

## Zarges ApS

Roholmsvej 15  
2620 Albertslund

CVR no. 87 14 70 10

### Annual report for 2023

Adopted at the annual general meeting on 31  
May 2024

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Maximilian Treptow  
chairman

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## **Statement by management on the annual report**

The executive board has today discussed and approved the annual report of Zarges ApS 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 company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Albertslund, 31 May 2024

### **Executive board**

Maximilian Treptow

Jan Fahlgren

## **Independent auditor's report**

### *To the shareholder of Zarges ApS*

#### **Opinion**

We have audited the financial statements of Zarges ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position 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 are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibilities for the 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 the 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 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.

## Independent auditor's report

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.

## 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.

### **Independent auditor's report**

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, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 31 May 2024

**Rödl & Partner Danmark**

Godkendt Revisionsaktieselskab  
CVR no. 39 18 86 78

Claus D. Bishaw-Witt  
statsautoriseret revisor  
MNE no. mne10028

## Company details

### The company

Zarges ApS  
Roholmsvej 15  
2620 Albertslund

Telephone: 43 64 02 00

Fax: 43 64 16 00

Website: [www.zarges.dk](http://www.zarges.dk)

CVR no.: 87 14 70 10

Reporting period: 1 January - 31 December 2023

Incorporated: 1 August 1979

Financial year: 44th financial year

Domicile: Albertslund

### Executive board

Maximilian Treptow  
Jan Fahlgren

### Auditors

Rödl & Partner Danmark  
Godkendt Revisionsaktieselskab  
Store Kongensgade 40H, 2.  
1264 København K

### General meeting

The annual general meeting is held at the company's address on 31 May 2024.

## **Management's review**

### **Business review**

The company's purpose is the sale of ladders and transportation equipment and related services as well as trade in other articles.

### **Financial review**

The company's income statement for the year ended 31 December 2023 shows a profit of DKK 1.138.751, and the balance sheet at 31 December 2023 shows equity of DKK 12.361.275.

The accounting policies applied are unchanged except measured costs of stocks.

In accordance with the rules of the Danish Financial Statements Act, management has chosen to recognize stock using the weighted average method. This is considered to be a change in accounting policies compared with last year where stocks was recognized using the FIFO method.

For further information, we refer to the section on changes in accounting policies.

### **Significant events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.



## Accounting policies

The annual report of Zarges 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 provisions applying to reporting class C entities.

The annual report for 2023 is presented in DKK

### Changes in accounting policies

The accounting policies applied are unchanged except for the recognition of cost price for stocks.

In accordance with the rules of the Danish Financial Statements Act, management has chosen to recognize stock using the weighted average method. This is considered to be a change in accounting policies compared with last year where stock was recognized using the FIFO method.

The change in accounting policy is corrected through equity for 2022, which is positively affected by TDKK 57. The total effect of the changes in accounting policies can be specified as follows:

Cost of goods has been decreased by TDKK 57 in 2022.

Equity has been increased by TDKK 57 in 2022.

For 2023 the change in valuation method of stocks can be specified as follows:

Cost of goods has been positively affected by TDKK 340.

Stocks has been negatively affected by TDKK 340.

The background for the policy change is that management has implemented a new ERP system that only can recognize cost price using the weighted average method.

The accounting policies are otherwise consistent with those of last year.

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

## **Accounting policies**

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

## **Income statement**

### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

### **Revenue**

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

### **Expenses for raw materials and consumables**

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

### **Other external costs**

Other external costs include expenses related 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 pensions, as well as other social security contributions, etc. made to the entity's employees.

## Accounting policies

### Depreciation, amortisation and impairment of property, plant and equipment

Depreciation, amortisation and impairment of property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

### Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## Balance sheet

### Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Where individual components of an item of property, plant and equipment have different useful lives, and the individual component is a significant part of the total cost, the cost is divided into separate components, which are depreciated separately.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

|                     | Useful life |
|---------------------|-------------|
| Plant and equipment | 4 years     |
| EDB-equipment       | 4 years     |

Assets costing less than DKK 32.000 are expensed in the year of acquisition.

**Accounting policies**

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

**Financial assets**

Deposits are measured at cost price

**Stocks**

Stocks are measured at cost using the weighted average method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

**Receivables**

Receivables are measured at amortised cost.

**Prepayments**

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash and deposits at banks.

**Equity****Dividends**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

## Accounting policies

### Income tax and deferred tax

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

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

### Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

**Income statement 1 January - 31 December**

|  | <u>Note</u> | <u>2023</u><br>DKK      | <u>2022</u><br>DKK      |
|--|-------------|-------------------------|-------------------------|
| <b>Gross profit</b>  |             | <b>8.043.999</b>        | <b>8.733.063</b>        |
| Staff costs  | 1           | <u>-6.806.750</u>       | <u>-6.527.596</u>       |
| <b>Profit/loss before amortisation/depreciation and impairment losses</b>                        |             | <b>1.237.249</b>        | <b>2.205.467</b>        |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment |             | <u>-63.985</u>          | <u>-57.938</u>          |
| <b>Profit/loss before net financials</b>   |             | <b>1.173.264</b>        | <b>2.147.529</b>        |
| Financial income   | 2           | 309.662                 | 345.839                 |
| Financial costs  | 3           | <u>-21.713</u>          | <u>-67.885</u>          |
| <b>Profit/loss before tax</b>  |             | <b>1.461.213</b>        | <b>2.425.483</b>        |
| Tax on profit/loss for the year  | 4           | <u>-322.462</u>         | <u>-547.537</u>         |
| <b>Profit/loss for the year</b>  |             | <b><u>1.138.751</u></b> | <b><u>1.877.946</u></b> |
| Retained earnings  |             | <u>1.138.751</u>        | <u>1.877.946</u>        |
|  |             | <b><u>1.138.751</u></b> | <b><u>1.877.946</u></b> |

**Balance sheet 31 December**

|  | <u>Note</u> | <u>2023</u><br>DKK              | <u>2022</u><br>DKK              |
|--|-------------|---------------------------------|---------------------------------|
| <b>Assets</b>                                    |             |                                 |                                 |
| Plant and machinery                              | 5           | 0                               | 5.945                           |
| Other fixtures and fittings, tools and equipment | 5           | 143.012                         | 201.051                         |
| Prepayments for tangible fixed assets            |             | <u>0</u>                        | <u>0</u>                        |
| <b>Tangible assets</b>                           |             | <b><u>143.012</u></b>           | <b><u>206.996</u></b>           |
|  | 6           | <u>354.784</u>                  | <u>327.838</u>                  |
| <b>Fixed asset investments</b>                   |             | <b><u>354.784</u></b>           | <b><u>327.838</u></b>           |
| <b>Total non-current assets</b>                  |             | <b><u>497.796</u></b>           | <b><u>534.834</u></b>           |
| Raw materials and consumables                    |             | 3.932.850                       | 3.481.715                       |
| Prepayments for goods                            |             | <u>96.352</u>                   | <u>0</u>                        |
| <b>Stocks</b>                                    |             | <b><u>4.029.202</u></b>         | <b><u>3.481.715</u></b>         |
| Trade receivables                                |             | 11.343.641                      | 11.034.937                      |
| Receivables from associates                      |             | 437.012                         | 4.136.891                       |
| Deferred tax asset                               | 8           | 3.005                           | 417                             |
| Corporation tax                                  |             | 470.950                         | 1.409.130                       |
| Prepayments                                      |             | <u>452.372</u>                  | <u>783.435</u>                  |
| <b>Receivables</b>                               |             | <b><u>12.706.980</u></b>        | <b><u>17.364.810</u></b>        |
| <b>Cash at bank and in hand</b>                  |             | <b><u>5.216.227</u></b>         | <b><u>3.257.834</u></b>         |
| <b>Total current assets</b>                      |             | <b><u>21.952.409</u></b>        | <b><u>24.104.359</u></b>        |
| <b>Total assets</b>                              |             | <b><u><u>22.450.205</u></u></b> | <b><u><u>24.639.193</u></u></b> |

**Balance sheet 31 December**

|                                     | <u>Note</u> | <u>2023</u><br>DKK       | <u>2022</u><br>DKK       |
|-------------------------------------|-------------|--------------------------|--------------------------|
| <b>Equity and liabilities</b>       |             |                          |                          |
| Share capital                       |             | 200.000                  | 200.000                  |
| Other reserves                      |             | 950.000                  | 950.000                  |
| Retained earnings                   |             | <u>11.211.275</u>        | <u>10.072.525</u>        |
| <b>Equity</b>                       | <b>7</b>    | <b><u>12.361.275</u></b> | <b><u>11.222.525</u></b> |
| Prepayments received from customers |             | 0                        | 64.639                   |
| Trade payables                      |             | 925.821                  | 689.775                  |
| Payables to subsidiaries            |             | 7.955.000                | 10.717.223               |
| Other payables                      |             | <u>1.208.109</u>         | <u>1.945.031</u>         |
| <b>Total current liabilities</b>    |             | <b><u>10.088.930</u></b> | <b><u>13.416.668</u></b> |
| <b>Total liabilities</b>            |             | <b><u>10.088.930</u></b> | <b><u>13.416.668</u></b> |
| <b>Total equity and liabilities</b> |             | <b><u>22.450.205</u></b> | <b><u>24.639.193</u></b> |



**Statement of changes in equity**

|                                   | <u>Share capital</u>  | <u>Other reserves</u> | <u>Retained earnings</u> | <u>Total</u>             |
|-----------------------------------|-----------------------|-----------------------|--------------------------|--------------------------|
| Equity at 1 January 2023          | 200.000               | 950.000               | 10.072.524               | 11.222.524               |
| Net profit/loss for the year      | 0                     | 0                     | 1.138.751                | 1.138.751                |
| <b>Equity at 31 December 2023</b> | <b><u>200.000</u></b> | <b><u>950.000</u></b> | <b><u>11.211.275</u></b> | <b><u>12.361.275</u></b> |

**Notes**

|  | <u>2023</u>             | <u>2022</u>             |
|--|-------------------------|-------------------------|
|  | DKK                     | DKK                     |
| <b>1 Staff costs</b>                     |                         |                         |
| Wages and salaries                       | 5.978.130               | 5.651.920               |
| Pensions                                 | 749.362                 | 889.136                 |
| Other social security costs              | 79.258                  | 0                       |
| Other staff costs                        | <u>0</u>                | <u>-13.460</u>          |
|  | <b><u>6.806.750</u></b> | <b><u>6.527.596</u></b> |
| <br>                                     |                         |                         |
| Number of fulltime employees on average  | <u>13</u>               | <u>12</u>               |
| <br>                                     |                         |                         |
| <b>2 Financial income</b>                |                         |                         |
| Interest received from subsidiaries      | 300.121                 | 297.120                 |
| Other financial income                   | 7.896                   | 0                       |
| Exchange gains                           | <u>1.645</u>            | <u>48.719</u>           |
|  | <b><u>309.662</u></b>   | <b><u>345.839</u></b>   |
| <br>                                     |                         |                         |
| <b>3 Financial costs</b>                 |                         |                         |
| Other financial costs                    | 176                     | 27.820                  |
| Exchange adjustments costs               | 21.537                  | 25.207                  |
| Percentage surcharge, corporation tax    | <u>0</u>                | <u>14.858</u>           |
|  | <b><u>21.713</u></b>    | <b><u>67.885</u></b>    |
| <br>                                     |                         |                         |
| <b>4 Tax on profit/loss for the year</b> |                         |                         |
| Current tax for the year                 | 325.050                 | 562.870                 |
| Deferred tax for the year                | <u>-2.588</u>           | <u>-15.333</u>          |
|  | <b><u>322.462</u></b>   | <b><u>547.537</u></b>   |

**Notes****5 Tangible assets**

|  | Plant and<br>machinery | Other fixtures<br>and fittings, tools<br>and equipment | Total          |
|--|------------------------|--|----------------|
| Cost at 1 January 2023                                 | 137.037                | 656.437  | 793.474        |
| Cost at 31 December 2023                               | 137.037                | 656.437  | 793.474        |
| Impairment losses and depreciation at 1 January 2023   | 131.092                | 455.386  | 586.478        |
| Depreciation for the year                              | 5.945                  | 58.039   | 63.984         |
| Impairment losses and depreciation at 31 December 2023 | 137.037                | 513.425  | 650.462        |
| <b>Carrying amount at 31 December 2023</b>             | <b>0</b>               | <b>143.012</b>   | <b>143.012</b> |

**6 Fixed asset investments**

|  |                |
|--|----------------|
| Cost at 1 January 2023                     | 327.838        |
| Additions for the year                     | 26.946         |
| Cost at 31 December 2023                   | 354.784        |
| <b>Carrying amount at 31 December 2023</b> | <b>354.784</b> |

**7 Equity**

The share capital consists of 200 shares of a nominal value of DKK 1.000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

**Notes**

|  | <u>2023</u><br>DKK   | <u>2022</u><br>DKK |
|--|----------------------|--------------------|
| <b>8 Provision for deferred tax</b>  |                      |                    |
| Provision for deferred tax at 1 January 2023                                   | -417                 | 14.916             |
| Deferred tax recognised in income statement                                    | -2.588               | -15.333            |
| <b>Provision for deferred tax at 31 December 2023</b>                          | <b><u>-3.005</u></b> | <b><u>-417</u></b> |
| <br>   |                      |                    |
| Property, plant and equipment  | -13.658              | -1.897             |
| Transferred to deferred tax asset  | 3.005                | 417                |
|  | <b><u>0</u></b>      | <b><u>0</u></b>    |
| <br>   |                      |                    |
| Deferred tax has been provided at 22,0% corresponding to the current tax rate. |                      |                    |
| <b>Deferred tax asset</b>  |                      |                    |
| Calculated tax asset   | 3.005                | 0                  |
| <b>Carrying amount</b>   | <b><u>3.005</u></b>  | <b><u>417</u></b>  |

**9 Contingent liabilities****Operational leasing**

The company has operating leases on company cars with an annual lease payment in 2024 of TDKK 267k. The total lease obligation until the expiry of the contracts amounts to TDKK 1,654k.

**10 Related parties and ownership structure**

The following shareholder is listed as the ultimate parent company:

Zarges GmbH  
Zargesstrasse  
Weilheim  
Germany