
Quadsat ApS

Lufthavnvej 151, DK-5270 Odense N

Annual Report for 2024

CVR No. 38 49 52 24

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 7/7 2025

Per Pedersen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Quadsat ApS for the financial year 1 January - 31 December 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations for 2024.

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

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

Odense, 7 July 2025

Executive Board

Joakim Espeland

Andrian Buchi

Board of Directors

Karina Bergstrøm Larsen
Chairman

Rob Desborough

Simon Frederik Loft Øelund

Helge Munk

Joakim Espeland

Max Bautin

Independent Auditor's report

To the shareholder of Quadsat ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Quadsat ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the 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 Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 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.

Odense M, 7 July 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Line Hedam

State Authorised Public Accountant

mne27768

Anders Kronborg Choy

State Authorised Public Accountant

mne44142

Company information

The Company	Quadsat ApS Lufthavnvej 151 DK-5270 Odense N Telephone: 49494994 Email: post@quadsat.com CVR No: 38 49 52 24 Financial period: 1 January - 31 December Incorporated: 15 March 2017 Financial year: 8th financial year Municipality of reg. office: Odense
Board of Directors	Karina Bergstrøm Larsen, chairman Rob Desborough Simon Frederik Loft Øelund Helge Munk Joakim Espeland Max Bautin
Executive Board	Joakim Espeland Andrian Buchi
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1, 3. og 4. sal DK-5230 Odense M

Management's review

Key activities

The company's purpose is to develop and commercialize products and services related to UAV radio frequency measurements and spectrum monitoring capabilities within the satellite, the defense industry, and other related industries. The past year the company has focused on creating strong and long-term partnerships with drone manufacturers in the defense industry to use the Quadsat payload solutions to support electromagnetic warfare (EW) operations, enhancing situational awareness and strengthening threat response in contested electromagnetic environments.

Development in the year

The income statement of the Company for 2024 reflects a growth strategy and changing with investment to support the defense industry and therefore shows a loss of DKK 17,704,770, and on 31st December 2024 the balance sheet of the Company shows a positive equity of DKK 16,688,287.

In 2024, Quadsat expanded its product offering within the defense sector. Our core payload technology has evolved to empower military organizations with advanced simulation capabilities, incorporating friendly forces, adversaries, and complex environmental factors. This enables comprehensive electromagnetic insights that support mission-critical decision-making. Learn more at www.quadsat.com.

As part of our strategic focus on the defense industry, Quadsat has initiated the implementation of the NIS2 directive to enhance cybersecurity. This process began in 2024, laying the groundwork for compliance, with full implementation targeted for completion in 2025.

Quadsat remains committed to meeting customer needs and exceeding quality expectations. In line with this commitment, we will finalize the implementation of the ISO 9001 Quality Management System during 2025 to further elevate our standards.

To support innovation and growth, the company increased its workforce in 2024, particularly in the Research & Development and Commercial departments. Within R&D, we strengthened our capabilities in both software and hardware development, as well as in radio frequency (RF) engineering. In parallel, we expanded the Commercial team with new hires to support our growing global presence.

Our people remain the cornerstone of Quadsat's success. We are proud to have a diverse team representing 21 nationalities—a strength that fuels innovation, creativity, and global outlook.

Capital resources

In July 2025, the company signed an investment agreement with a new defense focused investor to grow Quadsat presence in this segment which means a cash capital injection of DKK 37.5m (EUR 5m) from existing and new investors to focus on scaling the company solutions in the global defense segment. This strengthening of capital resources is expected to finance the company's planned growth and expansion. The company's management continuously optimizes and monitors the capital structure in collaboration with the board of directors. Reference is made to Note 1.

Quadsat management and board have decided to focus upon finding a defense investor, who can be part of the Quadsat board and company going forward to grow Quadsat's defense capabilities globally. Quadsat is truly excited about getting this capacity in place as part of strengthening the forward Quadsat team.

Subsequent events

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

Income statement 1 January - 31 December

	Note	2024	2023
		DKK	DKK
Gross profit/loss		1,698,308	-10,685,323
Staff expenses	2	-22,869,390	-14,783,984
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-310,445	-695,053
Other operating expenses		0	-760,432
Profit/loss before financial income and expenses		-21,481,527	-26,924,792
Financial income		995,700	1,045,286
Financial expenses		-925,481	-1,250,619
Profit/loss before tax		-21,411,308	-27,130,125
Tax on profit/loss for the year	4	3,706,538	3,311,306
Net profit/loss for the year		-17,704,770	-23,818,819
 Distribution of profit			
		2024	2023
		DKK	DKK
Proposed distribution of profit			
Retained earnings		-17,704,770	-23,818,819
		-17,704,770	-23,818,819

Balance sheet 31 December

Assets

	Note	2024	2023
		DKK	DKK
Acquired patents		55,404	77,207
Intangible assets		55,404	77,207
Other fixtures and fittings, tools and equipment		321,358	560,001
Property, plant and equipment		321,358	560,001
Investments in subsidiaries		7,019	8
Deposits		153,284	142,276
Fixed asset investments		160,303	142,284
Fixed assets		537,065	779,492
Finished goods and goods for resale		3,581,490	2,210,846
Inventories		3,581,490	2,210,846
Trade receivables		55,190	512,617
Receivables from group enterprises		159,863	124,453
Other receivables		3,037,594	374,545
Deferred tax asset		10,000	10,000
Corporation tax		3,706,538	3,311,306
Prepayments		543,461	403,682
Receivables		7,512,646	4,736,603
Cash at bank and in hand		19,169,708	42,599,080
Current assets		30,263,844	49,546,529
Assets		30,800,909	50,326,021

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		DKK	DKK
Share capital		146,233	146,233
Retained earnings		16,542,054	34,246,824
Equity		16,688,287	34,393,057
Credit institutions		4,813,885	8,053,712
Long-term debt	5	4,813,885	8,053,712
Credit institutions	5	3,427,223	2,378,737
Prepayments received from customers		2,226,673	3,519,276
Trade payables		1,937,332	635,759
Other payables		1,600,910	1,345,480
Deferred income	6	106,599	0
Short-term debt		9,298,737	7,879,252
Debt		14,112,622	15,932,964
Liabilities and equity		30,800,909	50,326,021
Capital resources	1		
Contingent assets, liabilities and other financial obligations	7		
Accounting Policies	8		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 January	146,233	34,246,824	34,393,057
Net profit/loss for the year	0	-17,704,770	-17,704,770
Equity at 31 December	146,233	16,542,054	16,688,287

Notes to the Financial Statements

1. Capital resources

In July 2025 the company signed an investment agreement with a new defense focused investor to grow Quadsat's presence in this segment, which means a cash capital injection of DKK 37.5m (EUR 5m) from existing and new investors to focus on scaling the company solutions in the global defense segment. This strengthening of capital resources is expected to finance the company's planned growth and expansion. The company's management continuously optimizes and monitors the capital structure in collaboration with the board of directors.

	2024	2023
	DKK	DKK
2. Staff expenses		
Wages and salaries	19,802,800	13,185,616
Pensions	2,285,547	1,314,019
Other social security expenses	242,376	137,026
Other staff expenses	538,667	147,323
	<u>22,869,390</u>	<u>14,783,984</u>
Average number of employees	<u>33</u>	<u>24</u>

	2024	2023
	DKK	DKK
3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	21,802	21,802
Depreciation of property, plant and equipment	288,643	673,251
	<u>310,445</u>	<u>695,053</u>

	2024	2023
	DKK	DKK
4. Income tax expense		
Current tax for the year	-3,706,538	-3,311,306
	<u>-3,706,538</u>	<u>-3,311,306</u>

Notes to the Financial Statements

	<u>2024</u>	<u>2023</u>
	DKK	DKK
5. Long-term debt		
Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.		
The debt falls due for payment as specified below:		
Credit institutions		
After 5 years	0	0
Between 1 and 5 years	<u>4,813,885</u>	<u>8,053,712</u>
Long-term part	4,813,885	8,053,712
Within 1 year	<u>3,427,223</u>	<u>2,378,737</u>
	<u>8,241,108</u>	<u>10,432,449</u>

Loan to credit institutions consists of a loan from EIFO. According to the loan terms a bonus element will be triggered if certain requirements are met in case of an exit. The bonus element is considered part of the interest on the loan and accrued over the loan period.

6. Deferred income

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

	<u>2024</u>	<u>2023</u>
	DKK	DKK
7. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Rent obligation, period of non-terminability 3 - 6 months	256,373	242,131

Notes to the Financial Statements

8. Accounting policies

The Annual Report of Quadsat ApS for 2024 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 2024 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

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.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

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.

Notes to the Financial Statements

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.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables 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 amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

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.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5 year.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

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.

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:

Other fixtures and fittings, tools and equipment	2 - 5 years
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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 intangible assets and 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 amortisation and depreciation.

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

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, writedown is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Notes to the Financial Statements

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

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other 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.