Deloitte.

Grey Holding ApS

Lystrupvej 50
8240 Risskov
CVR No. 40489991

Annual report 01.07.2022 - 30.06.2023

The Annual General Meeting adopted the annual report on 23.10.2023

Kim Nyborg Carlsen
Chairman of the General Meeting

Contents

Entity details

Entity

Grey Holding ApS
Lystrupvej 50
8240 Risskov

Business Registration No.: 40489991
Registered office: Aarhus
Financial year: 01.07.2022 - 30.06.2023

Board of Directors

Mark Fitzhugh
Edmund Alfred Lazarus
Erik Hubertus Maria Geilenkirchen
Kim Nyborg Carlsen
Mark William Joseph
Adam Frahm

Executive Board

Kim Nyborg Carlsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Grey Holding ApS for the financial year 01.07.2022 - 30.06.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.06.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.07.2022 - 30.06.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Risskov, 23.10.2023

Executive Board

Kim Nyborg Carlsen

Board of Directors

Mark Fitzhugh

Edmund Alfred Lazarus

Erik Hubertus Maria Geilenkirchen

Kim Nyborg Carlsen

Mark William Joseph

Adam Frahm

Independent auditor's report

To the shareholders of Grey Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Grey Holding ApS for the financial year 01.07.2022 - 30.06.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.06.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.07.2022 - 30.06.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 financial statements" section of this auditor's 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 responsibilities for the consolidated financial statements and the parent financial statements

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity 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 financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 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 Entity’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 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 Entity’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 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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 commentary.

Aarhus, 23.10.2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jacob Nørmark
State Authorised Public Accountant
Identification No (MNE) mne30176

Jonas Thøstesen Svensson
State Authorised Public Accountant
Identification No (MNE) mne47824

Management commentary

Financial highlights

	2022/23 EUR'000	2021/22 EUR'000	2020/21 EUR'000	2019/20 EUR'000
Key figures				
Gross profit/loss	17,833	18,066	16,678	16,820
Operating profit/loss	(1,595)	624	568	27
Net financials	(3,361)	(2,703)	(3,676)	(3,670)
Profit/loss for the year	(4,973)	(2,064)	(3,024)	(3,887)
Balance sheet total	135,628	142,265	151,693	159,012
Investments in property, plant and equipment	548	770	379	1,090
Equity	57,334	61,613	63,764	66,704
Cash flows from operating activities	4,812	7,509	9,146	2,161
Cash flows from investing activities	(6,739)	(2,326)	(2,881)	(134,707)
Cash flows from financing activities	(1,650)	(6,570)	(3,375)	138,780
Average number of employees	66	54	45	34
Ratios				
Return on equity (%)	(8.36)	(3.29)	(4.64)	(11.65)
Equity ratio (%)	42.27	43.31	42.03	41.95

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):
Profit/loss for the year * 100
Average equity

Equity ratio (%):
Equity * 100
Balance sheet total

Primary activities
The Group develops, produces and sells high-quality miniature video and audio surveillance solutions.

Development in activities and finances
The Group relocated its headquarters, from Roende to Risskov, on the 4th of April 2022. The headquarter in Roende has been sold as of 1st of August 2022.

The Group has established a branch in Germany (14th of March 2023) and bought Kinesense Ltd (2nd of February 2023).

Profit/loss for the year in relation to expected developments
During the financial year, the company's operations developed as expected. Loss for the year after tax ended at EUR 4,973 thousand against a loss of EUR 2.064 thousand in 2022/23.

Uncertainty relating to recognition and measurement
In the opinion of Management, recognition and measurement in the annual report are not subject to material uncertainties.

Outlook
The gross profit for 2023/24 are expected to be around 15-20 mio. EUR in 2022/23.

Research and development activities
The Company's development projects relate to development of new products to be used in surveillance solutions. Development of new products is made on the basis of an identified market need or a commercial long-term need for new technology.

Foreign branches
Covidence A/S holds the entire share capital of the following companies:
- Covidence Brasil Com e Serviços de Equipamentos de Vigilância Ltda (CNPJ: 17,636,892/0001-14).
- Covidence USA, Inc. (company no. 86-3041063)
- Claresys Limited (company no. 06501929)
- Kinesense Limited (company no. 475397)

Moreover, the Company has a permanent establishment in Dubai and Germany.

Events after the balance sheet date
No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated treasury shares

	Number	Nominal value EUR	Recorded par value EUR	Share of contributed capital %	Purchase/ (selling) price EUR
Acquired on 7 October 2021	98,497	985	10,000	0.14	98,497
Investments acquired	**98,497**	**985**	**10,000**	**0.14**	
Acquired on 7 October 2021	98,497	985	10,000	0.14	
Holding of treasury shares	**98,497**	**985**	**10,000**	**0.14**	

The company and the Group has acquired treasury shares from a previous shareholder and employee as a part of the exit-agreement.

Consolidated income statement for 2022/23

	Notes	2022/23 EUR	2021/22 EUR
Gross profit/loss		**17,833,280**	**18,065,998**
Staff costs	1	(6,934,710)	(5,513,701)
Depreciation, amortisation and impairment losses	2	(12,494,066)	(11,928,572)
Operating profit/loss		**(1,595,496)**	**623,725**
Other financial income	3	825,297	665,970
Other financial expenses	4	(4,186,753)	(3,368,883)
Profit/loss before tax		**(4,956,952)**	**(2,079,188)**
Tax on profit/loss for the year	5	(16,427)	14,947
Profit/loss for the year	6	**(4,973,379)**	**(2,064,241)**

Consolidated balance sheet at 30.06.2023

Assets

	Notes	2022/23 EUR	2021/22 EUR
Completed development projects	8	3,878,088	2,089,405
Acquired intangible assets		74,067,662	79,288,788
Goodwill		39,590,254	41,810,669
Development projects in progress	8	2,934,877	1,566,746
Intangible assets	7	**120,470,881**	**124,755,608**
Other fixtures and fittings, tools and equipment		985,202	819,684
Leasehold improvements		210,345	197,817
Property, plant and equipment	9	**1,195,547**	**1,017,501**
Deposits		102,573	102,573
Financial assets	10	**102,573**	**102,573**
Fixed assets		**121,769,001**	**125,875,682**
Raw materials and consumables		3,998,766	3,689,214
Manufactured goods and goods for resale		1,203,474	527,456
Assets held for sale		0	907,789
Inventories		**5,202,240**	**5,124,459**
Trade receivables		3,679,491	3,057,063
Other receivables		435,816	220,165
Prepayments	11	382,887	251,705
Receivables		**4,498,194**	**3,528,933**
Cash		**4,158,251**	**7,736,081**
Current assets		**13,858,685**	**16,389,473**
Assets		**135,627,686**	**142,265,155**

Equity and liabilities

	Notes	2022/23 EUR	2021/22 EUR
Contributed capital		733,161	726,107
Retained earnings		56,600,644	60,887,109
Equity		**57,333,805**	**61,613,216**
Deferred tax	12	17,705,870	18,200,075
Other provisions	13	55,062	54,064
Provisions		**17,760,932**	**18,254,139**
Bank loans		54,639,840	56,378,054
Lease liabilities		24,575	31,727
Tax payable		1,037,987	0
Non-current liabilities other than provisions	14	**55,702,402**	**56,409,781**
Current portion of non-current liabilities other than provisions	14	7,141	1,607,152
Prepayments received from customers		3,583	131,401
Trade payables		883,543	1,298,978
Payables to group enterprises		552,073	457,073
Tax payable		1,733,575	1,398,741
Other payables		933,958	1,094,674
Deferred income	15	716,674	0
Current liabilities other than provisions		**4,830,547**	**5,988,019**
Liabilities other than provisions		**60,532,949**	**62,397,800**
Equity and liabilities		**135,627,686**	**142,265,155**
Unrecognised rental and lease commitments	17		
Assets charged and collateral	18		
Transactions with related parties	19		
Group relations	20		
Subsidiaries	21		

Consolidated statement of changes in equity for 2022/23

	Contributed capital EUR	Share premium EUR	Retained earnings EUR	Total EUR
Equity beginning of year	726,107	0	60,887,109	61,613,216
Increase of capital	7,054	698,322	0	705,376
Exchange rate adjustments	0	0	(11,408)	(11,408)
Transfer to reserves	0	(698,322)	698,322	0
Profit/loss for the year	0	0	(4,973,379)	(4,973,379)
Equity end of year	**733,161**	**0**	**56,600,644**	**57,333,805**

The share capital compromises A and B shares and amounts:
A-shares divided into shares of EUR 0.01
or any multiples hereof: EUR 4,811.29

B-shares divided into shares of EUR 0.01
or any multiples hereof: EUR 728,349.74

Consolidated cash flow statement for 2022/23

	Notes	2022/23 EUR	2021/22 EUR
Operating profit/loss		(1,595,496)	623,725
Amortisation, depreciation and impairment losses		12,494,066	11,928,547
Other provisions		998	54,064
Working capital changes	16	(2,634,348)	(703,291)
Other adjustments		0	(291,101)
Cash flow from ordinary operating activities		**8,265,220**	**11,611,944**
Financial income received		825,297	665,970
Financial expenses paid		(4,186,753)	(3,368,883)
Taxes refunded/(paid)		(92,167)	(1,399,617)
Cash flows from operating activities		**4,811,597**	**7,509,414**
Acquisition etc. of intangible assets		(2,153,900)	(1,455,215)
Acquisition etc. of property, plant and equipment		(526,965)	(768,419)
Acquisition of fixed asset investments		(4,058,196)	(102,573)
Cash flows from investing activities		**(6,739,061)**	**(2,326,207)**
Free cash flows generated from operations and investments before financing		**(1,927,464)**	**5,183,207**
Loans raised		0	38,879
Repayments of loans etc.		(1,738,214)	(6,533,213)
Incurrence of debt to group enterprises		95,000	0
Repayment of lease liabilities		(7,152)	0
Acquisition of treasury shares		0	(83,497)
Cash capital increase		0	7,500
Cash flows from financing activities		**(1,650,366)**	**(6,570,331)**
Increase/decrease in cash and cash equivalents		**(3,577,830)**	**(1,387,124)**

Cash and cash equivalents beginning of year	7,736,081	9,123,205
Cash and cash equivalents end of year	**4,158,251**	**7,736,081**
Cash and cash equivalents at year-end are composed of:		
Cash	4,158,251	7,736,081
Cash and cash equivalents end of year	**4,158,251**	**7,736,081**

Notes to consolidated financial statements

1 Staff costs

	2022/23 EUR	2021/22 EUR
Wages and salaries	6,068,730	4,688,263
Pension costs	603,263	519,118
Other social security costs	81,669	77,239
Other staff costs	181,048	229,081
	6,934,710	**5,513,701**

Average number of full-time employees	**66**	**54**

	Remuneration of management 2022/23 EUR	Remuneration of management 2021/22 EUR
Total amount for management categories	585,941	519,686
	585,941	**519,686**

2 Depreciation, amortisation and impairment losses

	2022/23 EUR	2021/22 EUR
Amortisation of intangible assets	12,154,030	11,661,373
Impairment losses on intangible assets	0	7,385
Depreciation on property, plant and equipment	340,036	259,814
	12,494,066	**11,928,572**

3 Other financial income

	2022/23 EUR	2021/22 EUR
Other interest income	149,262	13,148
Exchange rate adjustments	676,035	647,376
Other financial income	0	5,446
	825,297	**665,970**

4 Other financial expenses

	2022/23 EUR	2021/22 EUR
Financial expenses from group enterprises	95,000	95,000
Other interest expenses	3,302,768	2,911,488
Exchange rate adjustments	776,756	347,832
Other financial expenses	12,229	14,563
	4,186,753	**3,368,883**

5 Tax on profit/loss for the year

	2022/23 EUR	2021/22 EUR
Current tax	1,394,513	1,401,538
Change in deferred tax	(1,448,232)	(1,415,556)
Adjustment concerning previous years	70,146	(929)
	16,427	**(14,947)**

6 Proposed distribution of profit/loss

	2022/23 EUR	2021/22 EUR
Retained earnings	(4,973,379)	(2,064,241)
	(4,973,379)	**(2,064,241)**

7 Intangible assets

	Completed development projects EUR	Acquired intangible assets EUR	Goodwill EUR	Development projects in progress EUR
Cost beginning of year	5,745,552	100,068,551	52,693,087	1,566,746
Addition through business combinations etc	3,176,800	1,513,154	1,381,112	0
Transfers	313,191	0	0	(313,191)
Additions	119,112	0	0	1,681,322
Disposals	(3,052)	0	0	0
Cost end of year	**9,351,603**	**101,581,705**	**54,074,199**	**2,934,877**
Amortisation and impairment losses beginning of year	(3,656,147)	(20,779,763)	(10,882,418)	0
Amortisation for the year	(1,818,223)	(6,734,280)	(3,601,527)	0
Reversal regarding disposals	855	0	0	0
Amortisation and impairment losses end of year	**(5,473,515)**	**(27,514,043)**	**(14,483,945)**	**0**
Carrying amount end of year	**3,878,088**	**74,067,662**	**39,590,254**	**2,934,877**

8 Development projects

The Group's development projects relate to development of new products to be used in surveillance solutions. Development of new products is made on the basis of an identified market need or a commercial long-term need for new technology. All projects are approved by Management before they are initiated. Development projects are recognised in the balance sheet when it is assessed that the products derived from the project will yield a future financial benefit. The projects and their values are assessed on a continuous basis, and no indication of impairment of the carrying amount is found to exist.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR	Leasehold improvements EUR
Cost beginning of year	1,169,514	205,956
Addition through business combinations etc	44,666	0
Additions	465,338	37,801
Disposals	(105,077)	(2,071)
Cost end of year	**1,574,441**	**241,686**
Depreciation and impairment losses beginning of year	(349,830)	(8,139)
Addition through business combinations etc	(20,840)	0
Depreciation for the year	(316,653)	(23,383)
Reversal regarding disposals	98,084	181
Depreciation and impairment losses end of year	**(589,239)**	**(31,341)**
Carrying amount end of year	**985,202**	**210,345**

10 Financial assets

	Deposits EUR
Cost beginning of year	102,573
Cost end of year	**102,573**
Carrying amount end of year	**102,573**

11 Prepayments

Prepayments cover prepaid insurance, licenses, lease payments, etc.

12 Deferred tax

Changes during the year	2022/23 EUR	2021/22 EUR
Beginning of year	18,200,075	19,626,619
Recognised in the income statement	(1,448,232)	(1,426,544)
Additions from business combinations	954,027	0
End of year	**17,705,870**	**18,200,075**

13 Other provisions

The provision covers a reestablishment obligation for the company's headquarters.

14 Non-current liabilities other than provisions

	Due within 12 months 2022/23 EUR	Due within 12 months 2021/22 EUR	Due after more than 12 months 2022/23 EUR
Bank loans	0	1,600,000	54,639,840
Lease liabilities	7,141	7,152	24,575
Tax payable	0	0	1,037,987
	7,141	**1,607,152**	**55,702,402**

15 Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

16 Changes in working capital

	2022/23 EUR	2021/22 EUR
Increase/decrease in inventories	(985,570)	(1,049,639)
Increase/decrease in receivables	(61,472)	(225,766)
Increase/decrease in trade payables etc.	(1,587,306)	572,114
	(2,634,348)	**(703,291)**

17 Unrecognised rental and lease commitments

	2022/23 EUR	2021/22 EUR
Total liabilities under rental or lease agreements until maturity	**1,000,643**	**956,958**

18 Assets charged and collateral

The Group has provided a joint and several guarantee of payment of the bank debt in Grey Bidco 2019 ApS and Covidence A/S. The credit limit in Grey Bidco 2019 ApS is maximum DKK 405,894 thousand (EUR 54,500 thousand). The bank debt totals DKK 405,894 thousand (EUR 41,168 thousand) at 30.06.2023. The credit limit in Covidence A/S is maximum DKK 22,342 thousand (EUR 3,000 thousand). The bank debt totals DKK 0 thousand (EUR 0 thousand) at 30.06.2023.

19 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

20 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Grey Holding ApS, Risskov

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Grey Holding ApS, Risskov

21 Subsidiaries

	Registered in	Corporate form	Ownership %
Grey Bidco 2019 ApS	Risskov	ApS	100.00
Black Topco ApS	Risskov	ApS	100.00
Covidence A/S	Risskov	A/S	100.00
Covidence Brazil Com e Servicos de Equipamentos de Vigiläncia Ltda	Brazil	Ltda	100.00
Covidence USA, Inc	USA	Inc	100.00
Claresys Limited	England	Ltd	100.00
Kinesense Limited	Ireland	Ltd	100.00

Parent income statement for 2022/23

	Notes	2022/23 EUR	2021/22 EUR
Gross profit/loss		**(43,222)**	**(56,035)**
Income from investments in group enterprises		(5,006,043)	(2,072,340)
Other financial income from group enterprises		98,037	98,037
Other financial income		800	0
Financial expenses from group enterprises		(12,853)	0
Other financial expenses		884	(25,692)
Profit/loss before tax		**(4,962,397)**	**(2,056,030)**
Tax on profit/loss for the year	1	(10,982)	(8,211)
Profit/loss for the year	2	**(4,973,379)**	**(2,064,241)**

Parent balance sheet at 30.06.2023

Assets

	Notes	2022/23 EUR	2021/22 EUR
Investments in group enterprises		52,417,946	56,730,021
Financial assets	3	**52,417,946**	**56,730,021**
Fixed assets		**52,417,946**	**56,730,021**
Receivables from group enterprises		5,585,317	5,518,250
Joint taxation contribution receivable		2,488,782	1,391,560
Receivables		**8,074,099**	**6,909,810**
Cash		**10,274**	**21,890**
Current assets		**8,084,373**	**6,931,700**
Assets		**60,502,319**	**63,661,721**

Equity and liabilities

	Notes	2022/23 EUR	2021/22 EUR
Contributed capital		733,161	726,107
Retained earnings		56,600,644	60,887,109
Equity		**57,333,805**	**61,613,216**
Tax payable		1,037,987	1,398,504
Non-current liabilities other than provisions	4	**1,037,987**	**1,398,504**
Payables to group enterprises		651,109	638,256
Tax payable		1,467,282	0
Other payables		12,136	11,745
Current liabilities other than provisions		**2,130,527**	**650,001**
Liabilities other than provisions		**3,168,514**	**2,048,505**
Equity and liabilities		**60,502,319**	**63,661,721**
Contingent liabilities	5		
Assets charged and collateral	6		
Related parties with controlling interest	7		
Transactions with related parties	8		

Parent statement of changes in equity for 2022/23

	Contributed capital EUR	Share premium EUR	Retained earnings EUR	Total EUR
Equity beginning of year	726,107	0	60,887,109	61,613,216
Increase of capital	7,054	698,322	0	705,376
Exchange rate adjustments	0	0	(11,408)	(11,408)
Transfer to reserves	0	(698,322)	698,322	0
Profit/loss for the year	0	0	(4,973,379)	(4,973,379)
Equity end of year	**733,161**	**0**	**56,600,644**	**57,333,805**

The share capital compromises A and B shares and amounts:
A-shares divided into shares of EUR 0.01
or any multiples hereof: EUR 4,811.29

B-shares divided into shares of EUR 0.01
or any multiples hereof: EUR 728,349.74

Notes to parent financial statements

1 Tax on profit/loss for the year

	2022/23 EUR	2021/22 EUR
Current tax	9,602	6,944
Adjustment concerning previous years	1,380	1,267
	10,982	**8,211**

2 Proposed distribution of profit and loss

	2022/23 EUR	2021/22 EUR
Retained earnings	(4,973,379)	(2,064,241)
	(4,973,379)	**(2,064,241)**

3 Financial assets

	Investments in group enterprises EUR
Cost beginning of year	65,883,632
Additions	705,376
Cost end of year	**66,589,008**
Impairment losses beginning of year	(9,153,611)
Exchange rate adjustments	(11,408)
Share of profit/loss for the year	(5,006,043)
Impairment losses end of year	**(14,171,062)**
Carrying amount end of year	**52,417,946**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

4 Non-current liabilities other than provisions

	Due after more than 12 months 2022/23 EUR
Tax payable	1,037,987
	1,037,987

5 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

6 Assets charged and collateral

The Company has provided a joint and several guarantee of payment of the bank debt in Grey Bidco 2019 ApS and Covidence A/S. The credit limit in Grey Bidco 2019 ApS is maximum DKK 405,894 thousand (EUR 54,500 thousand). The bank debt totals DKK 405,894 thousand (EUR 41,168 thousand) at 30.06.2023. The credit limit in Covidence A/S is maximum DKK 22,342 thousand (EUR 3,000 thousand). The bank debt totals DKK 0 thousand (EUR 0 thousand) at 30.06.2023.

7 Related parties with controlling interest

EMK Capital Partners LP, Jersey

8 Non-arm’s length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The Entity has changed its accounting policies with regard to presentation of own work capitalized.

The change in accounting policies regarding own work capitalized has not led to a decrease or increase in equity, assets or liabilities. Own work capitalized was previous shown as a deduct of staff cost, but is now presented on a seperate line, as part of gross profit.

The comparative figures have been restated following the change in accounting policies and the effect on the comparative figures is an increase of EUR 1.081k in Staff cost and a decrease of Gross profit of the same amount.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistent with last year with minor reclassifications.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, costs of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Costs of raw materials and consumables
Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and normal writedowns of the relevant inventories.

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income from group enterprises
Other financial income from group enterprises comprises interest income etc. on receivables from group enterprises.

Other financial income
Other financial income comprises interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets,

Financial expenses from group enterprises
Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 15 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 4 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	4-10 years
Leasehold improvements	10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 15 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Assets held for sale
Assets held for sale are assets that are no longer in use and have been put up for sale. The assets are measured at the lower of carrying amount at the date of reclassification and net realisable value, and no amortisation or depreciation is made.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Joint taxation contributions payable or receivable
Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Treasury shares
Acquisition and selling prices and dividends of treasury shares are classified directly as equity in retained earnings. Gains and losses from sale are not recognised in the income statement. Capital reduction by cancellation of treasury shares reduces the contributed capital by an amount corresponding to their nominal value.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other provisions
Other provisions comprise anticipated costs of a reestablishment obligation.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Lease liabilities
Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.