


POTTER CLARKSON A/S
Havnegade 39, kl.
1058 København K

Annual report for 2023

Adopted at the annual general meeting on
28 June 2024



Stephen Edward Smith
chairman

TABLE OF CONTENTS

	Page
Statements	
Statement by management on the annual report	3
Independent auditor's report	4
Management's review	
Company details	7
Management's review	8
Financial statements	
Accounting policies	9
Income statement 1 January - 31 December	12
Balance sheet 31 December	13
Statement of changes in equity	15
Notes	16

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of directors and executive board have today discussed and approved the annual report of Potter Clarkson A/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

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

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


Copenhagen, 28 June 2024


Executive board

Stephen Edward Smith
Director



Board of directors


Stephen Edward Smith



Andrew Thomas Argyle



Benjamin John Herbert Hoffmann



Shahinda Hasan

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Potter Clarkson A/S

Opinion

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

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

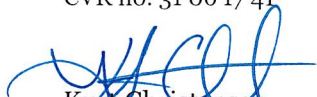
INDEPENDENT AUDITOR'S REPORT

Copenhagen, 28 June 2024

MAZARS

Statsautoriseret Revisionspartnerselskab

CVR no. 31 06 17 41



Kurt Christensen

statsautoriseret revisor

mne26824

COMPANY DETAILS

The company	Potter Clarkson A/S Havnegade 39, kl. 1058 København K
	CVR no.: 39 59 49 78
	Reporting period: 1 January - 31 December 2023
	Domicile: Copenhagen
Board of directors	Stephen Edward Smith Andrew Thomas Argyle Benjamin John Herbert Hoffmann Shahinda Hasan
Executive board	Stephen Edward Smith, director
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Midtermolen 1, 2.tv. 2100 København Ø

MANAGEMENT'S REVIEW

Business review

Potter Clarkson A/S is part of the UK based Potter Clarkson Group, that provides professional services as patent and trademark attorneys and intellectual property lawyers.

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of DKK 244.318, and the balance sheet at 31 December 2023 shows negative equity of DKK 2.720.157.

Financing

The financial statements reflect the impact of Nordic Business Plans implemented during 2023, resulting in much improved performance. Management are confident of the trajectory of the business towards consistent profitability.

During the transition towards financial independence, support from Group companies and especially our ultimate parent Potter Clarkson LLP, will continue formally. Their support has been confirmed in writing, continuing to provide irrevocable and unconditional resources including sufficient liquidity to meet current and future liabilities as they fall due.

Considering the above we do not consider there are any material uncertainties relating to the going concern assumption for these financial statements.

Significant events occurring after the end of the financial year

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

ACCOUNTING POLICIES

The annual report for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

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

The annual report for 2023 is presented in DKK.

Basis of recognition and measurement

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

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

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

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

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

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

Income statement

Gross profit

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

Gross profit reflects an aggregation of revenue, changes in work in progress and other external expenses.

Revenue

Income is mainly from professional services, comprising services related to patent and trade marks and intellectual property.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

ACCOUNTING POLICIES

Financial income and expenses

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

Tax on profit/loss for the year

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

Balance sheet

Tangible assets

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

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

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

	Useful life
Other fixtures and fittings, tools and equipment	1-3 years

Impairment of fixed assets

The carrying amount of equipment, is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

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. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Contract work in progress

Contract work in progress is measured as the cost of the work performed. The cost is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress.

The individual work in progress is recognised in the balance sheet under receivables.

ACCOUNTING POLICIES

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Dividends

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

Income tax and deferred tax

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

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

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

Liabilities

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

Foreign currency translation

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

Receivables and 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 recognized in the income statement as financial income or financial expenses.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
Gross profit		9.824.133	5.890.796
Staff costs	2	-10.088.014	-8.726.170
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-27.622	-29.087
Profit/loss before net financials		-291.503	-2.864.461
Financial income		47.611	355.176
Financial costs		-426	-1.992
Profit/loss before tax		-244.318	-2.511.277
Tax on profit/loss for the year		0	0
Profit/loss for the year		-244.318	-2.511.277
Retained earnings		-244.318	-2.511.277
		-244.318	-2.511.277

BALANCE SHEET 31 DECEMBER

	Note	2023 DKK	2022 DKK
ASSETS			
Other fixtures and fittings, tools and equipment		11.324	26.081
Tangible assets		11.324	26.081
Deposits		403.694	318.791
Fixed asset investments		403.694	318.791
Total non-current assets		415.018	344.872
Trade receivables		4.311.253	3.601.442
Contract work in progress		2.217.047	1.358.542
Receivables from group entities		22.626.243	9.938.842
Other receivables		1.206.337	373.120
Prepayments		278.407	232.249
Receivables		30.639.287	15.504.195
Cash at bank and in hand		1.586.043	2.835.043
Total current assets		32.225.330	18.339.238
Total assets		32.640.348	18.684.110

BALANCE SHEET 31 DECEMBER

	Note	2023 DKK	2022 DKK
EQUITY AND LIABILITIES			
Share capital		1.124.925	1.124.925
Retained earnings		-3.845.082	-3.600.764
Equity		-2.720.157	-2.475.839
Trade payables		1.343.967	1.528.492
Payables to group entities		32.280.062	18.019.525
Other payables		1.736.476	1.611.932
Total current liabilities		35.360.505	21.159.949
Total liabilities		35.360.505	21.159.949
Total equity and liabilities		32.640.348	18.684.110
Uncertainty about the continued operation (going concern)	1		
Commitments and contingencies	3		
Related parties and ownership structure	4		

STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	1.124.925	-3.600.764	-2.475.839
Net profit/loss for the year	<u>0</u>	<u>-244.318</u>	<u>-244.318</u>
Equity at 31 December 2023	<u><u>1.124.925</u></u>	<u><u>-3.845.082</u></u>	<u><u>-2.720.157</u></u>

NOTES

1 UNCERTAINTY ABOUT THE CONTINUED OPERATION (GOING CONCERN)

The company realised a loss of DKK 244t in 2023 and are reporting a negative equity at the end of the year of DKK 2,720k.

The financial statements reflect the impact of Nordic Business Plans implemented during 2023, resulting in much improved performance. Management are confident of the trajectory of the business towards consistent profitability.

During the transition towards financial independence, support from Group companies and especially our ultimate parent Potter Clarkson LLP, will continue formally. Their support has been confirmed in writing, continuing to provide irrevocable and unconditional resources including sufficient liquidity to meet current and future liabilities as they fall due.

Considering the above we do not consider there are any material uncertainties relating to the going concern assumption for these financial statements.

	<u>2023</u>	<u>2022</u>
	DKK	DKK
2 STAFF COSTS		
Wages and salaries	9.868.507	8.320.547
Pensions	529.602	453.009
Other social security costs	83.008	127.648
Other staff costs	<u>-393.103</u>	<u>-175.034</u>
	<u>10.088.014</u>	<u>8.726.170</u>
Number of fulltime employees on average	<u>10</u>	<u>8</u>

3 COMMITMENTS AND CONTINGENCIES

The company has entered into two rent obligations with a remaining term of 7 months and 33 months and the average monthly lease payments of DKK 126 thousand, totalling DKK 1.517 thousand.

4 RELATED PARTIES AND OWNERSHIP STRUCTURE

Controlling interest

The company is a wholly - owned subsidiary of Potter Clarkson LLP, Corporate identity number OC 315197. The company's registered office is Nottingham;

Chapel Quarter
Mount Street
Nottingham
NG1 6HQ
United Kingdom

Consolidated financial statements

The company is reflected in the group report as the parent company Potter Clarkson LLP