

# Zacco A/S

Central Business Registration no. 26 00 05 56

Arne Jacobsens Allé 15, 2300 Copenhagen, Denmark

**Annual report for January 2023 - March 2024**

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 11/10- 2024

Mikael Palade  
**Chairman of the 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 of Zacco A/S for the financial year 1 January 2023 - 31 March 2024.

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

Zacco A/S has changed its financial accounting year to April-March. In the transition to the new fiscal year, the current fiscal year has been extended by three months and thus includes 15 months from January 2023 to March 2024.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 March 2024 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January 2023 - 31 March 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

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

Copenhagen, 11 October 2024

### Executive Board

Antonio Marsico  
CEO

Therese Högberg  
CFO

### Board of Directors

Selva Selvaratnam  
Chairman

Gilbert Benjamin Kamieniecky

Federico Minoli

Roberta Vezzoli

Xiaojiao Ma

Casper Struve

Peter Storm

Anne Merete Kvistad Haugerud

## **Independent Auditor's Report**

### **To the shareholders of Zacco A/S**

#### **Opinion**

We have audited the consolidated financial statements and the parent company financial statements of Zacco A/S for the financial year 1 January 2023 – 31 March 2024 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 March 2024 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January 2023 – 31 March 2024 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 consolidated financial statements and the parent company financial statements" section of our report.

We are independent of the Group 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 consolidated financial statements and the parent company financial statements**

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or 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 consolidated financial statements and the parent company financial statements**

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and the parent 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Zacco A/S  
Annual report 2023/2024  
CVR no. 26 00 05 56

## **Independent Auditor's Report**

### **Statement on the Management's review**

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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 consolidated financial statements and the parent company 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.

Copenhagen, 11 October 2024

### **KPMG**

Statsautoriseret Revisionspartnerselskab  
Cvr. No. 25 57 81 98

Klaus Rytz  
State Authorised  
Public Accountant  
mne33205

Zacco A/S  
Annual report 2023/2024  
CVR no. 26 00 05 56

## Company information

### The Company

Zacco A/S  
Arne Jacobsens Allé 15  
2300 Copenhagen S

Telephone: +45 39 48 80 00  
Fax: +45 39 48 80 80  
Website: [www.zacco.com](http://www.zacco.com)

Central Business  
Registration No: 26 00 05 56  
Financial year: 1 January 2023 – 31 March 2024  
Registered in: Copenhagen

### Board of Directors

Selva Selvaratnam, Chairman  
Gilbert Benjamin Kamieniecky  
Federico Minoli  
Roberta Vezzoli  
Xiaojiao Ma  
Casper Struve, employee representative  
Anne Merete Kvistad Haugerud, employee representative  
Peter Storm, employee representative

### Executive Board

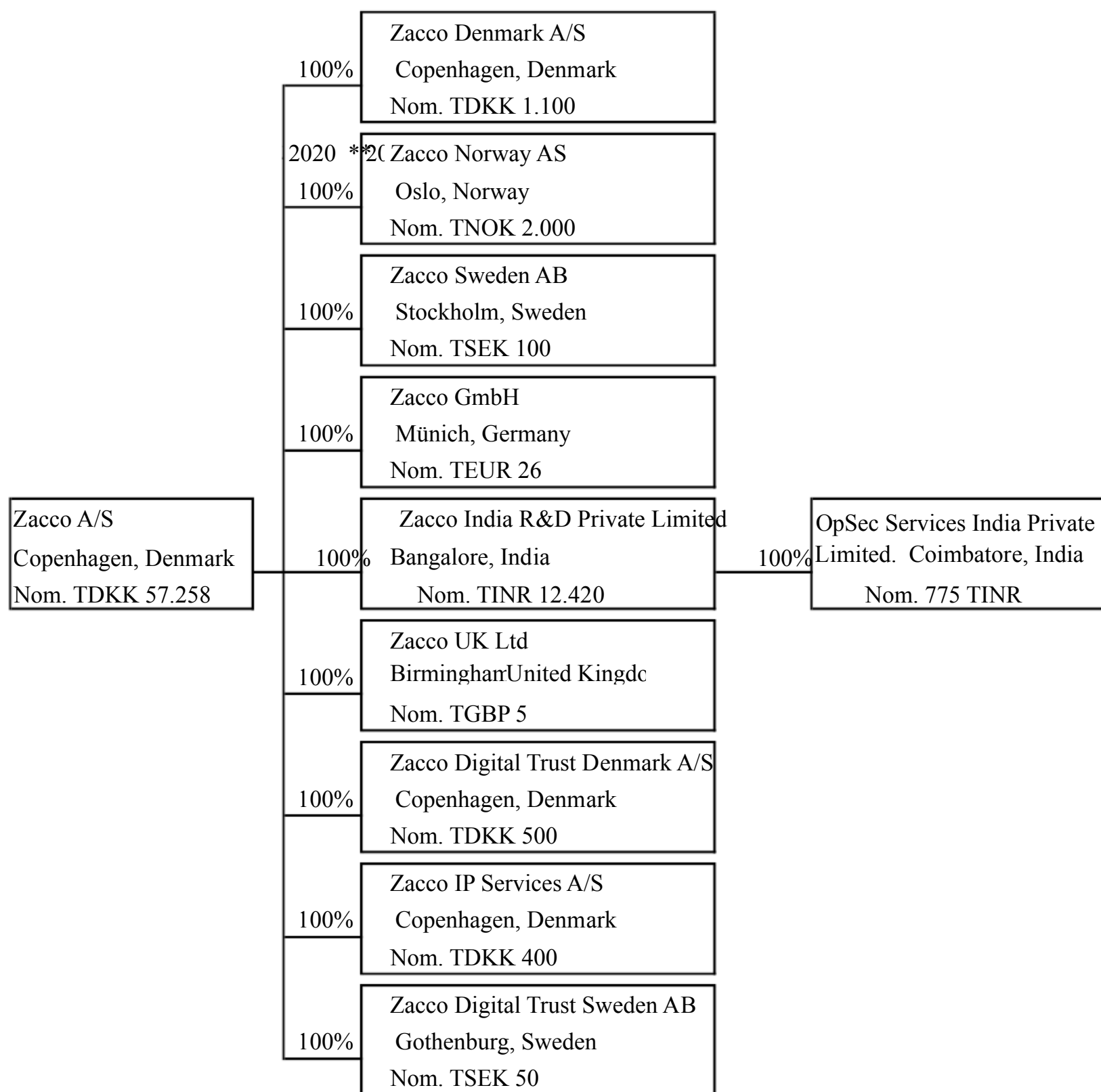
Antonio Marsico  
Therese Högberg

### Auditors

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 Copenhagen  
Registration No: 25 57 81 98

### Larger parent entity

Orca Holdings Limited  
Century Yard  
Cricket Square  
P O Box 1111  
Grand Cayman KY1- 1102  
Cayman Islands



Management review

Performance highlights

	2023/2024 *	2022	2021 *	2020 *	2019 *
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Key figures					
Financial performance					
Revenue	867.18	679.88	632.61	615.81	644.66
EBITDA	48.04	54.24	34.34	29.07	16.20
Profit before financial income and expenses	31.313	43.395	26.900	26.409	12.710
Net financial	782	-1.618	-2.26	-4.31	-3.43
Profit for the year	24.358	32.198	22.25	15.65	6.918
Balance sheet					
Balance sheet total	279.14	320.51	298.91	289.00	235.72
Investments in property, plant and equipment	1.520	2.913	1.349	2.204	4.661
Equity	156.36	201.388	171.298	148.21	116.078
Cash flows					
Cash flows from					
Operating activities incl. paid	18.57	9.904	-15.18	76.85	-1.17
Investing activities	-6.54	-6.12	-19.03	-10.51	-14.93
Financing activities	-64.00	4.933	71	16.33	2.63
Change for the year in cash and cash equivalents	-51.967	8.713	-33.506	82.673	-13.472
Average number of employees	473	509	475	494	490
Ratios in % *					
Gross margin	48,3%	51,6%	53,3%	53,7%	52,6%
Profit margin	3,6%	6,4%	4,3%	4,3%	2,0%
Return on asset	11,2%	13,5%	9,0%	9,1%	5,4%
Solvency ratio	56,0%	62,8%	57,3%	51,3%	49,2%
Return on equity	13,6%	17,3%	13,9%	11,8%	6,2%

Financial ratios are calculated in accordance with the guidelines "Recommendations & Ratios" issued by the Danish Institute of Financial Analysis

\*\*\*) Key figures have been adjusted.

## Management's review - operating review

### The legal structure

OpSec Security acquired Zacco A/S per 17th of April 2023. OpSec Security is the global leader in brand protection solutions and the intention of the combined business was to offer full lifecycle IP and brand optimization, monetization, protection solutions to some of the world's most recognized brands.

### Financial Year

Zacco A/S has changed its financial accounting year to April-March. In the transition to the new fiscal year, the current fiscal year has been extended by three months and thus includes 15 months from January 2023 to March 2024.

### The principal activities

Zacco is an international IP consultancy handling more than 250,000 active IP rights. Zacco provides diverse and class leading services within the extended IP field. Zacco is the clear market leader in Scandinavia and is positioned amongst the three largest IP companies in Europe, providing services from 28 offices in Sweden, Denmark, Norway, Germany, the UK and India, and subcontracting to international IP firms through an extensive global network with 200 preferred agents in more than 120 countries.

### Market overview

Zacco is a modern, full-service intellectual property consultancy building on more than 150 years' experience of innovative thinking. The company offers an all-encompassing 360° perspective on intellectual property: From patent filing, trademark registration and design protection to secure development, digital brand protection, digital threat intelligence, cyber security, innovation management and portfolio management. By combining the traditional IP disciplines with services within the space of cyber security space, digital threat intelligence, secure development and digital brands, Zacco is in a unique position to offer comprehensive support in developing, securing, monitoring, managing and enforcing all forms of intangible assets.

### Business development

Zacco has delivered stable results and growth during 2023/24. There has been a positive order and case inflow from new and existing clients.

Zacco has continued the work of upgrading our entire service offering, from identifying, managing and monitoring intangible assets to enforcing our clients' IP rights. The world is becoming increasingly digital, and so are the assets of our clients, so Zacco has a developed ambition to help our clients secure their assets in many forms.

Our digital platform IPview, has been further developed and met with much success. Its scope and functionality is appreciated by our clients and it has been the catalyst for a number of business development discussions with clients for Zacco to expand the services that we can offer them. Zacco has continued to invest in technology and process improvements and the continued rollout of IPview has meant that we have released additional or accompanying features.

While we leave the financial turbulence of the pandemic behind us, there remains a number of unpredictable issues, including ongoing conflicts, all of which have the potential to impact Zacco's clients. However, we continue to improve our financial position, improving our services and developing additional opportunities for growth. We remain ready to support our clients with the challenges they face, from intellectual property to cyber security.

In total, Zacco has approximately 450 employees in Sweden, Denmark, Norway, Germany, UK and India. Zacco is, as always, interested in attracting and retaining talented employees.

## Management's review - operating review

### Development in activities and financial position

Zacco A/S and all subsidiaries have changed the financial year to 31 March and therefore we apply an extended financial year from 1 January 2023-31 March 2024.

Revenue in January 2023-March 2024 increased by 27% (15 months), compared with a revenue increase of 7% in 2022 and 3% in 2021. EBIT full year January 2023-March 2024 was DKK 31.3 million, compared to DKK 44.9 million in 2022 and DKK 18.6 million in 2021. EBT in January 2023-March 2024 was DKK 32.1 million, a decrease from DKK 43.3 million the preceding year. During the period April 2023 to March 2024 there has been extraordinary cost of DKK 18.3 million related to the merge with OpSec and listing process on Nasdaq US. The changed policy to capitalize R&D cost effect the EBT by DDK 6.7 million in January 2023- March 2024.

The revenue and EBIT January 2023-March 2024 was lower than budget due to; that the daily operational business in Zacco during 2023 was impacted by the OpSec transaction and extraordinary cost caused by this transaction and the listing process, general slow-down in the market during 2023 and headwind in currency.

Cash at bank and in hand has decreased from DKK 72.5 million to DKK 20.6 million between March 2024 and December 2022. Zacco A/S has paid a dividend to Orca Bidco of 64,0 MDKK in March 2024.

Zacco has a plan for the coming financial year April 2024-March 2025 to achieve turnover between DKK 737.0 million and DKK 768.0 million, representing a growth between 8% and 12%, and EBITDA between DKK 72.0 million of DKK 80.0 million.

### Correction of prior period errors

Management has identified an error in respect of capitalization of intangible assets and respective deferred tax liabilities in the previously presented annual reports. Please refer to the accounting policies for further details.

Following OpSec Security acquisition of Zacco A/S cost incurred in connection with internally generated intangible assets have been capitalized. The correction has led to decrease in the result for 2022 with DKK 1,2 million and January 2023-March 2024 with DKK 6.7 million. Total assets increased in 2022 with DKK 20.4 million and per March 2023 with DKK 11,8 million.

### Events after the balance sheet date

On May 3, 2024, Crane NXT (NYSE: CXT) completed the acquisition of OpSec Security. Ahead of the transaction, Zacco was carved out of the OpSec group and now operates independently under the majority ownership of Investcorp. With the strength and backing of Investcorp, Zacco remains committed to delivering and expanding our comprehensive range of intellectual property solutions and services. Building on our 150-year legacy, we are well-positioned to advance our pioneering approach to intellectual property and drive accelerated growth.

## Intellectual capital

Zacco's business is, to a large degree, a people's business. Retaining and attracting the right people with the right skills, competences, knowledge, commitment and customer relations are the most important intellectual capital resources in the business. As an established business, operating for more than 150 years, Zacco has a comprehensive network of domestic and international customers and business partners.

## Particular risks

### Operating risks

The Company's business area is the provision of diverse consulting services within IP and, for this reason, the Company's most important and exposed resource is continued access to talent.

Zacco has invested in developing a new world-class platform, but improvements to IT infrastructure, data systems and processes are still necessary to ensure seamless and efficient operations.

## Financial risks

### Currency exposure

Zacco has considerable trade with other countries. The major currency exposure is in the following currencies between DKK and SEK, NOK, INR, EUR, GBP and USD.

## Management's review - Corporate Social Responsibilities

### Interest rate risk

The Company is not exposed to any material interest rate risk.

### Market risks

Zacco operates in a growing, evolving market and our position as an international, dynamic and market-oriented organization ensures we are in a good position to adapt to most changes. Globalization has resulted in the long term trend of legislation becoming more and more harmonized, e.g. Unitary Patents, which add pressure and increase competition as the need for local agencies will be reduced.

### Credit risks

The Group's policy of assessment of credit risks results in current credit assessments of large customers and trading partners. By the end of March 2024, no significant credit risk has been noted.

### Corporate social responsibility

Corporate social responsibility forms an integral part of the Zacco group core values and is embedded in the way we carry out business, in both domestic and international settings. In connection with the Danish Statements Act § 99a, the management will report on matters in relation to its corporate social responsibility. Zacco's focus areas for corporate social responsibility are environmental and climate issues, human rights, and equal rights and opportunities for all.

### Business Model

Zacco specializes in protecting a range of tangible and intangible assets; from ideas, visions, data, know-how and trade secrets to intellectual property rights such as patents and trademarks, among others. We rely on the four guiding steps: We identify, manage, monitor, and then enforce when necessary. Zacco provides its services using professional staff in Europe or India and our clients and customers are primarily based in Scandinavia and Germany, but also spread across several other countries. The services are often delivered in cooperation with a global network of preferred agents.

### Environmental and climate matters

Zacco believes that businesses are responsible for maintaining good environmental practices and to operate in a sustainable manner.

Zacco's risks related to Environment and Climate relates mainly to energy consumption and use of materials. We are therefore committed to reducing our environmental impact and continually improving our environmental performance as an integral and fundamental part of our business strategy and operating methods. Zacco continues to establish office locations, both within and beyond Europe, potentially resulting in additional travel and its associated emissions. It has always been our ambition to limit air travel wherever possible, choosing to rely on meetings via phone or video. During the covid-19 pandemic, travelling decreased and meetings held by video or phone become widespread, our plan has been to continue to limit travel, choosing instead to conduct meetings by video or phone. The strategy for Zacco moving forward is to continue our efforts to reducing our environmental impact and improving our environmental performance.

Our policy is to

- Wholly support, comply with or exceed the requirements of current environmental legislation and codes of practice
- Minimize our waste and reuse or recycle as much of it as possible
- Strive to minimize printing
- Use, as far as possible, electronic communication when we communicate with clients, agents and authorities
- Encourage clients and agents to use electronic communication when communicating with Zacco
- Strive to recycle and possibly reuse electronics and other equipment
- Minimize energy and water usage in our buildings, vehicles and processes in order to conserve supplies, and minimize our consumption of natural resources, especially where they are non-renewable
- Apply the principles of continuous improvement in respect to air, water, noise and light pollution from our premises and reduce any impacts from our operations on the environment and local community

## Management's review - Corporate Social Responsibilities

Our policy is to

- As far as possible, purchase products and services that do minimal damage to the environment and encourage others to do the same
- Assess the environmental impact in advance of any new processes or products we intend to introduce.

The Zacco Management Team is responsible for environmental management and performance and the integration of sustainable development within Zacco. All employees share this responsibility and are supported by key staff to help promote best practice, continual improvement and to monitor performance.

During the last year, main parts of the Zacco organization has been deeply involved in various transactions (including the sale of Zacco and the subsequent sale of our owner). This has heavily reduced the resources for taking and measuring actions to improve our environmental footprint. We have focused on the areas where it can have the greatest impact and one such area is our office leases. We are happy to report that our landlord of Zacco's head-office in Copenhagen are ISO 14001 Certified and recently got upgraded to DGNB certification Platinum.

### Human rights

Zacco follows and respects the UN Global Compact initiative as well as the UN Universal Declaration of Human Rights. We implemented a group common Anti-Harassment and non Discrimination Policy in order to give equal rights and opportunities. Twice a year we perform an Employee Satisfaction Survey with standard questions regarding job satisfaction and associated free text fields. The data collection and compilation are made by a third party to ensure anonymous handling. Each survey we have a special focus area and we have had discrimination & harassment as a specific area to get input from all employees. We are also supporting Star For Life Ukraine in their work with Human Rights with a focus on children rights by investing in the future of countless children, empowering them with education and technology.

### Employee conditions and social matters

Zacco is influenced by the Scandinavian working culture, as most of our offices are placed in Scandinavia and Northern Europe. This means that we have a flat organizational structure and that future employees should expect to be involved "from day one". We believe in

freedom under responsibility and support flexibility in the job as long as it goes both ways. We also encourage competency development in order for our employees to stay up-to-date with changes in the industry and continue to improve their skills.

Zacco has high ambitions with regard to employee conditions, employee benefits for example in connection with long-term illness, and pregnancy should be more generous than the local legislation. Responsibility for workplace health and safety is handled by a representative from the Zacco Management Team and local workplace health and safety employee representatives.

Zacco works proactively to create a good physical and psychological work environment. As mentioned Employee Satisfaction Surveys are carried out twice a year and participation in these surveys is above 80%. In 2023/2024 we had physical and psychological work environment as focus area. Our overall process when the data is collected and compiled follow these steps:

- Each regional director get the regional results and the team managers get the team results.
- The results is presented at regional all staff meetings and in respective team meetings.
- HR Director and HR-responsible check that feedback is given.
- Each region decides how to bench-mark team by team and development over time.
- If serious issues or feedback arises that is handled case by case by HR Director and if relevant together with HR-responsible/regional director/CEO/COO or Zacco Management Team-representative.

The employee turnover is also measured and analyzed in all parts of the Zacco Group. During recent years, turnover has remained stable. Zacco has implemented all applicable labour and health and safety laws and we strive to present all employees with the opportunities and training to continually develop their capabilities and skills.

## Management's review - Corporate Social Responsibilities

After the Covid 19 pandemic Zacco offices continue to be our primary place of work but recent global events and rapid advances in technology have led the transition to more flexible working environments. Zacco supports flexibility in the workplace and we recognize that the possibility to work from outside of the office may sometimes be necessary, as well as contributing to a healthy work/life balance. We have a common group policy that in the guideline part highlights that Zacco encourages all employees to remain vigilant and use caution when working remotely.

In 2023, and in compliance with the EU Whistleblowing Directive, Zacco has implemented a whistleblower function.

### Anti-corruption and anti-bribery

Zacco believes that sustainable success in business is only possible where there is free and fair competition. Based on these fundamental principles and our legal obligations, Zacco has a policy not to tolerate any form of corruption or bribery and the overall objective is to prevent any officer, director, agent or person performing services for our company, or in its name, from giving or receiving bribes of any kind. Zacco shall conduct its business in full legal compliance wherever it operates and Zacco has zero tolerance for corruption, whether public or private, whether direct or indirect. Zacco strives to continue applying said policy.

The main risks with regard to corruption and bribery are in contacts with government officials in countries where Zacco operates. Since Zacco has limited large-scale procurement and because Zacco apply a strict quality standard, including a four eyes principal in all case-handling the risk for Zacco employees receiving bribes is small. No events in relation to anti-corruption and bribery have been identified during the fiscal year.

### Goals and policies for the underrepresented gender

By having a diverse management composition Zacco aims to increase work quality and interaction within the management team. In connection with the Danish Statements Act § 99b Zacco has set the following diversity objectives, which are reviewed once per year.

At least 25% of the board members elected at the General Meeting should be women. Today 3 out of 8 board members (including employee representative) is female. During the last years, Zacco aimed to increase female representation through active recruitment of female board members. The goal that at least 25% of board members should be female to be achieved no later than 2024 and the board encourage shareholders to nominate female candidates to the upcoming election of the board have been reached. Today 38% of the board members (including employee representatives) are women.

43% of managers at all levels in Zacco are women, representing an increase since last year 39 %. The general ambition however, is to increase the proportion of women in managerial positions. In recruitment and promotion processes it is Zacco's ambition to further increase the number of female managers. This will be done through stronger encouragement to female employees to apply for management roles.

Zacco will continue to have generous policies with regard to parental leave, flexible working hours and working from home. This gives all employees the possibility to achieve a good work-life balance as well as being important contributors to Zacco's continued success.

Danish Statements Act § 99b	Board of directors (not including employee representatives)	Other management Executive board	Management team
	2023/2024	2023/2024	2023/2024
Total numbers of members	5	2	14
Underrepresented gender in %	40 %	50 %	21 %
Target number in %	25 %	25 %	25 %
Year target number is fulfilled	2024	2021	2025

## Management's review - Corporate Social Responsibilities

### Data ethics

At Zacco, we take data ethics seriously and have a number of policies as guidelines:

- Ownership – it is the client or individual who owns their data
- Security and Confidentiality – we shall maintain a high level of security and confidentiality in order not to comprise the data of our clients and other stakeholders.
- Trust – it is not just about knowing what you are doing with data at any given moment, but rather understanding what is happening with it and how it is being respected across the entirety of the lifecycle.
- Accountability - make data ethics part of the day to day business for the whole organization, not just the data specialists

In practice this means that we try to make sure that our processes and systems have been and will be set up in a way that respects the individual rights to privacy and autonomy. When deemed appropriate (and in line with prevailing legislation) we obtain consent for data collection and use of data. We publish our privacy policies and aim for transparency about data practices. We always aim for handling all data in a way to mitigate the risk of harm and discrimination and to make sure all our staff is also aware of these important matters.

As examples of our committed work to data ethics and security we can mention the following.

### Security

An important part of data ethics is to make sure all our data are handled and stored in a secure way. Our security processes and organizational measures are regularly tested to assess their effectiveness and all controls are regularly reviewed and adjusted to ensure they remain fit for purpose in maintaining a consistently high level of protection. Such procedures and processes govern all of our operations. We limit access only to areas required for an employee to complete tasks associated with their role, we conduct regular reviews of system access lists and we implement immediate termination of access for personnel who no longer require it. We also employ minimum complexity and strength requirements for user credentials, Multi-Factor Authentication (MFA) and the use of industry standard levels of encryption.

The data of every client who has allowed their confidential information to be accessible via the cloud is kept separate from the data of other clients or customers. Access is restricted, monitored and logged, irrespective of who is accessing the system. Our Cyber Defence

Centre (CDC) continuously monitors all incoming, outgoing and internal data traffic, as part of protecting our network infrastructure and communications. With the use of end point detection and response tools and user behavior analytics our CDC are able to quickly respond to any ongoing threats. Our CDC is ISO certified for ISO 27001: Information Security, ISO 27701: Privacy Information and ISO 22301: Business Continuity Management Systems.

Zacco employees receive regular training and updates on organizational policies and procedures as part of our program called BeAware. This includes security requirements and education as well as training on the correct use of information-processing facilities.

All decisions regarding data ethics and security are anchored within our corporate management who continuously monitor the subject and if needed, amend and update the policies.

#### Privacy

Privacy is a critical aspect of our operations and we are committed to securing personal information. Aside from securing data digitally within our systems, we also have robust policies and processes in place to ensure that all information is handled in adherence to regulatory requirements.

We have a Data Protection Policy in order to establish an internal control system containing legally binding principles for the processing of all Personal Data within Zacco group of companies in accordance with the EU General Data Protection Regulation 2016/679 (GDPR).

A written contract in the form of a Data Protection Agreement is entered into when Zacco is processing Personal Data and similarly, a Data Protection Agreement is entered into when someone else is processing Personal Data on behalf of Zacco.

If there is a transfer of Personal Data from Zacco to a country outside the EEA not recognised by the EU Commission as ensuring an adequate level of protection, we provide appropriate safeguards by entering into an EU Standard Contractual Clauses (SCC).

#### Management's review - Corporate Social Responsibilities

When we act as processor, we keep the Personal Data confidential and ensure that anyone allowed to process Personal Data is committed to confidentiality. We only make Personal Data available to employees who actually need the Personal Data to perform services and we implement appropriate technical and organizational security measures.

We have procedures in place in the unlikely event of a breach of Personal Data and we have an appointed Data Protection Officer.

#### Correction of prior period errors

Management has identified a material error in respect to the capitalization of intangible assets and respective deferred tax liabilities in the previously presented annual reports. Please refer to the accounting policies for further details.

## Income statement 1 January 2023 to 31 March 2024

	Note	Group		Parent Company	
		2023/2024 DKK '000	2022 DKK '000	2023/2024 DKK '000	2022 DKK '000
Revenue	1	867.184	679.882	-	-
Own work capitalized	10	4.522	5.798	-	-
Cost of sales		-360.799	-264.165	-	-
Other external expenses		-91.917	-70.983	-7.731	-4.176
Gross profit		418.991	350.532	-7.731	-4.176
Staff costs	2	-370.951	-297.197	-7.810	-536
Other operating income	3	-	907	-	-
Amortisation and depreciation	4	-16.727	-10.847	-284	-440
Result before financial income and expenses		31.313	43.395	-15.825	-5.152
Result from investments in subsidiaries	5	-	-	36.652	35.169
Financial income	6	28.397	18.795	15.168	10.110
Financial expenses	7	-27.615	-20.413	-15.210	-10.198
Result before tax		32.095	41.777	20.785	29.929
Tax on profit for the year	8	-7.737	-9.579	3.573	2.269
Profit / (Loss) for the year		24.358	32.198	24.358	32.198

## Balance sheet

	Note	Group		Parent Company	
		2023/2024	2022	2023/2024	2022
		DKK '000	DKK '000	DKK '000	DKK '000
<b>Assets</b>					
Goodwill		1.771	2.631	-	-
Customer rights (badwill)		-	614	-	-
Development projects		11.780	20.378	-	-
Intangible assets	10	<u>13.551</u>	<u>23.623</u>	-	-
Other fixtures and fittings, tools and equipment		3.904	4.852	350	634
Property, plant and equipment	11	<u>3.904</u>	<u>4.852</u>	<u>350</u>	<u>634</u>
Investments in subsidiaries		-	-	208.181	176.849
Deposits		3.803	3.856	-	-
Other investments		1.826	1.823	1.813	1.813
Fixed asset investments	12	<u>5.629</u>	<u>5.679</u>	<u>209.994</u>	<u>178.662</u>
Fixed assets		<u>23.084</u>	<u>34.154</u>	<u>210.344</u>	<u>179.296</u>
Trade receivables		164.101	162.979	-	-
Contract work in progress	13	31.134	33.414	-	-
Receivables from group enterprises		5.446	-	23.986	19.362
Receivables, joint tax contribution		-	-	2.054	2.378
Other receivables		19.170	6.116	13.316	26
Deferred tax asset	14	6.161	4.212	3.909	2.390
Prepayments	15	9.487	7.107	1.565	1.154
Receivables		<u>235.499</u>	<u>213.828</u>	<u>44.830</u>	<u>25.309</u>
Cash at bank and in hand	16	<u>20.564</u>	<u>72.530</u>	<u>468</u>	<u>5.020</u>
Total current assets		<u>256.063</u>	<u>286.358</u>	<u>45.299</u>	<u>30.330</u>
Assets		<u>279.147</u>	<u>320.512</u>	<u>255.643</u>	<u>209.626</u>

## Balance sheet

	Note	Group		Parent Company	
		2023/2024	2022	2023/2024	2022
		DKK '000	DKK '000	DKK '000	DKK '000
<b>Equity and liabilities</b>					
Share capital		57.258	57.302	57.258	57.302
Reserve for own equity investments		-	-	14.210	58.974
Retained earnings		90.911	144.086	76.701	85.112
Proposed dividends		8.200	-	8.200	-
Equity	17	<u>156.369</u>	<u>201.388</u>	<u>156.369</u>	<u>201.388</u>
Pension commitments	18	2.343	2.189	-	-
Other provisions	12	-	-	1.545	1.712
Provisions		<u>2.343</u>	<u>2.189</u>	<u>1.545</u>	<u>1.712</u>
Credit institutions	19	-	-	14.701	-
Prepayments received from customers	13	11.596	12.466	-	-
Trade payables		39.888	34.586	1.249	1.550
Payable to group enterprises				77.919	-
Income taxes		5.585	413	-	-
Deferred tax		2.592	4.483	-	-
Other payables	20	<u>60.774</u>	<u>64.987</u>	<u>3.859</u>	<u>4.976</u>
Current liabilities		<u>120.435</u>	<u>116.936</u>	<u>97.728</u>	<u>6.526</u>
Liabilities other than provisions		<u>120.435</u>	<u>116.936</u>	<u>97.728</u>	<u>6.526</u>
Equity and liabilities		<u>279.147</u>	<u>320.512</u>	<u>255.643</u>	<u>209.626</u>
Contractual obligations, contingencies,	21				
Fees to auditors appointed at the General Meeting	22				
Related parties and ownership	23				

## Equity statement

Equity - Group	Share capital	Retained earnings	Total
	DKK '000	DKK '000	DKK '000
Equity at 1 January 2023	57.302	128.191	185.493
Correction of prior period error		15.895	15.895
Adjusted equity at 1 January 2023	57.302	144.086	201.388
Capital decrease	-44	44	-
Purchase of treasury shares warrants	-	-254	-254
Exchange adjust. foreign entities	-	-5.542	-5.542
Exchange adjust. on profit for the year	-	419	419
Dividends distributed	-	-64.000	-64.000
Profit for the year	-	16.158	16.158
Proposed dividends for the financial year	-	8.200	8.200
Equity at 31 March 2024	57.258	99.111	156.369

Equity - Parent company	Share capital	Reserve for net revaluation under equity method	Retained earnings	Total
	DKK '000		DKK '000	DKK '000
Equity at 1 January 2023	57.302	58.974	69.217	185.493
Correction of prior period error	-	-	15.895	15.895
Adjusted equity at 1 January 2023	57.302	58.974	85.112	201.388
Capital decrease	-44	-	44	-
Dividends distributed	-	-64.000	-	-64.000
Purchase of treasury shares warrants	-	-	-254	-254
Sale of treasury shares	-	-	-	-
Exchange adjust. foreign entities	-	-5.542	-	-5.542
Exchange adjust. on profit for the year	-	419	-	419
Profit for the year	-	24.359	-8.200	16.159
Proposed dividends for the financial year	-	-	8.200	8.200
Equity at 31 March 2024	57.258	14.210	84.901	156.369

## Cash flow statement 1 January to 31 March

	Note	2023/2024 DKK '000	2022 DKK '000
Profit for the year		24.358	32.198
Adjustments	24	19.187	13.406
Change in working capital	25	<u>-19.349</u>	<u>-30.650</u>
Cash flows from operating activities before net financials		24.196	14.954
Interest income and similar		28.397	17.744
Interest expenses and similar		<u>-27.615</u>	<u>-19.366</u>
Cash flows from ordinary activities		24.979	13.332
Paid/repaid Income taxes		<u>-6.405</u>	<u>-3.428</u>
Cash flows from operating activities		<u>18.573</u>	<u>9.904</u>
Purchase of Goodwill	10	-	-14
Purchase of R&D cost	10	-4.852	-5.798
Purchase of property, plant and equipment	11	-1.520	-2.913
Purchase of shares		-	-1.815
Increase/decrease in deposits	12	-168	-440
Sale of fixed assets		-	27
Sale of shares		<u>-</u>	<u>4.829</u>
		<u>-6.540</u>	<u>-6.124</u>
Dividend paid		-64.000	-
Treasury shares, net		-	-9
Capital increase	17	<u>-</u>	<u>4.942</u>
Cash flows from financing activities		<u>-64.000</u>	<u>4.933</u>
Increase in cash and cash equivalents		-51.967	8.713
Cash and cash equivalents at 1 January		<u>72.530</u>	<u>63.817</u>
Cash and cash equivalents at 31 March		<u>20.564</u>	<u>72.530</u>

Changes in balance sheet items, presented in the cash flow statement, cannot be derived directly from the balance sheet, as the effects of currency translation and changes in the consolidated Group are noncash transactions and are therefore eliminated.

NOTES to Annual report

Accounting policies

The Annual report of Zacco A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large companies of reporting class C.

The Annual Report for January 2023-March 2024 has been prepared in DKK 1,000.

Zacco A/S has changed its financial accounting year to April-March. In the transition to the new fiscal year, the current fiscal year has been extended by three months and thus includes 15 months from January 2023 to March 2024.

Correction of prior period errors

In the annual report for 2022 the income statement as well as the balance sheet was shown incorrectly related to capitalized costs incurred in connection with internally generated intangible assets, which have been corrected this year.

The corrections are stated below:

Correction due to accounting error P&L	2022 Annual Report 2023/2024	Correction	2022 Annual report 2022
Own work capitalized	5.798	5.798	-
Depreciation, amortization and impairment losses	-10.847	-7.324	-3.523
Tax on profit/loss for the year	-9.579	336	-9.915

Correction due to accounting error Balance sheet Group	2022 Annual Report 2023/2024	Correction	2022 Annual report 2022
<b>Assets</b>			
Intangible assets:			
Cost accumulated 31/12 2021	25.837	25.837	
Cost 2022	5.798	5.798	-
Depreciations accumulated 31/12 2021	-3.933	-3.933	
Depreciations 2022	-7.324	-7.324	-
<b>Liabilities</b>			
Deferred tax	4.483	4.483	-
<b>Equity</b>			
Retained earnings	144.086	15.895	128.191

Correction due to accounting error Balance sheet Parent	2022 Annual Report 2023/2024	Correction	2022 Annual report 2022
<b>Assets</b>			
Investments in subsidiaries	176.849	15.895	160.954
<b>Equity</b>			
Retained earnings	85.112	-15.895	69.217

Besides this, the accounting policies used in the preparation of the consolidated financial statements and parent company financial statements are consistent with those of last year.

## Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Zacco A/S, and subsidiaries in which Zacco A/S directly or indirectly holds more than 50% of the votes or in some other way exercises control over. Entities in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are considered associates. A group chart is included on page 6 and 35.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Equity investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

## Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) is recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently treated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

## 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.

Upon recognition of foreign subsidiaries and associates that are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Upon recognition of foreign subsidiaries that are integrated entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

## Income statement

### Revenue

Revenue equals the selling price of work completed for the year. The completion of the individual projects often covers several financial periods and there the percentage-of-completion method is applied for the recognition of income. Accordingly, the profit on work performed is recognised as income on a pro rata basis concurrently with finalisation.

### Cost of sales

Cost of sales comprises costs (official fees, agent fees etc.) incurred to generate revenue for the year. This item also comprises out of pocket expenses paid by Danish and foreign employees and charges to public authorities.

### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc. Other external costs also include development costs that do not qualify for capitalisation.

### 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. Allocation to Group companies is deducted from staff costs.

### Other operating income

Other operating income comprises goodwill and items secondary to the activities of the entity.

### Other operating costs

Other operating costs comprise items secondary to the activities of the entity.

### Income from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

### 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 group entities measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

#### Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation 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, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

## Balance sheet

### Intangible assets

#### Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. The maximum amortisation period is between 5 and 25 years and longest for strategically acquired entities with a strong market position and long-term earnings profile.

#### Research and development expenses

Expenses on research activities are recognized in the statement of profit and loss and other comprehensive income as an expense as incurred.

Expenses on development activities are capitalized if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenses attributable to the intangible asset during its development.

This is recognized as Capitalized Development expenditure and is stated at cost less accumulated amortization and less accumulated impairment losses. Development activities involve a plan or design for the production of new or substantially improved products or processes. Other development expenses are recognized in statement of profit and loss as an expense as incurred.

Capitalized development costs are amortized on a straight-line basis over 3 years.

#### Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures, fittings and equipment	3-5 years
Computer, hardware and software	3 years
Leasehold improvements	5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

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

#### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and 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.

#### Equity investments in group entities

Equity investments in group entities are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by an amount equivalent to the negative net asset value. To the extent that the negative net asset value exceeds the receivable, the residual amount is recognised as provisions.

Net revaluation of equity investments in group entities is tied as a net revaluation reserve under equity according to the equity method to the extent that the carrying amount exceeds cost. Dividends from group entities expected to be adopted in the group entities prior to the approval of the Company's annual report, are not tied up in the revaluation reserve.

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired

#### Contract work in progress

Contract work in progress are measured at the selling price of the work performed less progress billings and expected losses. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual construction contract. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual construction contract.

When the selling price of a contract work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual contract work in progress is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise the total of contract work in progress where the selling price of the work performed exceeds progress billings. Net liabilities comprise the total of construction contracts where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

#### Prepayments

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

#### Cash and cash equivalents

Cash and cash equivalents comprise cash.

## Equity

### Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

### Net revaluation reserve according to the equity method

Net revaluation reserve according to the equity method comprises net revaluation of equity investments in subsidiaries in proportion to cost.

### Pension obligations and provisions

To the extent that pension obligations are not covered by insurance, they are recognised in the balance sheet as provisions. The calculation of the liability is based on actuarial computations or on the capitalised values.

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

### Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. 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.

Other liabilities are measured at net realisable value.

### 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 based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the 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 carry forwards, 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.

### Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

## Cash flow statement

The cash flow statement shows the company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

### Cash flows from operating activities

Cash flows from operating activities are calculated as the Company's share of profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

### Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

### Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's share capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

## Financial ratios

Financial ratios are calculated in accordance with the guidelines "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

The financial ratios have been calculated as follows:

EBITDA = Earnings before interests, tax, depreciations and amortisations

Gross margin =  $\frac{\text{Gross profit} \times 100}{\text{Revenue}}$

Profit margin =  $\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$

Return on net assets =  $\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$

Solvency ratio =  $\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$

Return on equity =  $\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

## Notes to the annual report

### 1 Segment reporting

Geographical markets	Group	
	2023/2024	2022
Revenue	DKK '000	DKK '000
Denmark	245.333	187.061
Sweden	432.601	332.527
Norway	128.854	114.549
India	31.322	29.172
Great Britain	9.174	4.073
Germany	19.900	12.500
Operating activities	867.184	679.882

In accordance with the Danish Financial Statements Act Section 96.1, Zacco has chosen not to report on segment based on different services Zacco deliver to its customers. It is Zacco's opinion that such reporting will give competitors extensive advantages in tender processes and other competitive situations. This will have negative impact on Zacco's possibilities to compete on the market.

### 2 Employees

	Group		Parent Company	
	2023/2024	2022	2023/2024	2022
	DKK '000	DKK '000	DKK '000	DKK '000
Salaries	301.841	241.642	25.446	15.642
Pensions	23.257	17.914	190	217
Other social security costs	45.853	37.641	1.081	942
Allocation to other Group companies	-	-	-18.907	-16.265
	370.951	297.197	7.810	536
Remuneration for Executive Directors	8.292	13.124	6.405	10.836
Remuneration for Board of Directors	-	520	-	475
Average number of employees	473	509	10	13

## Notes to the annual report

### 3 Other operating income

Other operating income in 2022 of 0,9 MDKK includes revenue regarding investment grant received in connection with moving to new office premises in Sweden.

	Group		Parent Company	
	2023/2024	2022	2023/2024	2022
	DKK '000	DKK '000	DKK '000	DKK '000
4 Amortisation, depreciation and write-down				
Goodwi	816	673	-	-
Development costs	13.120	7.324	-	-
Customer rights	634	614	-	-
Other fixtures and fittings, tools and equipment	2.154	2.263	284	440
Profit/loss on disposal of fixtures	3	-27	-	-
	<u>16.727</u>	<u>10.847</u>	<u>284</u>	<u>440</u>

### 5 Income from investments in group entities

	Parent Company	
	2023/2024	2022
	DKK '000	DKK '000
Result subsidiaries	36.261	32.729
Amortisation of goodwill	810	-673
Exchange adjust. on profit for the year	-419	3.113
	<u>36.652</u>	<u>35.169</u>

	Group		Parent Company	
	2023/2024	2022	2023/2024	2022
	DKK '000	DKK '000	DKK '000	DKK '000
6 Financial income				
Interests on cash & bank deposits	2.377	439	1.610	160
Interest income from group companies	1.851	-	2.477	980
Exchange adjustments	24.169	16.458	11.081	7.072
Other financial income	-	1.898	-	1.898
	<u>28.397</u>	<u>18.795</u>	<u>15.168</u>	<u>10.110</u>

## Notes to the annual report

7 Financial expenses	Group		Parent Company	
	2023/2024	2022	2023/2024	2022
	DKK '000	DKK '000	DKK '000	DKK '000
Exchange adjustmen	24.755	18.747	12.835	9.101
Instruments of debt and credit institut	1.221	308	727	202
Interest expenses to group compan	-	-	1.398	473
Other financial expenses	1.635	1.358	251	422
	<u>27.615</u>	<u>20.413</u>	<u>15.210</u>	<u>10.198</u>

8 Tax on profit for the year	Group		Parent Company	
	2023/2024	2022	2023/2024	2022
	DKK '000	DKK '000	DKK '000	DKK '000
Current tax for the year	-10.853	-5.915	2.054	2.378
Deferred tax for the year	3.899	-3.677	1.519	-1.122
Adjustment of tax regarding previous years	-783	13	-	1.013
	<u>-7.737</u>	<u>-9.579</u>	<u>3.573</u>	<u>2.269</u>

9 Proposed distribution of profit:	Parent Company	
	2023/2024	2022
	DKK '000	DKK '000
Proposed dividends for the financial year	8.200	-
Retained earnings	-20.494	-2.971
Reserve for net revaluation according to the equity m	36.652	35.165
	<u>24.358</u>	<u>32.198</u>

## Notes to the annual report

### 10 Intangible assets

	Group				
	Goodwi	Customer rights (badwill)	Developm ent	2023/2024 Tota	2022 Tota
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Cost at 1 January	22.334	1.843	31.635	55.812	25.612
Correction of prior period error	-	-	-	-	25.837
Adjusted cost at 1 January	22.334	1.843	31.635	55.812	51.449
Exchange adjustment to rate at year-end	-487	-179	-	-666	-1.449
Additions for the year	-	-	4.852	4.852	5.812
Disposals for the year	-	-	-330	-330	-
Cost at 31 March	21.847	1.664	36.157	59.668	55.812
Amortisation and write-down at 1 January	19.703	1.229	11.257	32.189	20.913
Correction of prior period error	-	-	-	-	3.933
Adjust. amortisation and write down 1 January	19.703	1.229	11.257	32.189	24.846
Exchange adjustment to rate at year-end	-437	-120	-	-557	-1.225
Amortisation and write-down for the year	816	634	13.120	14.570	8.611
Exchange adjust. of amortisation for the year	-6	-79	-	-85	-43
Amortisation and write-down at 31 March	20.076	1.664	24.377	46.117	32.189
Carrying amount at 31 March	1.771	-	11.780	13.551	23.623
Amortised over max. ye	3-10	3	3	3-10	3-10

Development cost are further explained under change in accounting policies on p



## Notes to the annual report

### 12 Fixed asset investments

Investments in subsidiaries	Parent Company	
	2023/2024	2022
	DKK '000	DKK '000
Cost at 1 January	100.940	100.311
Additions for the year	<u>0</u>	<u>629</u>
Cost at 31 March	<u>100.940</u>	<u>100.940</u>
Value adjustments at the beginning of the year	74.197	29.785
Exchange rate adjustment	-5.542	-4.057
Profit for the year	37.858	49.141
Amortisation of goodwill	-816	-673
Dividends paid	<u>0</u>	<u>0</u>
Value adjustments at 31 March	<u>105.696</u>	<u>74.197</u>
Negative investments in subsidiaries moved to provisions	<u>1.545</u>	<u>1.712</u>
Carrying amount at 31 March	<u>208.181</u>	<u>176.849</u>
Intangible assets included in subsidiaries:		
Goodwill	1.771	2.631
Customer rights (badwill)	<u>0</u>	<u>614</u>
	<u>1.771</u>	<u>3.245</u>

## Notes to the annual report

### 12 Fixed asset investments

Investments in subsidiaries can be specified as follows:

<u>Name</u>	<u>Ownership %</u>	<u>Share capital</u>
Zacco Denmark A/S	100%	TDKK 1.100
Zacco Norway AS	100%	TNOK 2.000
Zacco Sweden AB	100%	TSEK 100
Zacco GmbH	100%	TEUR 26
Zacco Digital Trust Denmark A/S	100%	TDKK 500
Zacco Digital Trust Sweden AB	100%	TSEK 50
Zacco UK Ltd	100%	TGBP 5
Zacco IP Services A/S	100%	TDKK 400
Zacco India R&D Private Limited	100%	TINR 12.420
OpSec Services India Private Limited	100%	TINR 775

Accounting information is stated with preliminary accounting figures as a result of the annual reports per 31 M not yet been approved at the time of publication of the parent company's annual report.

## Notes to the annual report

12 Fixed asset investments	Deposit:		Other securities and investments	
	DKK '000		DKK '000	
Group				
Cost at 1 January 2023			3.856	1.823
Exchange adjustment to year-end rates			-81	-0
Additions during the year			168	3
Disposals during the year			-140	-
Carrying amount at 31 March			<u>3.803</u>	<u>1.826</u>
	<u>2023/2024</u>	<u>2022</u>	<u>2023/2024</u>	<u>2022</u>
	DKK '000	DKK '000	DKK '000	DKK '000
13 Contract work in progress				
Work in progress	31.134	33.414	-	-
Prepayments received	-11.596	-12.466	-	-
	<u>19.538</u>	<u>20.948</u>	<u>-</u>	<u>-</u>
	Group		Parent Company	
	<u>2023/2024</u>	<u>2022</u>	<u>2023/2024</u>	<u>2022</u>
	DKK '000	DKK '000	DKK '000	DKK '000
14 Deferred tax asset				
Property, plant and equipment	123	-266	74	-9
Trade receivables	868	858	0	0
Pension asset (net)	283	0	0	0
Accrued costs	449	335	0	0
Tax losses carryforward	4.438	3.285	3.835	2.399
	<u>6.161</u>	<u>4.212</u>	<u>3.909</u>	<u>2.390</u>

The Group has an unrecognised deferred tax asset relating to Zacco GmbH.

15 Prepayments	Group		Parent Company	
	DKK '000		DKK '000	
	<u>2023/2024</u>	<u>2022</u>	<u>2023/2024</u>	<u>2022</u>
	DKK '000	DKK '000	DKK '000	DKK '000

Prepayments correspond to prepaid expenses mainly related to rental cost, insurance fees, license fees and subscription fees.

## Notes to the annual report

	Group		Parent Company	
	2023/2024	2022	2023/2024	2022
	DKK '000	DKK '000	DKK '000	DKK '000
16 Cash and cash equivalents				

The total cash and cash equivalents are distributed as follows:

Cash and cash equivalents	20.564	72.530	468	5.020
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## 17 Equity

The share capital consists of 114.516.106 shares of nominally DKK 0,5. No shares have special rights. 27 May 2023 the sharecapital was reduced by 86.885 treasury shares.

Specification of changes in share capital:

	2023/2024	2022	2021	2020	2019
	1.000	1.000	1.000	1.000	1.000
No of shares at 1 January	114.603	111.462	111.272	91.272	89.477
Share issues	-87	3.141	190	20.000	1.795
	114.516	114.603	111.462	111.272	91.272

## 18 Other provisions

	Group		Parent Company	
	2023/2024	2022	2023/2024	2022
	DKK '000	DKK '000	DKK '000	DKK '000
Pension commitments	2.343	2.185	-	-

## Notes to the annual report

### 19 Non-current liabilities

Instalments due within 1 year have been listed under current liabilities. Other liabilities have been recognized as non-current liabilities.

The liabilities fall due according to the below order:

	Group		Parent Company	
	2023/2024	2022	2023/2024	2022
	DKK '000	DKK '000	DKK '000	DKK '000
Credit institutions				
Within 1 year	-	-	14.701	0
	-	-	14.701	0

	Group		Parent Company	
	2023/2024	2022	2023/2024	2022
	DKK '000	DKK '000	DKK '000	DKK '000
20 Other payables				
Payroll- and social security tax	10.958	12.547	64	11
Holiday commitment	29.159	25.919	822	702
Salaries and pension	8.693	9.420	310	797
VAT	6.845	10.992	590	2.252
Other	5.119	6.110	2.073	1.214
	60.774	64.988	3.859	4.976

### 21 Contractual obligations, contingencies, etc.

Lease commitments from operating lease.

Total future rental and lease payments:

	Group	
	2023/2024	2022
	DKK '000	DKK '000
Within 1 year	22.223	20.317
Between 1 and 5 years	29.750	39.321
After five years	0	32
	51.973	59.670

The Group is regularly party to lawsuits, disputes and similar. Management does not believe these cases to significantly influence the Group's financial position.

## Notes to the annual report

A security in debtors and all other assets has been granted as security for the total bank commitment with Lloyds Bank by Zacco Denmark A/S and Zacco Sweden AB. Zacco Denmark has granted securities by 58 mDKK and Zacco Sweden AB's by 37,9 mSEK .

As of March 31, 2024, the companies in the Group have provided security to SE Banken AB by way of a pledge bank deposit account of 13,2 mDKK including a credit facility of 7mDKK (30 mDKK as of December 31, 2022).

### Parent

The Parent company has issued a Letter of Support in favour of Zacco UK Ltd. The guarantee will be in force until the annual general meeting in 2025.

The Company is jointly taxed with Zacco Denmark A/S, Zacco Digital Trust Denmark A/S and Zacco IP Services A/S, and are severally liable for payment of tax on the Group's jointly taxed income.

	Group		Parent Company	
	2023/2024	2022	2023/2024	2022
	DKK '000	DKK '000	DKK '000	DKK '000
22 Fee to auditors appointed by the General Meeting				
Audit fees	835	785	202	180
Other statements and reports	-	-	-	-
Income taxes	12	35	12	18
Other services	120	2.017	120	8
	<u>967</u>	<u>2.837</u>	<u>334</u>	<u>206</u>

### 23 Related parties and ownership

#### Controlling influence

Orca Holding Denmark ApS has a controlling interest. Zacco A/S is part of the group consolidated financial statements for Orca Holding Ltd, Century Yard, Cricket Square, P O Box 1111, Grand Cayman KY1-1102, Cayman Islands, which is the larger parent company.

#### Other related parties

	2023/2024	2022
	DKK '000	DKK '000
Sale of services to subsidiaries	109.176	86.380
Purchase of service from subsidiaries	-83.951	-64.688
	<u>25.225</u>	<u>21.692</u>

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 2.

## Notes to the annual report

Transactions with group entities are eliminated in the consolidated financial statements in accordance with Zacco Group's Accounting Policies.

The company's balances with group entities at 31 March 2024 are recognised in the balance sheet. Interest income and expenses with respect to the group enterprises are disclosed in note 5 and 6. Further, balances with group enterprises comprise trade balances related to purchase and sale of services.

Sale of services to group enterprises consists of Group services, e.g. Group management, financial services, HR, marketing, IT etc.

No transactions have been carried out to the Board of Directors, the Executive Management and family members, senior employees, major shareholders or other related parties, apart from ordinary remuneration.

24 Cash flow statement - adjustments	Group	
	2023/2024	2022
	DKK '000	DKK '000
Financial income	-28.397	-18.795
Financial expenses	27.615	20.413
Amortisation, depreciation and write-down for the year	16.727	10.847
Tax on profit for the year	7.737	9.579
Other adjustments	-4.495	-8.638
	<u>19.187</u>	<u>13.406</u>

25 Cash flow statement - working capital changes	Group	
	2023/2024	2022
	DKK '000	DKK '000
Change in receivables	-19.722	-22.086
Change in trade payables, other payables, etc	373	-8.564
	<u>-19.349</u>	<u>-30.650</u>