

MyDefence A/S

Bouet Møllevej 5
DK-9400 Nørresundby

CVR no. 35 53 08 43

Annual report 2023

The annual report was presented and approved at
the Company's annual general meeting on

28 February 2024

Henrik Rossing Lønberg
Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report for MyDefence A/S for the financial year 1 January - 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position 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.

Nørresundby, 28 February 2024

Executive Board:

Dan Dejgård Sommerlund
Hermansen
CEO

Board of Directors:

Claus Christensen
Chairman

Aviad Matza

Hai Yehezkel

Karsten Anderskov Madsen

Ofer Kachan

Rasmus Hans Jensen

Tomer Avnon

Independent auditor's report

To the shareholder of MyDefence A/S

Opinion

We have audited the financial statements of MyDefence A/S for the financial year 1 January - 31 December 2023, comprising 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 Company's assets, liabilities and 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' 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.

Management's responsibility 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 that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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.

Independent auditor's report

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.

Aalborg, 28 February 2024

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Steffen S. Hansen

State Authorised Public Accountant

mne32737

Management's review

Company details

MyDefence A/S
Bouet Møllevej 5
DK-9400 Nørresundby

Telephone: 70 25 12 52
E-mail: info@mydefence.dk

CVR no.: 35 53 08 43
Established: 14 November 2013
Registered office: Aalborg
Financial year: 1 January - 31 December

Board of Directors

Claus Christensen, Chairman
Aviad Matza
Hai Yehezkel
Karsten Anderskov Madsen
Ofer Kachan
Rasmus Hans Jensen
Tomer Avnon

Executive Board

Dan Dejgård Sommerlund Hermansen, CEO

Audit

KPMG
Statsautoriseret Revisionspartnerselskab
Østre Havnegade 22D
DK-9000 Aalborg
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The Company's principal activity is to research in the field of wireless communication as well as to develop, produce and sell electronic equipment. MyDefence is specialised in providing equipment for drone surveillance and protection, also called anti-drone or C-UAS equipment.

Development in activities and financial position

The income statement for 2023 shows a profit of DKK 58.1 million against a profit of DKK 17.7 million last year, and the balance sheet at 31 December 2023 shows equity of DKK 97.1 million compared to DKK 39.0 million last year. The result follows the budget's stretch target, where a doubling of deliveries was set as the goal for 2023.

Completed development projects are included in the products for detection, mitigation and C2-systems. The carrying amount is DKK 39.6 million by 31 December 2023 and comprises of solutions for dismounted soldiers, armored vehicles, UAS and critical assets that are depreciated over 10 years. Management has high expectations for the future sales of the solutions and has not identified an indication of impairment in relation to the carrying amount.

Development projects in progress include development of new features, new major capabilities and new products. The relating expenses primarily consist of internal expenses, which are recorded through the Company's internal project module. The carrying amount totalled DKK 2.8 million at 31 December 2023.

The developments in 2022 gave significant advantages in the market during 2023 and resulted in significantly increased production capacity.

The development is expected to carry on in 2024 after which time marketing and selling efforts will be made. The new developments are expected to result in considerable competitive advantages and, hence, another significant increase in the level of activity and results of operations from 2024.

In the financial year 2023, the Company realised a profit before tax of DKK 73.8 million, which is significantly better than in 2022, and exceeds the Management's expectations. Due to increased sales cash resources in 2023 have been adequate to carry through operations and the planned activities in 2023. At 31 December 2023, cash at bank and in hand totalled DKK 26.5 million, and with considerable deliveries in November and December the receivables were 61.0 million including group entities. During 2023 the Company has paid out all loans to banks and credit institutions.

The budget for 2024 shows another increase in revenue and a profit before tax. The Company has brought a record number of orders into the 2024 orderbook to be delivered during the first 6 months. Management assesses that it is likely that a considerable portion of the existing sales pipeline will materialise into orders and thereby match the budget expectations.

With the current cash at hand, and inflow of cash from deliveries in the order book, cash resources for the year is considered adequate.

Events after the balance sheet date

In the first months of 2024, we have seen significant orders for protection of soldiers, critical assets and military installations as well as significant opportunities maturing rapidly. The rising number of conflicts and attacks on democracies around the world is expected to generate a considerable amount of deliveries in 2024, as well as new business in all segments.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2023	2022
Gross profit		103,477	43,941
Staff costs	2	-22,636	-15,231
Depreciation on property, plant and equipment and amortisation of intangible assets		-6,022	-5,063
Profit before financial income and expenses		74,819	23,647
Other financial income		753	326
Other financial expenses		-1,769	-1,144
Profit before tax		73,803	22,829
Tax on profit for the year	3	-15,697	-5,100
Profit for the year		58,106	17,729

Proposed profit appropriation

Reserve for development costs	-809	2,248
Retained earnings	58,915	15,481
	58,106	17,729

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
ASSETS			
Fixed assets			
Intangible assets	4		
Completed development projects		39,556	38,707
Acquired intangible assets		0	0
Development projects in progress		2,750	3,019
		<u>42,306</u>	<u>41,726</u>
Property, plant and equipment	5		
Fixtures, fittings, tools and equipment		1,559	503
Investments			
Equity investments in group entities	6	643	643
Total fixed assets		<u>44,508</u>	<u>42,872</u>
Current assets			
Inventories			
Raw materials and consumables		14,708	11,302
Receivables			
Trade receivables		21,326	15,713
Receivables from group entities		39,633	6,494
Receivables from associates		166	166
Other receivables		8,877	3,192
Prepayments		3,093	43
		<u>73,095</u>	<u>25,608</u>
Cash at bank and in hand		26,534	13,552
Total current assets		<u>114,337</u>	<u>50,462</u>
TOTAL ASSETS		<u><u>158,845</u></u>	<u><u>93,334</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		400	400
Reserve for development costs		15,378	16,187
Retained earnings		81,346	22,431
Total equity		97,124	39,018
Provisions			
Provisions for deferred tax		4,003	3,146
Total provisions		4,003	3,146
Liabilities other than provisions			
Non-current liabilities other than provisions			
Debt to credit institutions	7	0	12,380
Other payables, including taxes payable	7	973	726
		973	13,106
Current liabilities other than provisions			
Current portion of non-current liabilities		0	1,710
Prepayments received from customers		3,525	0
Trade payables		9,285	1,938
Other payables, including taxes payable	7	19,447	7,414
Deferred income		24,488	27,002
		56,745	38,064
Total liabilities other than provisions		57,718	51,170
TOTAL EQUITY AND LIABILITIES		158,845	93,334

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	<u>Contributed capital</u>	<u>Reserve for devel- opment costs</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	400	16,187	22,431	39,018
Transferred over the profit appropriation	0	-809	58,915	58,106
Equity at 31 December 2023	400	15,378	81,346	97,124

Financial statements 1 January – 31 December

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1 Accounting policies

The annual report of MyDefence A/S for 2023 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Omission of presentation of consolidated financial statements

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Foreign currency translation

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

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Fair value adjustments of derivative financial instruments that do not qualify for the hedge accounting are recognised in the income statement as net financials.

Certain combined contracts contain elements and characteristics of derivative financial instruments.

If the principal contract is a financial liability or a non-financial contract, the embedded derivative financial instruments are recognised and is measured at fair value on an ongoing basis.

Income statement

Revenue

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

Income from the sale of goods for resale and finished goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ®2020.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

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

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets and amortisation of grants.

Financial statements 1 January – 31 December

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1 Accounting policies

Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in subsidiaries and associates measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividend exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Intangible assets

Development projects

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 10 years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining term of the patent, and licences are amortised over the term of the licence, however not exceeding 3 years.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Other intangible assets

Other intangible assets acquired intangible rights, including software licences and distribution rights.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining term of the patent, and licences are amortised over the term of the licence, however not exceeding 3 years.

Financial statements 1 January – 31 December

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1 Accounting policies

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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

Investments

Equity investments in subsidiaries and associates are measured at cost. Dividends received that exceed accumulated earnings in the subsidiary during the period of ownership are accounted for as a reduction in the cost of acquisition.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in subsidiaries and participating interests (including associates) is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries. Indirect production overheads and borrowing costs are not recognised in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as the basis of interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable is impaired.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Financial statements 1 January – 31 December

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1 Accounting policies

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years, primarily grants to projects.

2 Staff costs

DKK'000	2023	2022
Wages and salaries	18,350	12,622
Pensions	4,073	2,400
Other social security costs	213	209
	<u>22,636</u>	<u>15,231</u>
Average number of full-time employees	<u>32</u>	<u>29</u>

Financial statements 1 January – 31 December

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3 Tax on profit for the year

DKK'000	2023	2022
Current tax for the year	15,200	5,100
Deferred tax adjustment for the year	857	-523
Adjustment of tax concerning previous years	-360	523
	<u>15,697</u>	<u>5,100</u>

4 Intangible assets

DKK'000	Completed development projects	Acquired intangible assets	Development projects in progress	Total
Cost at 1 January 2023	55,915	247	3,019	59,181
Additions	6,280	0	0	6,280
Transferred	269	0	-269	0
Cost at 31 December 2023	<u>62,464</u>	<u>247</u>	<u>2,750</u>	<u>65,461</u>
Amortisation and impairment losses at 1 January 2023	-17,208	-247	0	-17,455
Amortisation and impairment losses for the year on assets sold	-5,700	0	0	-5,700
Amortisation and impairment losses at 31 December 2023	<u>-22,908</u>	<u>-247</u>	<u>0</u>	<u>-23,155</u>
Carrying amount at 31 December 2023	<u>39,556</u>	<u>0</u>	<u>2,750</u>	<u>42,306</u>

Completed development projects

Completed development projects include the products Wingman, Watchdog, Wolfpack, Sparrow Eagle, Dobermann, Pitbull, Locus, Iris and Argos. The carrying amount represented DKK 39,556 thousand by 31 December 2023 and comprises ten products (three systems). The systems are amortised over 10 years.

Development projects in progress

Development projects in progress primarily include development and test of new products. The relating costs primarily consist of internal costs in the form of payroll costs and production overheads, which are recorded through the Company's internal project module. The carrying amount totaled DKK 2,750 thousand at 31 December 2023. The development of the systems is expected to be complete in 2024 after which time marketing and selling efforts will be made.

The new systems are expected to result in considerable competitive advantages and, hence, a significant increase in the level of activity and results of operations from 2024.

Management has high expectations for the future sales of the systems and has not identified an indication of impairment in relation to the carrying amount.

The development projects are partly financed by grants, amounting to DKK 22,588 thousand as of 31 December 2023, which is presented as deferred income in the financial statements.

The net value of the development projects amounted to DKK 19,716 thousand as of 31 December 2023.

Financial statements 1 January – 31 December

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5 Property, plant and equipment

	Fixtures, fittings, tools and equipment
DKK'000	
Cost at 1 January 2023	2,115
Additions	960
Cost at 31 December 2023	3,075
Depreciation and impairment at 1 January 2023	-1,194
Depreciation for the year	-322
Depreciation and impairment at 31 December 2023	-1,516
Carrying amount at 31 December 2023	1,559

6 Investments

Name/legal form	Registered office	Equity interest
Equity investments in group entities:		
MyDefence North America LLC	USA	100%

7 Non-current liabilities other than provisions

DKK'000	31/12 2023	31/12 2022
Debt to credit institutions:		
1-5 year	0	12,380
	0	12,380
Other payables, including taxes payable:		
0-1 year	19,447	7,414
1-5 year	0	726
>5 year	973	0
	20,420	8,140
Total financial debts	20,420	20,520

The financial debts are recognized in the balance sheet as follows:

Long-term debt	973	13,106
Short-term debt	19,447	7,414
	20,420	20,520

Financial statements 1 January – 31 December

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8 Contractual obligations, contingencies, etc.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 39 months and an average monthly lease payment of DKK 119 thousand, totaling DKK 4,660 thousand.

Collateral

As security for the Company's debt to banks and other credit institutions the Company has provided a security pledge for at total amount of DKK 11,056 thousand.

9 Related parties

Control

MyDefence A/S is part of the consolidated financial statements of Skylock Systems Ltd, Tsvi Bergman 20, Petah Tikva, Israel, which is the smallest group in which the Company is included as a subsidiary.