

# Zacco A/S

Central Business Registration no. 26 00 05 56

Arne Jacobsens Allé 15, 2300 Copenhagen, Denmark

## Annual report for 2021

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 23 /5 2022

**Chairman of the Meeting**

Michael Gaarmann

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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 - 31 December 2021.

The annual report has been 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 December 2021 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January - 31 December 2021.

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, 30 March 2022

### Executive Board

Mats Boström  
CEO

Hans Christian Nielsen  
COO

Therese Högberg  
CFO

### Board of Directors

Ulf Fredrik Cappelen  
Chairman

Jesper Kongstad  
Vice Chairman

Mats Boström

Reinhold Geijer

Stefan Ölander

Carl Peder Holm

Casper Struve

Anne Merete Kvistad Haugerud

Peter Storm

## **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 – 31 December 2021 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 December 2021 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2021 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.

### **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

## Independent Auditor's Report

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 2021  
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, 31 March 2022

### **KPMG**

Statsautoriseret Revisionspartnerselskab  
Cvr. No. 25 57 81 98

Klaus Rytz  
State Authorised  
Public Accountant  
mne33205

Martin Pieper  
State Authorised  
Public Accountant  
mne44063

## 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 – 31 December

Registered in: Copenhagen

### Board of Directors

Ulf Fredrik Cappelen, Chairman  
Jesper Kongstad, Vice Chairman  
Mats Boström  
Reinhold Geijer  
Carl Peder Holm  
Stefan Ölander  
Casper Struve, employee representative  
Anne Merete Kvistad Haugerud, employee representative  
Peter Storm, employee representative

### Executive Board

Mats Boström  
Hans Christian Nielsen  
Therese Högberg

### Lawyers

Lundgrens  
Tuborg Havnevej 19  
DK-2900 Hellerup

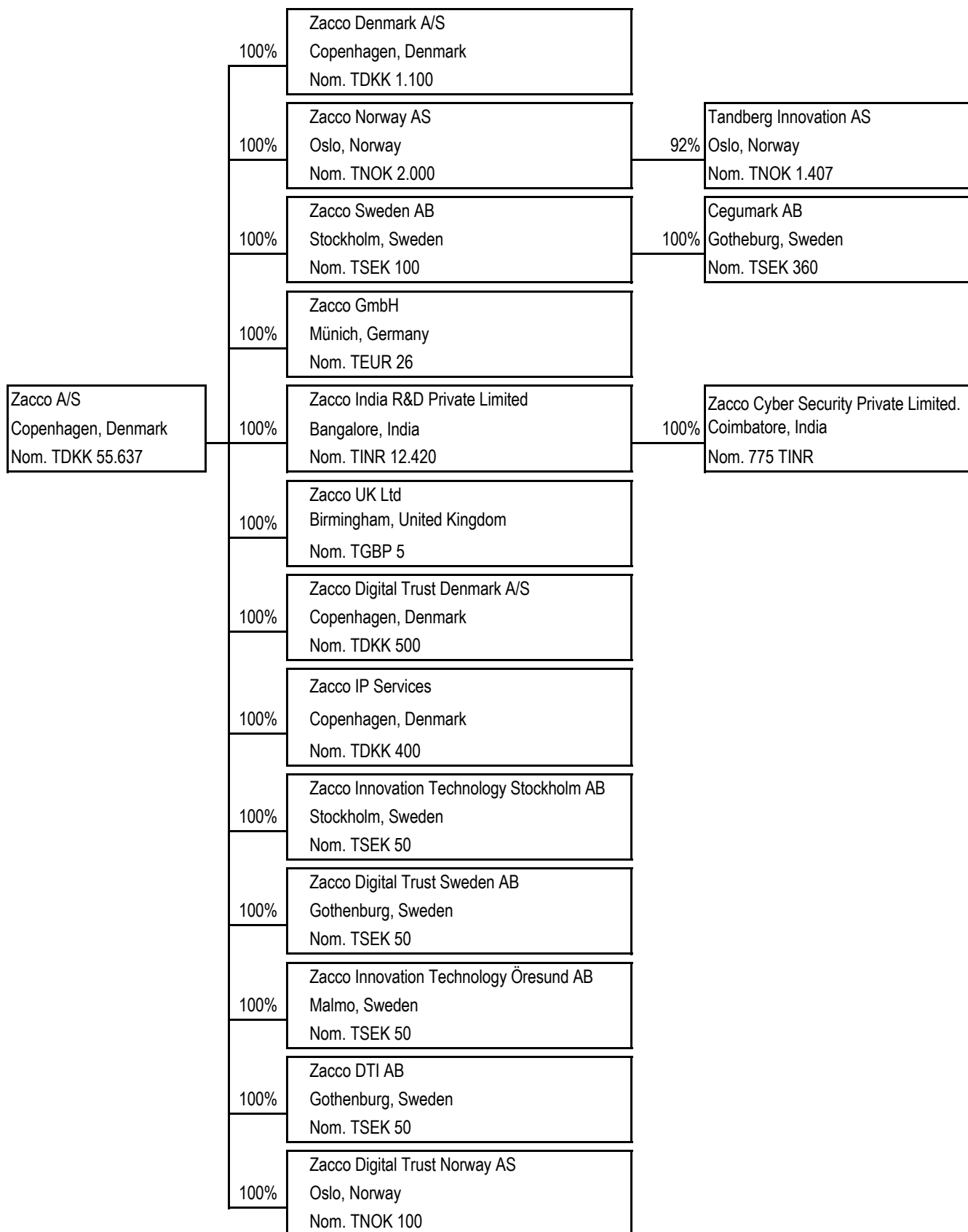
### Auditors

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

### Bank

Skandinaviska Enskilda Bank, SEB

### Group chart at 31 December 2021





## Management review

### Performance highlights

	2021	2020	2019	2018	2017
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Key figures</b>					
<b>Financial performance</b>					
Revenue	632.613	615.813	644.667	598.644	551.191
EBITDA *)	22.066	21.644	10.077	11.900	3.656
Profit before financial income and expenses	18.554	18.980	6.581	8.854	867
Net financials	-2.265	-4.313	-3.430	-2.737	-687
Profit for the year	15.747	9.855	2.138	4.783	3.002
<b>Balance sheet</b>					
Balance sheet total	277.006	275.443	229.598	221.051	187.642
Investments in property, plant and equipment	1.349	2.204	4.661	771	2.465
Equity	154.213	137.640	111.297	106.395	92.938
<b>Cash flows</b>					
Cash flows from:					
Operating activities incl. paid tax	-27.465	69.421	-7.305	1.061	-15.438
Investing activities	-6.752	-3.085	-8.804	-1.132	-2.598
Financing activities	710	16.337	2.637	9.542	-2.771
Change for the year in cash and cash equivalents	-33.506	82.673	-13.472	9.471	-20.807
<b>Average number of employees</b>	475	494	490	370	368
<b>Ratios in % *)</b>					
Gross margin	51,3%	52,5%	51,6%	53,2%	52,2%
Profit margin	2,9%	3,1%	1,0%	1,5%	0,2%
Return on assets	6,7%	6,9%	2,9%	4,0%	0,5%
Solvency ratio	55,7%	50,0%	48,5%	48,1%	49,5%
Return on equity	10,8%	8,0%	2,0%	4,8%	3,2%

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

\*) Definitions are shown under accounting policies on page 25.

## Management's review - operating review

### The Group's 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 was influenced by the covid-19 pandemic during 2021 but both revenue and profit for the year increased compared to 2020.

The Zacco business unit in Bangalore, India, has continued its delivery of high-quality services to Zacco's clients in Scandinavia, UK, Germany and India and now employs more than 80 IP experts. Zacco also has a cyber security lab in Coimbatore, India, serving customers throughout Europe, the Middle East and India.

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.

One of the most important business initiatives in Zacco is upgrading both technology and internal processes, and building a world-class platform, which will enable Zacco to handle high volumes and large-scale IP portfolios in a cost-efficient and high-quality manner. During 2021 Zacco has continued investing in this important project, which has impacted cost levels and profit negatively, but we firmly believe it will deliver long-term benefits. In May 2021, as part of Zacco's new digital platform, Zacco implemented Patricia, our new state-of-the-art case management system, designed to improve productivity within both the IP Consultancy and IP Services businesses.

In January 2021 Zacco acquired the Norwegian IP firm Tandberg Innovation AS. The acquisition has strengthened Zacco's position in the Norwegian market and presents opportunities for both employees and clients of Tandberg. Zacco hereby added services within patent business regarding Funding, where we assist the customer in preparing applications regarding research & development innovation financing from authorities.

In total, Zacco has approximately 500 employees in 28 offices in Sweden, Denmark, Norway, Germany, UK and India. Zacco is, as always, interested in attracting and retaining talented employees.

### Development in activities and financial position

Revenue in 2021 increased by 3%, compared with a revenue decrease of 4% in 2020 and growth of 10% in 2019. EBIT full year 2021 was DKK 18.6 million, compared to DKK 19.0 million in 2020 and DKK 6.6 million in 2019. During recent years Zacco has been investing in the recruitment of new employees, facilitating future growth and profit generation, digital business and the platform. EBT in 2021 was DKK 16.3 million, an increase from DKK 14.7 million the preceding year. Cash at bank and in hand has decreased from DKK 97.3 million to DKK 63.8 million between 2020 and 2021. During 2020 Zacco utilized the possibility to postpone different tax payments and at year end 2020 the total amount of these credits amounted to DKK 14.6 million. During 2021 all postponed tax payments have been repaid.

## **Management's review - operating review**

### **Events after the balance sheet date**

No significant events have occurred after the balance sheet date.

### **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 increased investments 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.

#### **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. So far the effects from covid-19 have been limited but Zacco continues to monitor the situation closely. By the end of 2021, no significant credit risk has been noted.

### **Operating review**

In 2021, Zacco has continued to develop our QMS (the Zacco Quality Management system) and one part of that is focusing on environmental process and routines, and further implementation will continue in 2022.

## Management's review - Corporate Social Responsibilities

### 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. 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. Due to the covid-19 pandemic in 2021, travelling has decreased and meetings held by video or phone become widespread, our intention is to continue to limit travel, choosing instead to conduct meetings by video or phone.

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
- 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.

### Human rights, employee conditions and social matters

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.

## Management's review - Corporate Social Responsibilities

Zacco works proactively to create a good physical and psychological work environment. At least twice per year, employee surveys are carried out to measure employee satisfaction and participation in these surveys is above 80%. The employee turnover is also measured and analyzed in all parts of the Zacco Group. During recent years, turnover has remained stable.

One of the biggest risks to human rights and employee conditions is employee retention and the potential for negative impacts to employees from the working environment. Zacco has implemented all applicable labor and health and safety laws and we strive to present all employees with the opportunities and training to continually develop their capabilities and skills.

Due to the covid-19 pandemic many employees have been working from home during prolonged periods, often with limited social contact, either professionally and privately. Zacco recognizes the risks this might have with regards to physical and mental health and we strive to mitigate such risks through frequent meetings by video or phone between managers and employees.

### 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. 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 1 out of 8 board members is female. During the coming years, Zacco aims to increase female representation through active recruitment of female board members. The goal that at least 25% of board members should be female is expected to be achieved no later than 2023 and the board encourage shareholders to nominate female candidates to the upcoming election of the board.

34% of managers at all levels in Zacco are women, representing a slight decrease since last year. 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.

### 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.

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.

### 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 organisation, not just the data specialists

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

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

### **Security**

Our security processes and organisational 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. 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 organisational 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).

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.

## Consolidated financial statements

### Income statement 1 January to 31 December

	Note	Group		Parent Company	
		2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
Revenue	1	632.613	615.813	-	-
Cost of sales		-232.783	-225.244	-	-
Other external expenses		-75.122	-67.523	-1.085	-1.583
<b>Gross profit</b>		<b>324.708</b>	<b>323.046</b>	<b>-1.085</b>	<b>-1.583</b>
Staff costs	3	-304.553	-301.402	-171	897
Other operating income	2	1.911	-	-	-
Amortisation and depreciation	4	-3.512	-2.664	-480	-343
<b>Result before financial income and expenses</b>		<b>18.554</b>	<b>18.980</b>	<b>-1.736</b>	<b>-1.029</b>
Result from investments in subsidiaries	5	-	-	16.943	11.670
Financial income	6	8.810	15.038	5.008	7.211
Financial expenses	7	-11.075	-19.351	-4.417	-8.505
<b>Result before tax</b>		<b>16.289</b>	<b>14.667</b>	<b>15.798</b>	<b>9.347</b>
Tax on profit for the year	8	-413	-4.812	-51	508
<b>Result before minority interests</b>		<b>15.876</b>	<b>9.855</b>	<b>15.747</b>	<b>9.855</b>
Minority interests share of subsidiaries' profit/loss	5	-129	-	-	-
<b>Profit / (Loss) for the year</b>	<b>9</b>	<b>15.747</b>	<b>9.855</b>	<b>15.747</b>	<b>9.855</b>

## Consolidated financial statements

### Balance sheet

	Note	Group		Parent Company	
		2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
<b>Assets</b>					
Goodwill		3.403	3.271	-	-
Customer rights (badwill)		1.296	-	-	-
<b>Intangible assets</b>	<b>10</b>	<b>4.699</b>	<b>3.271</b>	<b>-</b>	<b>-</b>
Other fixtures and fittings, tools and equipment		4.314	5.340	1.074	877
<b>Property, plant and equipment</b>	<b>11</b>	<b>4.314</b>	<b>5.340</b>	<b>1.074</b>	<b>877</b>
Investments in subsidiaries		-	-	132.109	114.709
Deposits		3.417	3.255	-	-
Other investments		2.944	12	2.932	-
<b>Fixed asset investments</b>	<b>12</b>	<b>6.361</b>	<b>3.267</b>	<b>135.041</b>	<b>114.709</b>
<b>Fixed assets</b>		<b>15.374</b>	<b>11.878</b>	<b>136.115</b>	<b>115.586</b>
Trade receivables		147.500	129.467	18	-
Contract work in progress	<b>13</b>	25.672	19.793	-	-
Receivables from group enterprises		-	-	25.964	17.055
Other receivables		7.234	835	120	114
Income taxes		1.895	1.743	-	-
Deferred tax asset	<b>14</b>	8.389	5.941	3.512	3.563
Prepayments		7.124	8.464	997	1.819
<b>Receivables</b>		<b>197.815</b>	<b>166.243</b>	<b>30.611</b>	<b>22.551</b>
<b>Cash at bank and in hand</b>	<b>15</b>	<b>63.817</b>	<b>97.322</b>	<b>3.724</b>	<b>11.372</b>
<b>Total current assets</b>		<b>261.632</b>	<b>263.565</b>	<b>34.335</b>	<b>33.923</b>
<b>Assets</b>		<b>277.006</b>	<b>275.443</b>	<b>170.450</b>	<b>149.509</b>



## Consolidated financial statements

### Balance sheet

	Note	Group		Parent Company	
		2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
<b>Equity and liabilities</b>					
Share capital		55.732	55.637	55.732	55.637
Reserve for own equity investments		-	-	29.785	12.726
Retained earnings		98.611	82.003	68.697	69.277
<b>Equity before minority interests</b>	<b>16</b>	<b>154.343</b>	<b>137.640</b>	<b>154.213</b>	<b>137.640</b>
Minority interests	<b>12</b>	-129			-
<b>Equity</b>		<b>154.213</b>	<b>137.640</b>	<b>154.213</b>	<b>137.640</b>
Pension commitments	<b>17</b>	2.354	2.471	-	-
Other provisions	<b>12</b>	-	-	2.012	2.489
<b>Provisions</b>		<b>2.354</b>	<b>2.471</b>	<b>2.012</b>	<b>2.489</b>
Frozen holiday allowances		-	10.988	-	1.760
<b>Non-current liabilities</b>		<b>-</b>	<b>10.988</b>	<b>-</b>	<b>1.760</b>
Credit institutions	<b>18</b>	-	-	7.292	-
Prepayments received from customers	<b>13</b>	11.379	9.530	-	-
Trade payables		34.992	25.362	1.575	893
Other payables	<b>19</b>	74.067	89.452	5.358	6.727
<b>Current liabilities</b>		<b>120.439</b>	<b>124.344</b>	<b>14.225</b>	<b>7.620</b>
<b>Liabilities other than provisions</b>		<b>120.439</b>	<b>135.332</b>	<b>14.225</b>	<b>9.380</b>
<b>Equity and liabilities</b>		<b>277.006</b>	<b>275.443</b>	<b>170.450</b>	<b>149.509</b>
Contractual obligations, contingencies, etc.	<b>20</b>				
Fees to auditors appointed at the General Meeting	<b>21</b>				
Related parties and ownership	<b>22</b>				

## Consolidated financial statements

### Equity statement

<b>Equity - Group</b>	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK '000	DKK '000	DKK '000
<b>Equity at 1 January 2021</b>	55.637	82.003	137.640
Cash capital increase	95	542	637
Purchase of treasury shares	-	-2	-2
Sale of treasury shares	-	75	75
Exchange adjust. foreign entities	-	584	584
Exchange adjust. on profit for the year	-	-468	-468
Profit for the year	-	15.747	15.747
<b>Equity at 31 December 2021</b>	<u>55.732</u>	<u>98.482</u>	<u>154.213</u>

<b>Equity - Parent company</b>	<u>Share capital</u>	<u>Reserve for net revaluation under equity method</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK '000	DKK '000	DKK '000	DKK '000
<b>Equity at 1 January 2021</b>	55.637	12.726	69.277	137.640
Capital increase	95	-	542	637
Purchase of treasury shares	-	-	-2	-2
Sale of treasury shares	-	-	75	75
Exchange adjust. foreign entities	-	584	-	584
Exchange adjust. on profit for the year	-	-468	-	-468
Profit for the year	-	16.943	-1.196	15.747
<b>Equity at 31 December 2021</b>	<u>55.732</u>	<u>29.785</u>	<u>68.697</u>	<u>154.213</u>

## Consolidated financial statements

### Cash flow statement 1 January to 31 December

	Note	2021 DKK '000	2020 DKK '000
Profit for the year		15.747	9.855
Adjustments	23	6.340	12.221
Change in working capital	24	-43.984	51.541
<b>Cash flows from operating activities before net financials</b>		<b>-21.897</b>	<b>73.617</b>
Interest income and similar		8.542	14.097
Interest expenses and similar		-11.097	-18.320
<b>Cash flows from ordinary activities</b>		<b>-24.452</b>	<b>69.393</b>
Paid/repaid Income taxes		-3.013	28
<b>Cash flows from operating activities</b>		<b>-27.465</b>	<b>69.421</b>
Purchase of Goodwill	10	-493	-1.372
Purchase of customer rights (badwill)	10	-1.944	-
Purchase of property, plant and equipment	11	-1.349	-2.204
Purchase of shares		-2.932	-
Increase/decrease in deposits	12	-162	543
Sale of fixed assets		128	-52
		<b>-6.752</b>	<b>-3.085</b>
Treasury shares, net		73	904
Capital increase	16	637	15.433
<b>Cash flows from financing activities</b>		<b>710</b>	<b>16.337</b>
<b>Increase in cash and cash equivalents</b>		<b>-33.506</b>	<b>82.673</b>
Cash and cash equivalents at 1 January		97.322	14.649
<b>Cash and cash equivalents at 31 December</b>		<b>63.817</b>	<b>97.322</b>

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 2021 has been prepared in DKK 1,000.

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 32.

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) are 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.

### **Segment information**

Segment information is provided on geographical markets. The segment information is in line with the Group's accounting policies, risks and internal financial management.

## **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 badwill 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.

#### 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 Group'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 Group's 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 Group'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 =  $\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

## Consolidated financial statements

### Notes to the annual report

#### 1 Segment reporting

Geographical markets	Group	
	2021	2020
<b>Revenue</b>	DKK '000	DKK '000
Denmark	182.591	194.395
Sweden	287.688	273.723
Norway	106.829	86.058
India	22.999	17.842
Great Britain	3.389	1.467
Germany	29.117	42.328
<b>Operating activities</b>	<b>632.613</b>	<b>615.813</b>

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 Other operating income

Other operating income includes revenue of 1,9 MDKK from customer rights (badwill) related to the acquisition of Tandberg Innovation AS regarding Trademark Renewals and Patent Annuities.

#### 3 Employees

	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
Salaries	248.056	247.638	20.051	22.979
Pensions	18.193	18.280	342	362
Other social security costs	38.304	35.483	885	960
Allocation to other Group companies	-	-	-21.108	-25.199
	<b>304.553</b>	<b>301.402</b>	<b>171</b>	<b>-897</b>
Remuneration for Executive Directors	10.865	7.587	8.943	7.587
Remuneration for Board of Directors	520	523	475	478
Average number of employees	475	494	20	21

## Consolidated financial statements

### Notes to the annual report

#### 3 Employees

##### Incentive schemes

Zacco has per December 31, 2021 in total 6.969.500 call options to employees outstanding. The options give the option holder a right to purchase one (1) share for each option. The exercise prices range from DKK 1,50 - DKK 3,68 and the exercise periods from Apr 2022 - Oct 2023. The purchase price for the options has been calculated using the Black-Scholes formula to ensure a market price and the strike prices are also based on the prevailing market price plus an annual mark-up.

	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
<b>4 Amortisation, depreciation and write-down</b>				
Goodwill	551	521	-	-
Customer rights	648	-	-	-
Other fixtures and fittings, tools and equipment	2.441	2.195	480	343
Profit/loss on disposal of fixtures	-128	-52	-	-
	<b>3.512</b>	<b>2.664</b>	<b>480</b>	<b>343</b>

	Parent Company	
	2021	2020
	DKK '000	DKK '000
<b>5 Income from investments in group entities</b>		
Result subsidiaries	17.156	13.676
Minority interests share of subsidiaries' profit for the year	-129	-
Amortisation of goodwill	-552	-517
Exchange adjust. on profit for the year	468	-1.489
	<b>16.943</b>	<b>11.670</b>

	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
<b>6 Financial income</b>				
Interests on cash & bank deposits	316	375	7	11
Interest income from group companies	-	-	1.248	1.561
Exchange adjustments	8.229	14.660	3.488	5.639
Other financial income	265	3	265	-
	<b>8.810</b>	<b>15.038</b>	<b>5.008</b>	<b>7.211</b>

## Consolidated financial statements

### Notes to the annual report

7 Financial expenses	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
Exchange adjustments	9.274	17.517	3.259	7.064
Instruments of debt and credit institutions	442	325	66	151
Interest expenses to group companies	-	-	637	749
Other financial expenses	1.359	1.509	455	541
	<b>11.075</b>	<b>19.351</b>	<b>4.417</b>	<b>8.505</b>

8 Tax on profit for the year	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
Current tax for the year	-2.826	-1.910	-	1.593
Deferred tax for the year	2.840	-2.902	-51	-1.085
Adjustment of tax regarding previous years	-427	-	-	-
	<b>-413</b>	<b>-4.812</b>	<b>-51</b>	<b>508</b>

9 Proposed distribution of profit:	Parent Company	
	2021	2020
	DKK '000	DKK '000
Retained earnings	-1.196	-1.815
Reserve for net revaluation according to the equity method	16.943	11.670
	<b>15.747</b>	<b>9.855</b>

## Consolidated financial statements

### Notes to the annual report

#### 10 Intangible assets

	<b>Group</b>				
	Goodwill	Customer rights (badwill)	Development	2021 Total	2020 Total
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Cost at 1 January	23.182	-	732	23.914	22.376
Exchange adjustment to rate at year-end	-7	-	-14	-21	166
Additions for the year	493	1.944	-	2.437	1.372
Disposals for the year	-	-	-718	-718	-
<b>Cost at 31 December</b>	<b>23.668</b>	<b>1.944</b>	<b>0</b>	<b>25.612</b>	<b>23.914</b>
Amortisation and write-down at 1 January	19.911	-	732	20.643	19.684
Exchange adjustment to rate at year-end	-218	-	-14	-232	467
Amortisation and write-down for the year	551	648	-	1.199	521
Exchange adjust. of amortisation for the year	21	-	-	21	-29
Reversed write-down and amortisation	-	-	-718	-718	-
<b>Amortisation and write-down at 31 December</b>	<b>20.265</b>	<b>648</b>	<b>0</b>	<b>20.913</b>	<b>20.643</b>
<b>Carrying amount at 31 December</b>	<b>3.403</b>	<b>1.296</b>	<b>-</b>	<b>4.699</b>	<b>3.271</b>
Amortised over max. years	3-10	3	5	3-10	3-10

#### 11 Property, plant and equipment

	<b>Group</b>	
	2021	2020
	DKK '000	DKK '000
<b>Other fixtures and fittings, tools and equipment</b>		
Cost at 1 January	22.295	19.967
Exchange adjustment to rate at year-end	-4	124
Additions during the year	1.349	2.204
<b>Cost at 31 December</b>	<b>23.640</b>	<b>22.295</b>
<b>Depreciation and write-down at 1 January</b>	<b>16.955</b>	<b>14.643</b>
Exchange adjustment to rate at year-end	-45	118
Depreciation for the year	2.441	2.195
Exchange adjustment of depreciation for the year	-25	-1
<b>Depreciation and write-down at 31 December</b>	<b>19.326</b>	<b>16.955</b>
<b>Carrying amount at 31 December</b>	<b>4.314</b>	<b>5.340</b>
Depreciated over max. years	3-5	3-5

## Consolidated financial statements

### Notes to the annual report

	<b>Parent Company</b>	
	<u>2021</u>	<u>2020</u>
	DKK '000	DKK '000
<b>11 Property, plant and equipment</b>		
<b>Other fixtures and fittings, tools and equipment</b>		
Cost at 1 January	1.373	687
Additions during the year	<u>677</u>	<u>686</u>
Cost at 31 December	<u>2.050</u>	<u>1.373</u>
Depreciation and write-down at 1 January	496	153
Depreciation for the year	<u>480</u>	<u>343</u>
Depreciation and write-down at 31 December	<u>976</u>	<u>496</u>
<b>Carrying amount at 31 December</b>	<u><b>1.074</b></u>	<u><b>877</b></u>
Depreciated over max. years	<u>3-5</u>	<u>3-5</u>



## Consolidated financial statements

### Notes to the annual report

#### 12 Fixed asset investments

Investments in subsidiaries	Parent Company	
	2021 DKK '000	2020 DKK '000
Cost at 1 January	99.493	86.876
Additions for the year	818	12.618
Cost at 31 December	<u>100.311</u>	<u>99.493</u>
Value adjustments at the beginning of the year	12.726	905
Exchange rate adjustment	584	-1.339
Profit for the year	17.156	13.676
Minority share of profit for the year	-129	0
Amortisation of goodwill	-552	-517
<b>Value adjustments at 31 December</b>	<u>29.785</u>	<u>12.726</u>
Negative investments in subsidiaries moved to provisions	<u>2.012</u>	<u>2.489</u>
<b>Carrying amount at 31 December</b>	<u><b>132.109</b></u>	<u><b>114.709</b></u>
<b>Intangible assets included in subsidiaries:</b>		
Goodwill	3.403	3.271
Customer rights (badwill)	1.296	0
	<u>4.699</u>	<u>3.271</u>

## Consolidated financial statements

### 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
Cegumark AB	100%	TSEK 360
Zacco GmbH	100%	TEUR 26
Zacco Digital Trust Denmark A/S	100%	TDKK 500
Zacco Innovation Technology Stockholm AB	100%	TSEK 50
Zacco Digital Trust Sweden AB	100%	TSEK 50
Zacco Innovation Technology Öresund AB	100%	TSEK 50
Zacco DTI AB	100%	TSEK 50
Zacco Digital Trust Norway AS	100%	TNOK 100
Zacco UK Ltd	100%	TGBP 5
Zacco IP Services A/S	100%	TDKK 400
Tandberg Innovation AS	92%	TNOK 1.407
Zacco India R&D Private Limited	100%	TINR 12.420
Zacco Cyber Security Private Limited	100%	TINR 775

Accounting information is stated with preliminary accounting figures as a result of the annual reports per. 31 December 2021 has not yet been approved at the time of publication of the parent company's annual report.

## Consolidated financial statements

### Notes to the annual report

12 Fixed asset investments	Other securities and investments	
	Deposits	investments
Group	DKK '000	DKK '000
Cost at 1 January 2021	3.255	12
Additions during the year	162	2.932
<b>Carrying amount at 31 December</b>	<b>3.417</b>	<b>2.944</b>

13 Contract work in progress	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
Work in progress	25.672	19.793	-	-
Prepayments received	-11.379	-9.530	-	-
	<b>14.293</b>	<b>10.263</b>	-	-

14 Deferred tax asset	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
Property, plant and equipment	249	290	50	44
Trade receivables	646	801	-	-
Pension asset (net)	0	358	-	-
Accrued costs	553	226	44	52
Tax losses carryforward	6.941	4.266	3.418	3.468
	<b>8.389</b>	<b>5.941</b>	<b>3.512</b>	<b>3.563</b>

The Group has an unrecognised deferred tax asset relating to Zacco GmbH and Zacco Digital Trust Norway AS.

## Consolidated financial statements

### Notes to the annual report

	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000

#### 15 Cash and cash equivalents

The total cash and cash equivalents are distributed as follows:

Cash and cash equivalents	63.817	97.321	3.724	11.372
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#### 16 Equity

The share capital consists of 111.461.991 shares of nominally DKK 0,5. No shares have special rights. The company has issued 189.500 shares in 2021.

Specification of changes in share capital:

	2021	2020	2019	2018	2017
	1.000	1.000	1.000	1.000	1.000
No of shares at 1 January	111.272	91.272	89.477	86.697	83.055
Share issues	190	20.000	1.795	2.780	3.642
	<b>111.462</b>	<b>111.272</b>	<b>91.272</b>	<b>89.477</b>	<b>86.697</b>

The company has 80.885 treasury shares of nominally 0.5 DKK, which is 0.07% of the share capital. During 2021 the company has acquired 2.500 shares from former and current employees and 55 shares has been sold to employees.

#### 17 Other provisions

	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
Pension commitments	2.354	2.471	-	-

## Consolidated financial statements

### Notes to the annual report

#### 18 Non-current liabilities

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

The liabilities fall due according to the below order:

	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
<b>Credit institutions</b>				
Within 1 year	-	-	7.292	0
	-	-	<b>7.292</b>	<b>0</b>

	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
<b>19 Other payables</b>				
Payroll- and social security tax	16.492	21.585	642	2.078
Corona loans Skatteverket Sweden	-	15.287	-	-
Holiday commitment	28.950	28.387	982	791
Salaries and pension	8.472	8.727	1.373	2.112
VAT	10.206	7.714	1.804	711
Other	9.947	7.752	557	1.034
	<b>74.067</b>	<b>89.452</b>	<b>5.358</b>	<b>6.727</b>

#### 20 Contractual obligations, contingencies, etc.

##### Lease commitments from operating lease.

Total future rental and lease payments:

	Group	
	2021	2020
	DKK '000	DKK '000
Within 1 year	22.502	26.304
Between 1 and 5 years	45.546	38.896
After five years	873	1.150
	<b>68.922</b>	<b>66.350</b>

## Consolidated financial statements

### Notes to the annual report

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

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

The companies in the Group have provided security to credit institutions by way of guarantee of 65 mDKK corresponding to the limit for operating credit facility.

#### 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 2023.

The Company is jointly taxed with Zacco Denmark A/S and Zacco Digital Trust Denmark A/S, and are severally liable for payment of tax on the Group's jointly taxed income. The total amount appears from the Annual Report of Zacco A/S, which acts as the management company in respect of the joint taxation.

	Group		Parent Company	
	2021	2020	2021	2020
	DKK '000	DKK '000	DKK '000	DKK '000
<b>21 Fee to auditors appointed by the General Meeting</b>				
Audit fees	749	630	171	166
Other statements and reports	-	-	-	-
Income taxes	33	32	17	17
Other services	18	42	7	7
	<b>800</b>	<b>704</b>	<b>195</b>	<b>190</b>

### 22 Related parties and ownership

#### Controlling influence

No related parties have a controlling interest.

#### Other related parties

	2021	2020
	DKK '000	DKK '000
Sale of services to subsidiaries	96.228	87.683
Purchase of service from subsidiaries	-67.450	-54.781
	<b>28.778</b>	<b>32.902</b>

## Consolidated financial statements

### Notes to the annual report

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

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 December 2021 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.

23 Cash flow statement - adjustments	Group	
	2021	2020
	DKK '000	DKK '000
Financial income	-8.810	-15.038
Financial expenses	11.075	19.351
Amortisation, depreciation and write-down for the year	3.512	2.664
Tax on profit for the year	413	4.812
Other adjustments	150	432
	<b>6.340</b>	<b>12.221</b>

24 Cash flow statement - working capital changes	Group	
	2021	2020
	DKK '000	DKK '000
Change in receivables	-28.972	32.039
Change in trade payables, other payables, etc	-15.012	19.502
	<b>-43.984</b>	<b>51.541</b>