

# Vargus Scandinavia A/S

Danmarksvej 28, DK-8660 Skanderborg

CVR no. 81 89 55 11

## Annual report 2023

Approved at the Company's annual general meeting on 16 May 2024

Chairman of the meeting:

.....

## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Vargus Scandinavia A/S for the financial year 1 January - 31 December 2023.

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 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.

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

We recommend that the annual report be approved at the annual general meeting.

Skanderborg, 16 May 2024  
Executive Board:

.....  
Ronny Alex Priskorn  
Managing Director

Board of Directors:

.....  
Harry Ehrenberg  
Chairman

.....  
Wolf Ehrenberg  
Vice chair

.....  
Mrs Ilona Senderowicz

## Independent auditor's report

To the shareholders of Vargus Scandinavia A/S

### Opinion

We have audited the financial statements of Vargus Scandinavia A/S 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 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 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 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 the 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.

## Independent auditor's report

- ▶ 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 16 May 2024  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Tom B. Lassen  
State Authorised Public Accountant  
mne24820

## Management's review

### Company details

Name	Vargus Scandinavia A/S
Address, Postal code, City	Danmarksvej 28, DK-8660 Skanderborg
CVR no.	81 89 55 11
Established	18 August 1977
Registered office	Skanderborg
Financial year	1 January - 31 December
Website	<a href="http://www.vargus.dk">www.vargus.dk</a>
E-mail	<a href="mailto:vargus@vargus.dk">vargus@vargus.dk</a>
Telephone	+45 87 94 41 00
Board of Directors	Harry Ehrenberg, Chairman Wolf Ehrenberg, Vice chair Mrs Ilona Senderowicz
Executive Board	Ronny Alex Priskorn, Managing Director
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

## Management's review

### Business review

The Company's aim is to carry on trade, manufacturing and agency business.

### Financial review

The income statement for 2023 shows a loss of DKK 107,241 against a profit of DKK 151,643 last year, and the balance sheet at 31 December 2023 shows equity of DKK 1,453,849. Management considers the result for the year satisfactory.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2023	2022
	Gross profit	4,171,157	4,038,897
2	Staff costs	-4,364,570	-3,938,135
	<b>Profit/loss before net financials</b>	<b>-193,413</b>	<b>100,762</b>
	Financial income	88,784	71,945
	Financial expenses	-25,102	-21,064
	<b>Profit/loss before tax</b>	<b>-129,731</b>	<b>151,643</b>
	Tax for the year	22,490	0
	<b>Profit/loss for the year</b>	<b>-107,241</b>	<b>151,643</b>
	<b>Recommended appropriation of profit/loss</b>		
	Retained earnings/accumulated loss	-107,241	151,643
		-107,241	151,643



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	<b>ASSETS</b>		
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Goods for resale	1,976,263	1,968,578
		<u>1,976,263</u>	<u>1,968,578</u>
	<b>Receivables</b>		
	Trade receivables	2,221,150	1,508,672
	Amounts owed by group enterprises	8,603	4,762
	Deferred tax assets	22,490	0
	Other receivables	1,907	0
	Prepayments	13,900	12,805
		<u>2,268,050</u>	<u>1,526,239</u>
	<b>Cash</b>	558,105	21,721
	<b>Total non-fixed assets</b>	<u>4,802,418</u>	<u>3,516,538</u>
	<b>TOTAL ASSETS</b>	<u><u>4,802,418</u></u>	<u><u>3,516,538</u></u>

## Financial statements 1 January - 31 December

## Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
3	Share capital	1,001,000	1,001,000
	Retained earnings	452,849	560,090
	<b>Total equity</b>	<u>1,453,849</u>	<u>1,561,090</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Bank debt	645,647	49,291
	Trade payables	846,232	600,287
	Payables to group enterprises	719,084	612,888
	Other payables	1,137,606	692,982
		<u>3,348,569</u>	<u>1,955,448</u>
	<b>Total liabilities other than provisions</b>	<u>3,348,569</u>	<u>1,955,448</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>4,802,418</u></u>	<u><u>3,516,538</u></u>

- 1 Accounting policies
- 4 Contractual obligations and contingencies, etc.
- 5 Security and collateral
- 6 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	1,001,000	408,447	1,409,447
Transfer through appropriation of profit	0	151,643	151,643
<b>Equity at 1 January 2023</b>	<b>1,001,000</b>	<b>560,090</b>	<b>1,561,090</b>
Transfer through appropriation of loss	0	-107,241	-107,241
<b>Equity at 31 December 2023</b>	<b>1,001,000</b>	<b>452,849</b>	<b>1,453,849</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Vargus Scandinavia A/S 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.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

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

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

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

Revenue from the sale of goods for resale is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end. Revenue is measured ex. VAT and taxes and less discounts granted in connection with the sale.

##### Gross profit

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

##### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

##### External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

##### Balance sheet

##### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

##### Inventories

Inventories are measured at average cost. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

##### Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Equity

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

##### Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Liabilities are measured at net realisable value corresponding to nominal value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2023	2022
<b>2 Staff costs</b>		
Wages/salaries	3,922,700	3,560,708
Pensions	295,509	290,884
Other social security costs	146,361	86,543
	4,364,570	3,938,135
 Average number of full-time employees	 6	 6

### 3 Share capital

The Company's share capital has remained DKK 1,001,000 over the past 5 years.

### 4 Contractual obligations and contingencies, etc.

#### Other contingent liabilities

The Company is jointly taxed with affiliated company, Damstahl A/S, which acts as management company, and has limited and alternative liability together with other jointly taxed group entities for payment of income taxes for income year 2018 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 25 June 2018.

#### Other financial obligations

The Company has liabilities under operating leases for cars, totalling DKK 958 thousand, with remaining contract terms of 1 - 4 years.

### 5 Security and collateral

The Company has not provided any security or other collateral in assets at 31 December 2023.

### 6 Related parties

#### Information about consolidated financial statements

Parent	Domicile
Vargus Ltd.	Nahariya, Israel

# PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

## Ronny Alex Priskorn

Managing Director

Serial number: d72343e4-b9bd-4143-9c1e-2b0498d24cb0

IP: 80.208.xxx.xxx

2024-05-16 13:19:31 UTC



## Ilona Senderowicz

Board Member

Serial number: ilonasender@gmail.com

IP: 147.235.xxx.xxx

2024-05-19 07:26:40 UTC

*Ilona Senderowicz*

## Harry Ehrenberg

Chairman of the Board

Serial number: harrye@vargus.com

IP: 85.0.xxx.xxx

2024-05-19 08:43:57 UTC

*H. Ehrenberg*

## Wolf Ehrenberg

Vice Chairman of the Board

Serial number: w.ehrenberg@neumo.de

IP: 82.100.xxx.xxx

2024-05-20 17:38:23 UTC

*Wolf Ehrenberg*

## Tom Barreth Lassen

State Authorised Public Accountant

Serial number: e750e22d-62f4-4efb-aa30-fe83e9d6e62b

IP: 165.225.xxx.xxx

2024-05-21 20:17:33 UTC



## Claus Bang Christiansen

Chairman of the meeting

Serial number: c3fa6e75-7253-4566-9198-746ff9095c70

IP: 87.104.xxx.xxx

2024-05-21 20:24:43 UTC



Penneo document key: ISCS8-DME63-3N64N-00B40-JDBBPB-XBOK4

This document is digitally signed using **Penneo.com**. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

### How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service <penneo@penneo.com>**. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>