
Magnetic Denmark ApS

C/O Homann Advokater, Amagertorv 11, 3., DK-1160
Copenhagen K

Annual Report for 2023

CVR No. 43 02 89 79

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 1/7 2024

Risto Mäeots
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Annual Report of Magnetic Denmark ApS for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 1 July 2024

Executive Board

Risto Mäeots
CEO

Practitioner's Statement on Compilation of Financial Statements

To the Management of Magnetic Denmark ApS

We have compiled the Financial Statements of Magnetic Denmark ApS for the financial year 1 January - 31 December 2023 on the basis of the Company's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Hellerup, 1 July 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Thomas Lauritsen

State Authorised Public Accountant

mne34342

Company information

The Company	Magnetic Denmark ApS C/O Homann Advokater Amagertorv 11, 3. 1160 Copenhagen K CVR No: 43 02 89 79 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Executive Board	Risto Mäeots
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's review

Key activities

Magnetic Denmark Aps was established in March 2022 as a subsidiary of Magnetic MRO Group, operating within the Group Line Maintenance sector.

Since it did not possess its own certification, a line maintenance station was established in Copenhagen and operated by other entities within the Magnetic Group.

The station provided line maintenance services for narrow-body aircraft, including ATR42/72, Embraer 170/190, B737NG/MAX, and A320CEO and NEO.

Development in the year

The income statement of the Company for 2023 shows a profit of DKK 100,762, and at 31 December 2023 the balance sheet of the Company shows a negative equity of DKK 1,531,377.

Regrettably, due to a weak market in the region in 2023, the Management made a strategic decision to terminate the contract with their sole client and discontinue line maintenance operations at the Copenhagen station.

Throughout 2023, all activities of the Company were funded by its Parent Company.

With the current Annual Report being signed off, all employment and vendor contracts have been terminated, and the Company is currently in a dormant stage, preparing for liquidation.

Capital resources

Due to the dormant stages of the Company, the Company is depending on continued financing from the Parent Company, Magnetic MRO A/S. The Parent Company has issued a letter of support for Magnetic Denmark ApS, valid until the Company is liquidated.

Subsequent events

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

Income statement 1 January - 31 December

	Note	2023	2022
		DKK 12 months	DKK 11 months
Gross profit		3,114,767	977,382
Staff expenses	2	-2,922,581	-2,546,512
Depreciation and impairment losses of property, plant and equipment		-48,218	-67,620
Profit/loss before financial income and expenses		143,968	-1,636,750
Financial income	3	17,259	5,951
Financial expenses	4	-60,465	-41,340
Profit/loss before tax		100,762	-1,672,139
Tax on profit/loss for the year		0	0
Net profit/loss for the year		100,762	-1,672,139
 Distribution of profit			
		<u>2023</u>	<u>2022</u>
		DKK	DKK
Proposed distribution of profit			
Retained earnings		100,762	-1,672,139
		<u>100,762</u>	<u>-1,672,139</u>

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Plant and machinery		0	293,200
Other fixtures and fittings, tools and equipment		0	231,322
Property, plant and equipment	5	0	524,522
Fixed assets		0	524,522
Receivables from group enterprises		80,917	674,181
Other receivables		80,094	154,607
Prepayments		0	430,965
Receivables		161,011	1,259,753
Current assets		161,011	1,259,753
Assets		161,011	1,784,275

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		40,000	40,000
Retained earnings		-1,571,377	-1,672,139
Equity		-1,531,377	-1,632,139
Trade payables		45,529	292,635
Payables to group enterprises		1,646,859	2,081,340
Other payables		0	416,951
Deferred income		0	625,488
Short-term debt		1,692,388	3,416,414
Debt		1,692,388	3,416,414
Liabilities and equity		161,011	1,784,275
Going concern	1		
Accounting Policies	6		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 January	40,000	-1,672,139	-1,632,139
Net profit/loss for the year	0	100,762	100,762
Equity at 31 December	40,000	-1,571,377	-1,531,377

Notes to the Financial Statements

1. Going concern

Due to the dormant stages of the Company, the Company is depending on continued financing from the Parent Company, Magnetic MRO A/S. The Parent Company has issued a letter of support for Magnetic Denmark ApS, valid until the Company is liquidated.

	2023	2022
	DKK 12 months	DKK 11 months
2. Staff Expenses		
Wages and salaries	2,587,621	2,412,137
Pensions	228,894	100,743
Other social security expenses	11,928	8,520
Other staff expenses	94,138	25,112
	<u>2,922,581</u>	<u>2,546,512</u>
Average number of employees	<u>4</u>	<u>7</u>

	2023	2022
	DKK 12 months	DKK 11 months
3. Financial income		
Exchange gains	17,259	5,951
	<u>17,259</u>	<u>5,951</u>

	2023	2022
	DKK 12 months	DKK 11 months
4. Financial expenses		
Other financial expenses	3,464	2,742
Exchange loss	57,001	38,598
	<u>60,465</u>	<u>41,340</u>

Notes to the Financial Statements

5. Property, plant and equipment

	Plant and machinery	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 January	319,855	272,287
Disposals for the year	-319,855	-272,287
Cost at 31 December	<u>0</u>	<u>0</u>
Impairment losses and depreciation at 1 January	26,655	40,965
Depreciation for the year	15,993	32,224
Reversal of impairment and depreciation of sold assets	-42,648	-73,189
Impairment losses and depreciation at 31 December	<u>0</u>	<u>0</u>
Carrying amount at 31 December	<u>0</u>	<u>0</u>
Amortised over	<u>10 years</u>	<u>3-5 years</u>

Notes to the Financial Statements

6. Accounting policies

The Annual Report of Magnetic Denmark ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Notes to the Financial Statements

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	10 years
Other fixtures and fittings, tools and equipment	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

Notes to the Financial Statements

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.