial assets		
	Other receivables	1,079	1,102
		<u>1,079</u>	<u>1,102</u>
	Total non-current assets	<u>250,420</u>	<u>268,399</u>
	Current assets		
	Receivables		
	Receivables from group entities	54,687	35,384
	Other receivables	705	1,336
	Prepayments	74	1,304
		<u>55,466</u>	<u>38,025</u>
	Cash in bank and in hand	4,933	2,948
	Total current assets	<u>60,399</u>	<u>40,972</u>
	TOTAL ASSETS	<u><u>310,819</u></u>	<u><u>309,371</u></u>

Financial statements 1 January – 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	140	140
	Reserve for development costs	142,034	78,339
	Retained earnings	45,680	122,898
	Total equity	<u>187,854</u>	<u>201,377</u>
	Non-current liabilities		
	Deferred tax liabilities	3,498	5,385
	Other provisions	9,742	9,250
	Total non-current liabilities	<u>13,240</u>	<u>14,635</u>
	Current liabilities		
	Trade payables	1,639	3,240
	Payables to group entities	102,580	64,885
	Other provisions	-	13,325
	Other payables	5,506	11,909
	Total current liabilities	<u>109,725</u>	<u>93,339</u>
	Total liabilities	<u>122,965</u>	<u>107,994</u>
	TOTAL EQUITY AND LIABILITIES	<u>310,819</u>	<u>309,371</u>

- 1 Accounting policies
- 2 Liquidity
- 3 Uncertainty related to recognition and measurement
- 4 Special items
- 5 Staff costs
- 11 Contractual obligations and contingencies, etc.
- 12 Related parties
- 13 Consolidation

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2023	140	78,339	122,898	201,377
Transfer, see "Proposed distribution of profit/loss"	-	63,695	-77,218	-13,523
Equity at 31 December 2023	140	142,034	45,680	187,854

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Cobham Aerospace ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

The financial statements for 2023 are presented in DKK.

Changes in accounting policies

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables, and other monetary items denominated in foreign currencies are translated at the exchange rates 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 arise or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Income statement

Gross profit/loss

Based on Danish Financial Statements Act §32, the Company has elected to present Revenue less Production cost on a gross level.

Revenue

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

Revenue and income from royalty agreements is recognised when the risks and rewards relating to the revenue have occurred, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Administrative expenses

Administrative expenses comprise expenses for management, administrative staff, office expenses, depreciation, amortisation, etc.

Other operating income/cost

Other operating income/cost comprise items secondary to the principal activities of the Company, including gains on disposal of intangible assets and property, plant and equipment.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognized in the income statements at the amounts relating to the financial year. Financial income and expenses comprise interest income and expenses, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

Thrane & Thrane A/S acts as administration company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporation tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current income tax, joint taxation contribution and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

IP rights are subsequently measured at cost less accumulated amortisation. IP rights are amortised on a straight-line basis over the estimated useful life, which is 5-7 years.

Development projects that are clearly defined and identifiable and where the technical feasibility, sufficient resources and a potential future market or development potential are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs, administrative expenses and development costs. Development costs are capitalised when it can be demonstrated that the conditions for capitalisation are met, paying particular attention to the requirements for the product to be technically feasible and capable of generating a financial return. At that point, further costs are capitalised as an intangible asset until the intangible asset is readily available for use and it is then amortised as described above. All development costs not capitalised are written off as incurred together with all research costs and are recognised in the income statement as incurred.

Contributions received to cover product development costs are offset against development costs incurred on the individual project. Contributions more than project development costs incurred are recognized in prepayments.

Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively. Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Software is measured at cost less accumulated amortisation. Software is amortised on a straight-line basis over the expected useful life determined at 3-5 years.

Property, plant, and equipment

On initial recognition, fixtures and fittings, tools and equipment are measured at cost.

Fixtures and fittings, tools and equipment are subsequently measured at cost less accumulated depreciation.

Depreciation is based on the residual value of the asset after the end of the useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Production overheads and borrowing costs are not included in cost.

Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately.

Fixtures and fittings, tools and equipment are measured at cost less accumulated amortisation. Fixtures and fittings, tools and equipment are amortised on a straight-line basis over the expected useful life determined at 3-7 years.

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Impairment of non-current assets

The carrying amount of intangible assets, plant and equipment is tested annually for evidence of impairment other than the decrease in value reflected by amortisation/depreciation.

Impairment tests are conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

The objective evidence applied to portfolios is determined based on historical loss experience.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

Reserve for development costs

The reserve for development costs comprises recognized development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognized development costs are amortised or are no longer part of the Company's operations. This is done by a transfer directly to the distributable reserves under equity.

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Deferred tax is measured on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry forwards, are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net assets are measured at net realisable values.

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. Changes in deferred tax due to changes in tax rates are recognised in the income statement.

Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event at the balance sheet date, and it is probable that an outflow of the Company's resources embodying economic benefits will be required to settle the obligation. Provisions are measured at net realisable value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Liabilities other than provisions

Financial liabilities comprising amounts payable to credit institutions, trade payables and payables to group entities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Fair value

Fair value is determined based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e., the market that maximises the price of the asset or liability less transaction and/or transport costs.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets/liabilities in an active market.

Level 2: Value based on generally accepted valuation methods on the basis of observable market information.

Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

2 Liquidity

Cobham Aerospace SAS has declared to support Cobham Aerospace ApS, if necessary, to provide additional liquidity in order for the Company to meet its financial obligations and thereby ensuring Cobham Aerospace ApS' continued operations until June 2025.

3 Uncertainty related to recognition and measurement

The Company operates an active risk management policy, which includes identification of key risks and development of action plans to mitigate those risks.

Valuation of intangible assets

The preparation of the financial statements in accordance with the Danish Financial Statements Act requires management to make certain judgements regarding the existence and probability of realisation of certain risks and opportunities inherent in the operation of the business. The valuation of intangible asset is based on estimates on future cashflows from royalty payments depending on group sales of licensed products and as a result subject to estimation uncertainty.

The uncertainty relates both to the entity's estimation of future revenue and future cost throughout the estimation period. Management's assumptions on revenue are based on both revenue both locked in and revenue predictions based on prospective and current client negotiations.

Management's valuation of intangible assets is based on a discounted cashflow model (DCF/Level 3).

Financial statements 1 January – 31 December

Notes

4 Special items

Special items relate to write-down on non-current intangible assets.

The net effect on current year profit/loss equals 0 thousands in 2023 and 58,854 thousands DKK in 2022.

DKK'000	<u>2023</u>	<u>2022</u>
Other operating income		
Reversal of prior year impairment expense on intangible assets	-	75,454
	<u>-</u>	<u>75,454</u>
Tax for the year		
Write-down (reversal of write-down) on non-current intangible assets	-	-16,600
	<u>-</u>	<u>-16,600</u>
Special items are recognized as follows		
Other operating income	-	75,454
Tax for the year	-	-16,600
	<u>-</u>	<u>58,854</u>
5 Staff costs		
Wages and salaries	16,378	17,884
Pensions	3,073	2,581
Other social security costs	271	188
Other staff expenses	318	66
Capitalized Staff cost	-16,988	-14,999
	<u>3,052</u>	<u>5,720</u>
Average number of full-time employees	<u>30</u>	<u>23</u>
6 Financial income		
Other interest income	4	1
Foreign exchange adjustments	2,031	4,117
	<u>2,035</u>	<u>4,118</u>

Financial statements 1 January – 31 December

Notes

DKK'000	2023		2022		
7	Financial expenses				
	Interest expenses to group entities	2,227	5,161		
	Foreign exchange adjustments	1,707	15,267		
	Other interest expenses	623	243		
		<u>4,557</u>	<u>20,670</u>		
8	Tax for the year				
	Deferred tax adjustment for the year	-3,681	6,902		
	Deferred tax adjustment, prior year	1,794	497		
	Other taxes	882	-		
		<u>-1,004</u>	<u>7,399</u>		
9	Intangible assets				
	DKK'000				
		IP rights	Software	Development projects in progress	Total
	Cost at 1 January 2023	170,820	1,621	167,763	340,204
	Additions	-	-	27,832	27,832
	Transfer/reclassification to IP rights	188,991	-	-188,991	-
	Cost at 31 December 2023	<u>359,811</u>	<u>1,621</u>	<u>6,604</u>	<u>368,036</u>
	Amortisation and impairment losses at 1 January 2023	73,339	1,271	-	74,610
	Amortisation	46,921	323	-	47,244
	Amortisation and impairment losses at 31 December 2023	<u>120,260</u>	<u>1,594</u>	<u>-</u>	<u>121,854</u>
	Carrying amount at 31 December 2023	<u>239,551</u>	<u>27</u>	<u>6,604</u>	<u>246,182</u>
10	Property, plant and equipment				
	DKK'000				
		Leasehold improvements	Fixtures and fittings, tools and equipment		Total
	Cost at 1 January 2023	1,457	426		1,883
	Additions	85	2,557		1,929
	Disposed	-	-628		-628
	Cost at 31 December 2023	<u>1,542</u>	<u>2,356</u>		<u>3,159</u>
	Depreciation at 1 January 2023	66	113		179
	Depreciation	307	252		559
	Depreciation at 31 December 2023	<u>373</u>	<u>365</u>		<u>738</u>
	Carrying amount at 31 December 2023	<u>1,169</u>	<u>1,991</u>		<u>3,160</u>

Financial statements 1 January – 31 December

Notes

11 Contractual obligations and contingencies, etc.

DKK'000

Contingent liabilities

The Company is jointly taxed with its Danish group entity. The Company has unlimited joint and several liability, together with the group entity, for payment of Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. The jointly taxed entities' total known net liability in respect of corporation taxes and withholding taxes payable on dividend, interest and royalties. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc., may entail that the entities' liability will increase.

Contractual obligations

The Company has signed contracts with group entities which includes rental of office space. The total obligation during the tenure period constitutes DKK 4,159 thousands.

12 Related parties

Related party transactions comprises transactions with the Executive Board, as well as with other companies within Cobham Group. Related parties comprise the following:

- Cobham Aerospace Holding
- Omnipless Manufacturing Pty Ltd
- Cobham Aerospace Communication, Rungis, France
- Cobham Aerospace Communication, Dourdan SA
- Cobham Aerospace Communication, Fullerton, USA
- Thrane & Thrane A/S (Cobham Satcom)

Transactions with related parties comprise ordinary business transactions and miscellaneous administrations services.

Cobham Aerospace SAS has declared to support Cobham Aerospace ApS, if necessary, to provide additional liquidity in order for the Company to meet its financial obligations and thereby ensuring Cobham Aerospace ApS' continued operations until June 2025.

Ownership

The following shareholder is recorded in the Company's shareholder register as holding at least 5% of the voting rights and/or holding at least 5% of the share capital:

Cobham Aerospace Holding S.à r.l.,
5, Rue Goethe, L-1637 Luxembourg

13 Consolidation

Cobham Aerospace ApS is included in the consolidated financial statements of AI Convoy (Luxembourg) S.a.r.l., which is the parent undertaking of the smallest Group to consolidate these financial statements. Copies of the AI Convoy (Luxembourg) S.à r.l consolidated financial statements can be obtained from the registered office at 2-4 rue Beck, Luxembourg, LU 1222.