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Zacco A/S

Central Business Registration no. 26 00 05 56

Arne Jacobsens Allé 15, 2300 Copenhagen, Denmark

Annual report for 2020

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 27/ May 2021

DocuSigned by:

Michael Gaarmann

Chairman of the Meeting



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CVR no. 26 00 05 56

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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 2020.

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 2020 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 2020.

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, 23 March 2021

Executive Board

Mats Boström
CEO

Hans Christian Nielsen
COO

Jonas Lundqvist
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

Tomas Gustafsson



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Copenhagen, 23 March 2021

Executive Board

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Hans Christian Nielsen
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CFO

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Vice Chairman

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Tomas Gustafsson

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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 2020 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 the 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 2020 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 2020 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. 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 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 users made on the basis of these consolidated financial statements and parent company financial statements.



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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.

Independent auditor's report

We also

- identify and assess the risks of material misstatement of the consolidated financial statements and 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.



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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.

Independent auditor's report

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 Statements Act. We did not identify any material misstatement of the Management's review.

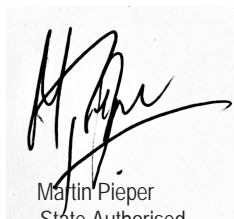
Copenhagen, 24 March 2021

KPMG

Statsautoriseret Revisionspartnerselskab
Cvr. No. 25 57 81 98



Klaus Rysz
State Authorised
Public Accountant
mne-no. 33205



Martin Pieper
State Authorised
Public Accountant
mne-no. 44063

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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

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
Tomas Gustafsson, employee representative

Executive Board

Mats Boström
Hans Christian Nielsen
Jonas Lundqvist

Lawyers

Lundgrens
Tuborg Havnevej 19
DK-2900 Hellerup

Auditors

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

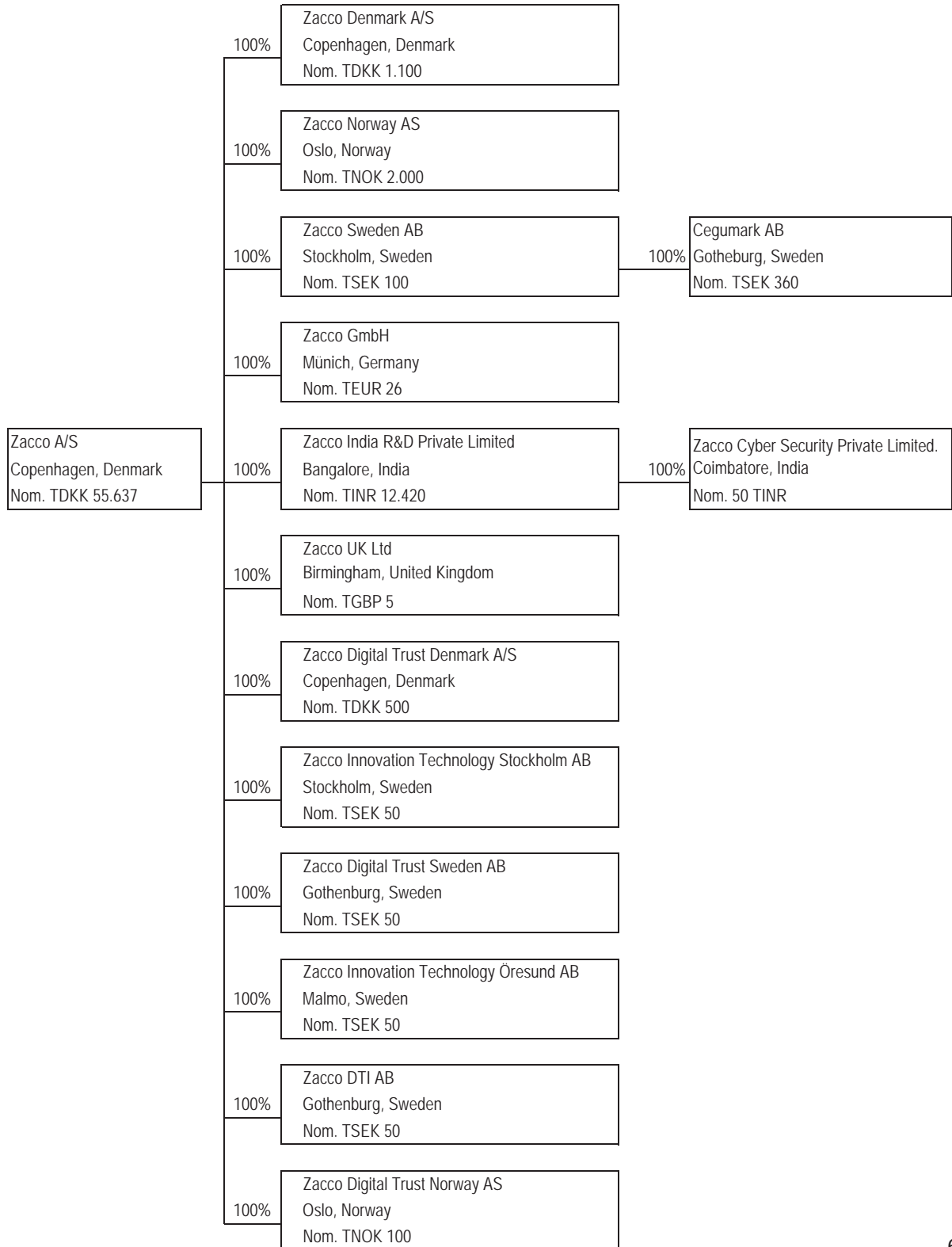
Bank

Skandinaviska Enskilda Bank, SEB



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Group chart at 31 December 2020



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Management review

Performance highlights

	2020	2019	2018	2017	2016
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Key figures					
Financial performance					
Revenue	615.813	644.667	598.644	551.191	508.093
EBITDA *)	21.644	10.077	11.900	3.656	19.645
Profit before financial income and expenses	18.980	6.581	8.854	867	17.075
Net financials	-4.313	-3.430	-2.737	-687	-4.141
Profit for the year	9.855	2.138	4.783	3.002	11.644
Balance sheet					
Balance sheet total	275.443	229.598	221.051	187.642	194.458
Investments in property, plant and equipment	2.204	4.661	771	2.465	1.378
Equity	137.640	111.297	106.395	92.938	95.025
Cash flows					
Cash flows from:					
Operating activities incl. paid tax	69.421	-7.305	1.061	-15.438	16.331
Investing activities	-3.085	-8.804	-1.132	-2.598	-3.857
Financing activities	16.337	2.637	9.542	-2.771	18.361
Change for the year in cash and cash equivalents	82.673	-13.472	9.471	-20.807	30.836
Average number of employees	494	490	370	368	329
Ratios in % *)					
Gross margin	52,5%	51,6%	53,2%	52,2%	51,7%
Profit margin	3,1%	1,0%	1,5%	0,2%	3,4%
Return on assets	6,9%	2,9%	4,0%	0,5%	8,8%
Solvency ratio	50,0%	48,5%	48,1%	49,5%	48,9%
Return on equity	7,9%	2,0%	4,8%	3,2%	14,5%

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



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Management's review - operating review

The Group's principal activities

Zacco is an international IP consultancy handling more than 200,000 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 35 offices in Sweden, Denmark, Norway, Germany, UK and India, and subcontracting to international IP firms through an extensive international network with 200 preferred agents in more than 120 countries.

Market overview

Zacco is a modern, full-service intellectual property consultancy relying 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 all-encompassing support in developing, securing, monitoring, managing and enforcing all forms of intangible assets.

Zacco employs more than 500 experts in all aspects of intellectual property, including a large number of experienced patent, trademark and design attorneys as well as attorneys at law and paralegals, cyber security specialists and software developers.

Business development

Zacco was influenced by the covid-19 pandemic during 2020 and the revenue decreased compared to 2019. To counteract the decrease in revenue, the cost level was adjusted and the profit increased compared with 2019. In some countries, Zacco adopted various government support packages, when necessary

The Zacco business unit in Bangalore, India, has continued its delivery of high-quality services to Zacco's clients in Scandinavia, UK, Germany and in India and now employs more than 80 IP experts. Zacco also has a cyber security lab in Coimbatore, India with over 40 employees. The cyber security lab in Coimbatore serves customers in Europe, the Middle East and in India.

Zacco has continued the work of upgrading the 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 many forms of intangible assets.

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 2020 Zacco has continued investing in this important project, which has impacted cost levels and profit, but we firmly believe it will deliver long-term benefits. Major parts of the platform will become operational during 2021.

In 2020 Zacco's Cyber Defence Centre, Digital Forensics team in Sweden and all relevant IT systems achieved three international standards in the areas of information security, privacy and business continuity; ISO/IEC 27001:2013 for Information Security, ISO/IEC 27701:2019 for Information Privacy and ISO 22301:2019 for Business Continuity Management Systems.

The number of employees has been stable during 2020 compared 2019. In total, Zacco has more than 500 employees in 35 offices in Sweden, Denmark, Norway, Germany, UK and India. Zacco is as always interested in attracting and retaining talented employees.



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Management's review - operating review

Development in activities and financial position

Revenue decreased in 2020 by 4% in constant currency rates, compared with revenue growth of 10% in 2019 and 12% in 2018. EBIT full year 2020 was DKK 19.0 million compared to DKK 6.6 million 2019 and DKK 8.9 million in 2018. During the last years Zacco has been investing in new offices, recruitment of new employees facilitating future growth and profit generation, digital business and the platform. EBT in 2020 was DKK 14.7 million, an increase from DKK 3.2 million the preceding year. Cash at bank and in hand has increased from DKK 14.6 million to DKK 97.3 million between 2019 and 2020. During 2020 Zacco has utilized possibilities to postpone different tax payments. At year end 2020 the total amount of postponed tax payments was DKK 14.6 million. This amount will be paid to tax authorities in 2021.

Events after the balance sheet date

In January 2021 Zacco acquired the Norwegian IP firm Tandberg Innovation AS. The acquisition will strengthen Zacco's position on the Norwegian market considerably.

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, for 150 years, Zacco has a comprehensive network of customer and business partners domestically as well as abroad.

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 the investments in a new platform, but even though large investments are put into building a world-class platform, the current setup with IT infrastructure, data systems and processes needs improvement to ensure seamless and efficient operations.

Financial risks

Currency exposure

Zacco has considerable trade with other countries. As the Group invoice to as well as incur costs and make investments abroad, the net currency exposure is limited, however, with the exception of the exchange ratio between DKK and SEK, NOK, INR and USD, respectively.

Management's review - operating review

Interest rate risk

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



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Market risks

Zacco operates in a growing, but highly changeable market. Being an international and market-oriented organization, Zacco is in a good position for utilizing these in a dynamic way. Globalization and the long term trend of legalization is becoming more and more harmonized, e.g. Unitary Patent, which adds pressure and increases competition as the need of local agencies will be reduced. The outbreak of covid-19 during 2019/2020 influenced the market negatively with falling revenue for Zacco as result. Our estimate is, that a lengthy pandemic that will last into 2022 will probably put further pressure on revenue.

Credit risks

The Group's policy of assessment of credit risks results in current credit assessment of large customers and trading partners. So far the effects from covid-19 has been limited but if the pandemic will last into 2022 the credit risks might increase. Zacco is monitoring the development closely. By the end of 2020, no significant credit risk has been noted.

Operating review

In 2020, Zacco has continued to develop the QMS system (Zacco Quality Management system) and one part of that is focusing on environmental process and routines, and the implementation of this will continue in 2021.

Management's review - Corporate Social Responsibilities

Corporate social responsibility

Corporate social responsibilities form an integrated part of Zacco's group values and is embedded in the way Zacco carry out business in both local and international settings. Zacco's focus areas for corporate social responsibility are environmental and climate issues, human rights, and equal rights for genders.

Business Model

Zacco specializes in protecting all forms of intangible assets; from ideas, visions, data, know-how and trade secrets to intellectual property rights such as patents and trademarks etc. We rely on the four guiding steps: "We identify, manage, monitor and enforce when needed". Zacco provides its services with professional staff in Europe as well as India. The customers are to a large extent based in Scandinavia and Germany but also in several other countries. The services are to a large extent delivered in cooperation with a global network of preferred agents.

Environmental and climate matters

Zacco believes that businesses are responsible for achieving good environmental practice and to operate in a sustainable manner. Zacco's risks related to Environment & 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. Since 2017 Zacco has established offices in more locations, also outside Europe, and there is a risk that this will result in more travelling and thereby more emissions. It is the ambition of Zacco to limit air travel and instead, as far as possible, hold meetings via phone or video. Due to the covid-19 pandemic in 2020 the travelling has decreased and meetings held by video or phone have increased. It is Zacco's ambition that also after the pandemic travelling should be limited and a large part of meetings should be held by video or phone.



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Management's review - Corporate Social Responsibilities

Our policy is to

- Wholly support and comply with or exceed the requirements of current environmental legislation and codes of practice.
- Minimize our waste and then 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 of 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 the least damage to the environment and encourage others to do the same
- Assess the environmental impact of any new processes or products we intend to introduce in advance.

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 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.

Zacco works proactively to create a good physical and psychological work environment. During 2020 an Anti-Harassment and Non-Discrimination Policy has been implemented. At least twice per year, employee surveys are carried out to measure the employee satisfaction. The participation in these surveys is above 80%. The employee turnover is also measured and analyzed in all parts of the Zacco Group. During the last years, the turnover has been stable.

One of the biggest risks to human rights and employee conditions is employee retention and the negative impacts from employees from the working environment. Hence, Zacco has implemented all applicable labour and health and safety laws and strive to present all employees with opportunities and trainings to develop their capabilities and skills.

Due to the covid-19 pandemic many employees have been working from home during long periods with limited social contacts, professionally and privately. Zacco is recognizing the risks this might have with regard to physical and mental health and strive to mitigate these risks with frequent meetings through video or phone between managers and employees.



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Management's review - Corporate Social Responsibilities

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 a year.

At least 25% of the board members elected at the General Meeting should be women. This has been achieved during the last years but following the resignation of one female member this is currently not achieved as only 1 out of 8 board members is female. During the coming years Zacco will strive to increase the female representation through active recruitment of female board members. The goal that at least 25% of the board members should be female is expected to be achieved no later than 2022.

Among managers at all levels in Zacco 35% are women, a slight decrease since last year. The general trend however, is that the proportion of women in managerial positions is increasing. 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 employees of both genders 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

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 the risk for Zacco employees receiving bribes is small.

Zacco presently has no policy with regard to corruption and anti-bribery; a policy is presently being developed and will be decided upon by the Zacco Management Team and communicated to all staff during 2021. It will be part of a new Code of Conduct that will be introduced in 2021.



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Consolidated financial statements

Income statement 1 January to 31 December

	Note	Group		Parent Company	
		2020 DKK '000	2019 DKK '000	2020 DKK '000	2019 DKK '000
Revenue	1	615.813	644.667	-	-
Cost of sales		-225.244	-227.560	-	-
Other external expenses		-67.523	-84.267	-1.583	-596
Gross profit		323.046	332.840	-1.583	-596
Staff costs	2	-301.402	-322.763	897	310
Amortisation and depreciation	3	-2.664	-3.496	-343	-153
Result before financial income and expenses		18.980	6.581	-1.029	-438
Result from investments in subsidiaries	4	-	-	11.670	3.812
Financial income	5	15.038	7.373	7.211	4.874
Financial expenses	6	-19.351	-10.803	-8.504	-6.582
Result before tax		14.667	3.151	9.347	1.666
Tax on profit for the year	7	-4.812	-1.013	508	472
Profit / (Loss) for the year	8	9.855	2.138	9.855	2.138



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Consolidated financial statements

Balance sheet

Note	Group		Parent Company	
	2020 DKK '000	2019 DKK '000	2020 DKK '000	2019 DKK '000
Assets				
Goodwill	3.271	2.692	-	-
Intangible assets	9	3.271	-	-
Other fixtures and fittings, tools and equipment	5.340	5.324	877	534
Property, plant and equipment	10	5.340	877	534
Investments in subsidiaries	-	-	114.709	94.746
Deposits	3.255	3.799	-	-
Other securities and investments	12	11	-	-
Fixed asset investments	11	3.267	114.709	94.746
Fixed assets	11.878	11.826	115.586	95.280
Trade receivables	129.467	152.608	-	-
Contract work in progress	12	19.793	25.733	-
Receivables from group enterprises	-	-	17.055	49.093
Other receivables	835	3.806	114	2.079
Income taxes	1.743	3.721	-	-
Deferred tax asset	13	5.941	8.804	3.563
Prepayments	8.464	8.451	1.819	1.159
Receivables	166.243	203.122	22.552	56.979
Cash at bank and in hand	14	97.322	14.649	11.372
Total current assets	263.565	217.772	33.923	60.708
Assets	275.443	229.598	149.509	155.988



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Balance sheet

Note	Group		Parent Company	
	2020 DKK '000	2019 DKK '000	2020 DKK '000	2019 DKK '000
Equity and liabilities				
Share capital	55.637	45.637	55.637	45.637
Reserve for own equity investments	-	-	12.726	905
Retained earnings	82.004	65.661	69.277	64.756
Equity	15	137.640	111.297	137.640
Pension commitments	16	2.471	2.549	-
Other provisions	11	-	-	2.489
Provisions		2.471	2.549	6.965
Frozen holiday allowances		10.988	4.062	1.760
Non-current liabilities		10.988	4.062	550
Credit institutions	17	-	-	32.134
Prepayments received from customers	12	9.530	8.352	-
Trade payables		25.362	35.207	893
Other payables	19	89.452	68.130	6.727
Current liabilities		124.344	111.689	7.620
Liabilities other than provisions		135.332	115.751	9.380
Equity and liabilities		275.443	229.598	149.509
Contractual obligations, contingencies, etc.	20			
Fees to auditors appointed at the General Meeting	21			
Related parties and ownership	22			



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Equity statement

Equity - Group	Share capital	Retained earnings	Total
	DKK '000	DKK '000	DKK '000
Equity at 1 January 2020	45.637	65.661	111.297
Cash capital increase	10.000	5.433	15.433
Purchase of treasury shares	-	-181	-181
Sale of treasury shares	-	1.085	1.085
Exchange adjust. foreign entities	-	-1.339	-1.339
Exchange adjust. on profit for the year	-	1.489	1.489
Profit for the year	-	9.855	9.855
Equity at 31 December 2020	55.637	82.004	137.640

Equity - Parent company	Share capital	Reserve for net revaluation under equity method	Retained earnings	Total
	DKK '000	DKK '000	DKK '000	DKK '000
Equity at 1 January 2020	45.637	905	64.756	111.297
Capital increase	10.000	-	5.433	15.433
Purchase of treasury shares	-	-	-181	-181
Sale of treasury shares	-	-	1.085	1.085
Exchange adjust. foreign entities	-	-1.339	-	-1.339
Exchange adjust. on profit for the year	-	1.489	-	1.489
Profit for the year	-	11.670	-1.815	9.855
Equity at 31 December 2020	55.637	12.726	69.277	137.640



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Cash flow statement 1 January to 31 December

	Note	2020 DKK '000	2019 DKK '000
Profit for the year		9.855	2.138
Adjustments	23	12.221	8.122
Change in working capital	24	51.540	-12.704
Cash flows from operating activities before net financials		73.616	-2.444
Interest income and similar		14.097	7.373
Interest expenses and similar		-18.321	-10.803
Cash flows from ordinary activities		69.393	-5.874
Paid/repaid Income taxes		28	-1.431
Cash flows from operating activities		69.421	-7.305
Purchase of Goodwill	9	-1.372	-2.971
Purchase of property, plant and equipment	10	-2.204	-4.661
Increase/decrease in deposits	11	544	-1.170
Sale of fixed assets		-52	-1
		-3.085	-8.804
Treasury shares, net		904	-1.391
Capital increase	15	15.433	4.028
Cash flows from financing activities		16.337	2.637
Increase in cash and cash equivalents		82.673	-13.472
Cash and cash equivalents at 1 January		14.649	28.121
Cash and cash equivalents at 31 December		97.322	14.649



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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 2020 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 7.

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.



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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 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 research and development costs that do not qualify for capitalisation.



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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 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.



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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.



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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.



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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.



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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.



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



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1 Segment reporting

Geographical markets	Group	
	2020	2019
Revenue	DKK '000	DKK '000
Denmark	194.395	216.364
Sweden	273.723	255.797
Norway	86.058	110.561
India	17.842	19.093
Great Britain	1.467	1.261
Germany	42.328	41.592
Operating activities	615.813	644.667

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	
	2020	2019	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000
Salaries	247.638	263.474	7.424	22.493
Pensions	18.280	19.050	362	348
Other social security costs	35.483	40.239	960	1.075
Allocation to other Group companies	-	-	-9.643	-24.226
	301.402	322.763	-897	-310
Remuneration for Executive and Board of Directors	8.110	8.392	8.065	8.347
Average number of employees	494	490	21	22

Incentive schemes

Zacco has per December 31, 2020 in total 9.134.500 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 2021 - 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.



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	Group		Parent Company	
	2020	2019	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000
3 Amortisation, depreciation and write-down				
Goodwill	521	842	-	-
Other fixtures and fittings, tools and equipment	2.195	2.655	343	153
Profit/loss on disposal of fixtures	-52	-1	-	-
	2.664	3.496	343	153

	Parent Company	
	2020	2019
	DKK '000	DKK '000
4 Income from investments in group entities		
Result subsidiaries	13.676	4.920
Amortisation and write-down of goodwill	-517	-842
Exchange adjust. on profit for the year	-1.489	-266
	11.670	3.812

	Group		Parent Company	
	2020	2019	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000
5 Financial income				
Interests on cash & bank deposits	375	359	11	34
Interest income from group companies	-	-	1.561	1.436
Exchange adjustments	14.660	7.014	5.638	3.405
	15.038	7.373	7.211	4.874

	Group		Parent Company	
	2020	2019	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000
6 Financial expenses				
Exchange adjustments	17.517	9.092	7.064	5.391
Instruments of debt and credit institutions	325	677	151	532
Interest expenses to group companies	-	-	749	306
Other financial expenses	1.509	1.033	541	352
	19.351	10.803	8.504	6.582



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7 Tax on profit for the year	Group		Parent Company	
	2020	2019	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000
Current tax for the year	1.910	1.610	1.593	791
Deferred tax for the year	2.902	-596	-1.085	-321
Adjustment of tax regarding previous years	-	-	-	2
	4.812	1.013	508	472

8 Proposed distribution of profit:	Parent Company	
	2020	2019
	DKK '000	DKK '000
Retained earnings	-1.815	-1.674
Reserve for net revaluation according to the equity method	11.670	3.812
	9.855	2.138



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9 Intangible assets

	Goodwill	Development costs	Group	
			2020 Total	2019 Total
	DKK '000	DKK '000	DKK '000	DKK '000
Cost at 1 January	21.668	708	22.376	19.634
Exchange adjustment to rate at year-end	142	24	166	-229
Additions for the year	1.372	-	1.372	2.971
Cost at 31 December	23.182	732	23.914	22.376
Amortisation and write-down at 1 January	18.976	708	19.684	19.057
Exchange adjustment to rate at year-end	443	24	467	-220
Amortisation and write-down for the year	521	-	521	842
Exchange adjust. of amortisation for the year	-29	-	-29	5
Amortisation and write-down at 31 December	19.911	732	20.643	19.684
Carrying amount at 31 December	3.271	-	3.271	2.692
Amortised over max. years	3-10	5	3-10	3-10

10 Property, plant and equipment

	Group	
	2020	2019
	DKK '000	DKK '000
Other fixtures and fittings, tools and equipment		
Cost at 1 January	19.967	15.398
Exchange adjustment to rate at year-end	124	-93
Additions during the year	2.204	4.661
Cost at 31 December	22.295	19.967
Depreciation and write-down at 1 January	14.643	12.043
Exchange adjustment to rate at year-end	118	-78
Depreciation for the year	2.195	2.655
Exchange adjustment of depreciation for the year	-1	23
Depreciation and write-down at 31 December	16.955	14.643
Carrying amount at 31 December	5.340	5.324
Depreciated over max. years	3-5	3-5



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10 Property, plant and equipment	Parent Company	
	2020 DKK '000	2019 DKK '000
Other fixtures and fittings, tools and equipment		
Cost at 1 January	687	0
Additions during the year	686	687
Cost at 31 December	1.373	687
Depreciation and write-down at 1 January	153	0
Depreciation for the year	343	153
Depreciation and write-down at 31 December	496	153
Carrying amount at 31 December	877	534
Depreciated over max. years	3-5	3-5



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11 Fixed asset investments

Investments in subsidiaries	Parent Company	
	<u>2020</u>	<u>2019</u>
	DKK '000	DKK '000
Cost at 1 January	86.876	83.779
Additions for the year	<u>12.618</u>	<u>3.097</u>
Cost at 31 December	<u>99.493</u>	<u>86.876</u>
Value adjustments at the beginning of the year	905	-3.029
Exchange rate adjustment	-1.339	-139
Profit for the year	13.676	4.917
Amortisation and write-down of goodwill	-517	-839
Other adjustments	<u>0</u>	<u>-4</u>
Value adjustments at 31 December	<u>12.726</u>	<u>905</u>
Negative investments in subsidiaries moved to provisions	<u>2.489</u>	<u>6.965</u>
Carrying amount at 31 December	<u>114.709</u>	<u>94.746</u>



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11 Fixed asset investments

Investments in subsidiaries can be specified as follows:

Name	Owners hip %	Share capital	Equity	Profit before tax	Profit for the year
			DKK '000	DKK '000	DKK '000
Zacco Denmark A/S	100%	TDKK 1.100	48.363	10.163	7.920
Zacco Norway AS	100%	TNOK 2.000	18.939	-438	-341
Zacco Sweden AB	100%	TSEK 100	26.660	11.132	8.411
Cegumark AB	100%	TSEK 360	1.016	3	4
Zacco GmbH	100%	TEUR 26	9.648	-858	-858
Zacco Digital Trust Denmark A/S	100%	TDKK 500	4.073	-707	-551
Zacco Innovation Technology Stockholm AB	100%	TSEK 50	-516	-696	-549
Zacco Digital Trust Sweden AB	100%	TSEK 50	842	1.090	838
Zacco Innovation Technology Öresund AB	100%	TSEK 50	891	1.066	833
Zacco DTI AB	100%	TSEK 50	12	-24	-23
Zacco Digital Trust Norway AS	100%	TNOK 100	-1.028	-996	-996
Zacco UK Ltd	100%	TGBP 5	-946	-424	-424
Zacco India R&D Private Limited	100%	TINR 12.420	3.466	1.258	986
Zacco Cyber Security Private Limited	100%	TINR 50	799	-1.552	-1.573
			112.219	19.018	13.676
Amortisation and write-down of goodwill				-517	-517
Negative investments in subsidiaries moved to provisions			2.489		
			114.709	18.501	13.159



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11 Fixed asset investments	Deposits	Other securities and investments
	DKK '000	DKK '000
Group		
Cost at 1 January 2020	3.799	11
Additions during the year	0	1
Disposals during the year	-544	-
Carrying amount at 31 December	3.255	12

12 Contract work in progress	Group		Parent Company	
	2020	2019	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000
Work in progress	19.793	25.733	-	-
Prepayments received	-9.530	-8.352	-	-
	10.263	17.381	-	-

13 Deferred tax asset	Group		Parent Company	
	2020	2019	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000
Property, plant and equipment	290	296	44	8
Trade receivables	801	295	-	-
Work in progress	0	-383	-	-
Pension asset (net)	358	383	-	-
Accrued costs	226	2.872	52	143
Tax losses carryforward	4.266	5.340	3.468	4.497
	5.941	8.804	3.563	4.648

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



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	Group		Parent Company	
	2020	2019	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000
14 Cash and cash equivalents				
The total cash and cash equivalents are distributed as follows:				
Available cash and cash equivalents	94.113	11.188	11.372	3.730
Cash and cash equivalents tied up	3.208	3.461	-	-
	97.322	14.649	11.372	3.730

15 Equity

The share capital consists of 111.272.491 shares of nominally DKK 0,5. No shares have special rights. The company has issued 20.000.000 shares in 2020 (all with pre-emption rights)

Specification of changes in share capital:

	2020	2019	2018	2017	2016
	1.000	1.000	1.000	1.000	1.000
No of shares at 1 January	91.272	89.477	86.697	83.055	73.996
Share issues	20.000	1.795	2.780	3.642	9.059
	111.272	91.272	89.477	86.697	83.055

The company has 133.385 treasury shares of nominally 0.5 DKK, which is 0.12% of the share capital. During 2020 the company has acquired 64.000 shares from former and current employees and 781.712 shares has been sold to employees.

16 Other provisions

Other provisions comprise staff-related expenses, negative investments in subsidiaries, claims from sales of investments and provision for pensions.



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17 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	
	2020	2019	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000
Credit institutions				
Within 1 year	-	-	0	32.134
	-	-	0	32.134

	Group		Parent Company	
	2020	2019	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000
19 Other payables				
Payroll- and social security tax	21.585	13.076	2.078	17
Corona loans Skatteverket Sweden	15.287	0	0	0
Holiday commitment	28.387	34.635	791	2.016
Salaries and pension	8.727	3.080	2.112	497
VAT	7.714	8.222	711	622
Other	7.752	9.117	1.034	955
	89.452	68.130	6.727	4.107

20 Contractual obligations, contingencies, etc.

Lease commitments from operating lease.

Total future rental and lease payments:

	Group	
	2020	2019
	DKK '000	DKK '000
Within 1 year	26.304	26.326
Between 1 and 5 years	38.896	46.044
After five years	1.150	366
	66.350	72.736



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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 2022.

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	
	2020 DKK '000	2019 DKK '000	2020 DKK '000	2019 DKK '000
21 Fee to auditors appointed by the General Meeting				
Audit fees	630	629	166	161
Other statements and reports	-	12	-	-
Income taxes	32	36	17	16
Other services	42	45	7	7
	704	722	190	184

22 Related parties and ownership

Controlling influence

No related parties have a controlling interest.

Other related parties

	2020 DKK '000	2019 DKK '000
Sale of services to subsidiaries	87.683	85.124
Purchase of service from subsidiaries	-54.781	-50.375
	32.902	34.749



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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 2020 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, senior employees, major shareholders or other related parties, apart from ordinary remuneration.

23 Cash flow statement - adjustments

	Group	
	2020	2019
	DKK '000	DKK '000
Financial income	-15.038	-7.373
Financial expenses	19.351	10.803
Amortisation, depreciation and write-down for the year	2.664	3.496
Tax on profit for the year	4.812	1.013
Other adjustments	432	183
	12.221	8.122

24 Cash flow statement - working capital changes

	Group	
	2020	2019
	DKK '000	DKK '000
Change in receivables	32.039	-16.338
Change in trade payables, other payables, etc	19.502	3.634
	51.540	-12.704

