Orca Holding Denmark ApS

C/O Nivaro Gustav Adolfs Gade 5, 2. th, 2100 København Ø

Company reg. no. 43 86 61 09

Annual report

21 February 2023 - 31 March 2024

The annual report was submitted and approved by the general meeting on the 31 October 2024.

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Beverley Edward John Dew
Chairman of the meeting

Contents

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Executive Board has approved the annual report of Orca Holding Denmark ApS for the financial period 21 February 2023 - 31 March 2024.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 March 2024, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial period 21 February 2023 – 31 March 2024.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 31 October 2024

Executive board

Selva Selvaratnam	Beverley Edward John Dew

Independent Auditor’s Report

To the shareholder of Orca Holding Denmark ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Orca Holding Denmark ApS for the financial year 21 February 2023 – 31 March 2024 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 March 2024 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 21 February 2023 – 31 March 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the consolidated financial statements and the parent company financial statements

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

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for as-sessing 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 eco-nomic decisions of financial statement users made on the basis of these consolidated financial statements and parent company financial statements

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circum-stances, 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.

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 consoli-dated 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 Statement Act. We did not identify any material misstatement of the Management's review.

Report on other legal and regulatory requirements

Non-compliance with the Danish Financial Statements Act

The Company has failed to file its annual report for 2023/24 with the Danish Business Authority within the filing deadline laid down by the Danish Financial Statements Act. The Company's Management may incur liability for this.

Copenhagen, 31 October 2024

KPMG
Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 57 81 98

Klaus Rytz
State Authorised Public Accountant
mne33205

Company information

The company	Orca Holding Denmark ApS C/O Nivaro Gustav Adolfs Gade 5, 2. th 2100 København Ø
	Company reg. no. 43 86 61 09 Established: 21 February 2023 Financial year: 21 February - 31 March
Executive board	Selva Selvaratnam Beverley Edward John Dew
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø
Parent company	Orca Midco Limited, UK
Subsidiaries	Zacco A/S, Denmark Zacco Denmark A/S, Denmark Zacco Norway AS, Norway Zacco Sweden AB, Sweden Zacco GmbH, Germany Zacco Digital Trust Denmark A/S, Denmark Zacco Digital Trust Sweden AB, Sweden Zacco UK Ltd, Great Britain Zacco IP Services A/S, Denmark Zacco India R&D Private Limited, India OpSec Services India Private Limited, India

Consolidated financial highlights

DKK in thousands.	2023/24
Income statement:	
Revenue	664.816
Gross profit	311.096
Profit from operating activities	-28.765
Net financials	-56.547
Net profit or loss for the year	-82.326
Statement of financial position:	
Balance sheet total	871.510
Equity	77.100
Cash flows:	
Operating activities	1.591
Investing activities	-658.688
Financing activities	677.622
Total cash flows	20.525
Employees:	
Average number of full-time employees	473
Key figures in %:	
Gross margin ratio	46,8
Profit margin (EBIT-margin)	-4,3
Solvency ratio	8,8

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Gross margin ratio $$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

Profit margin (EBIT margin) $$\frac{\text{Operating profit or loss (EBIT) x 100}}{\text{Revenue}}$$

Solvency ratio $$\frac{\text{Equity less non-controlling interests, closing balance x 100}}{\text{Total assets, closing balance}}$$

The legal structure

Orca Bidco Limited trading as Opsec Security acquired, via the holding company Orca Holding Denmark ApS, Zacco A/S and its subsidiaries per 17 April 2023. OpSec Security is the global leader in brand protection solutions and the intention of the combined business was to offer full lifecycle IP and brand optimization, monetization, protection solutions to some of the world´s most recognized brands.

The principal activities

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

Market overview

The Group is a modern, full-service intellectual property consultancy building on more than 150 years' experience of innovative thinking. The Group offers an all-encompassing 360° perspective on intellectual property: From patent filing, trademark registration and design protec-tion 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, The Group is in a unique position to offer comprehensive support in developing, securing, monitoring, managing and enforcing all forms of intangible assets.

Business development

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

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

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

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

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

Development in activities and financial matters
This is the companys first financial year (21 February 2023 - 31 March 2024). The Zacco Group was acquired on 17 April 2023 for a total consideration of DKK 747 million.

The Groups's revenue from April 2023-March 2024 amounts to DKK 664.8 million. EBIT from April 2023-March 2024 was DKK -28.8 million. EBT from April 2023-March 2024 was DKK -85.3 million. During the period April 2023 to March 2024 there has been extraordinary cost of DKK 18.3 million related to the acquisition by OpSec Security and the proposed and ultimately terminated listing process on NY Nasdaq echange.

The Group's revenue and EBIT March 2023-March 2024 whist higher than the prior year was lower than budget due to principally; the daily operational business in The Group during 2023 was impacted by the OpSec transaction and extraordinary costs caused by this transaction and the subsequently terminated listing process, general slowdown in the market during 2023 and headwind in currency.

Cash at bank and in hand for The Group amounts to DKK 20.6 million at March 2024. Orca Holding Denmark ApS has received a dividend of DKK 64 million in March 2024.

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

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

Intellectual capital

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

Particular risks

Operating risks

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

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

Financial risks

Currency exposure

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

Corporate Social Responsibilities

Interest rate risk

The Group has significant loans with variable interest rate and is therefore exposed to interest rate risk.

Market risks

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

Credit risks

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

Corporate social responsibility

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

Business Model

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

Environmental and climate matters

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

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

Our policy is to:

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

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

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

Human rights

The Group follows and respects the UN Global Compact initiative as well as the UN Universal Declaration of Human Rights. We implemented a group common Anti-Harassment and non Discrimination Policy in order to give equal rights and opportunities. Twice a year we perform an Employee Satisfaction Survey with standard questions regarding job satisfaction and associated free text fields. The data collection and compilation are made by a third party to ensure anonymous handling. Each survey we have a special focus area and we have had discrimination & harassment as a specific area to get input from all employees. Fiscal year 2023/24 we had the highest participation ever with 82,1% in the spring survey and 83,3% in the fall survey. In the spring survey we had unfriendly communication and disrespectful treatment as focus area and from the fall survey and going forward we have added those questions as new standard questions. With the focus on these areas, also including our contacts externally, we managed to half the perceived unfriendly communication from 18% to below 9%. And the overall satisfaction scored high with 3,96 on a 5-grade scale which is an increase from (also good) 3,91 six months before. We are also supporting Star For Life Ukraine in their work with Human Rights with a focus on children rights by investing in the future of countless children, empowering them with education and technology (April 2023 Ukraine received 101 donated Zacco laptops and we have also urged employees for private financial donations).

Employee conditions and social matters

The Group is influenced by the Scandinavian working culture, as most of our offices are placed in Scandinavia and Northern Europe. This means that we have a flat organizational structure and that future employees should expect to be involved "from day one". We believe in freedom under responsibility and support flexibility in the job as long as it goes both ways. We also encourage competency development in order for our employees to stay up-to-date with changes in the industry and continue to improve their skills.

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

The Group works proactively to create a good physical and psychological work environment. As mentioned Employee Satisfaction Surveys are carried out twice a year and participation in these surveys is above 80%. In 2023/2024 we had physical and psychological work environment as focus area. Our overall process when the data is collected and compiled follow these steps:
• Each regional director get the regional results and the team managers get the team results.
• The results is presented at regional all staff meetings and in respective team meetings.
• HR Director and HR-responsible check that feedback is given.
• Each region decides how to bench-mark team by team and development over time.
• If serious issues or feedback arises that is handled case by case by HR Director and if relevant together with HR-responsible/regional director/CEO/COO.

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

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

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

Anti-corruption and anti-bribery

The Group believes that sustainable success in business is only possible where there is free and fair competition. Based on these fundamental principles and our legal obligations, The Group has a policy not to tolerate any form of corruption or bribery and the overall objective is to prevent any officer, director, agent or person performing services for our company, or in its name, from giving or receiving bribes of any kind. The Group shall conduct its business in full legal compliance wherever it operates and The Group has zero tolerance for corruption, whether public or private, whether direct or indirect. The Group strives to continue applying said policy. The main risks with regard to corruption and bribery are in contacts with government officials in countries where The Group operates. Since The Group has limited large-scale procurement and because The Group apply a strict quality standard, including a four eyes principal in all case-handling the risk for The Group's employees receiving bribes is small. No events in relation to anti-corruption and bribery have been identified during the fiscal year.

Goals and policies for the underrepresented gender

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

In Orca Holding Denmark ApS 0% of the executive board members are women.

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

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

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

For Orca Holding Denmark ApS the underrepresented gender can be specified as below. The Parent Company has less than 50 employees and are not required to inform on target of underrepresented gender.

Target figures and policies for the underrepresented gender

Overview of the status of target figures for the underrepresented gender

	2023/24
Executive board	
Total number of members of executive board, excluding employee-elected members	2
Underrepresented gender in executive board	0 %
Target figure of underrepresented gender in executive board	50 %
Year of expected fulfillment	2025
Other management levels	
Total number of other management levels	0

For Zacco A/S the underrepresented gender can be specified as below.

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

Data ethics

The Group take data ethics seriously and have a number of policies as guidelines:

• Ownership – it is the client or individual who owns their data

• Security and Confidentiality – we shall maintain a high level of security and confidentiality in order not to comprise the data of our clients and other stakeholders

• Trust – it is not just about knowing what you are doing with data at any given moment, but rather understanding what is happening with it and how it is being respected across the entirety of the lifecycle

• Accountability - make data ethics part of the day to day business for the whole organization, not just the data specialists

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

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

Security

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

The data of every client who has allowed their confidential information to be accessible via the cloud is kept separate from the data of other clients or customers. Access is restricted, monitored and logged, irrespective of who is accessing the system. Our Cyber Defence Centre (CDC) continuously monitors all incoming, outgoing and internal data traffic, as part of protecting our network infrastructure and communications. With the use of end point detection and response tools and user behavior analytics our CDC are able to quickly respond to any ongoing threats. Our CDC is ISO certified for ISO 27001: Information Security, ISO 27701: Privacy Information and ISO 22301: Business Continuity Management Systems.

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

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

Privacy

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

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

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

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

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

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

Income statement

DKK thousand.

Note		Parent 21/2 2023 - 31/3 2024	Group 21/2 2023 - 31/3 2024
1	Revenue	0	664.816
	Own work capitalised	0	3.181
	Other operating income	0	243
	Cost of sales	0	-283.812
	Other external expenses	-2.302	-73.332
	Gross profit	**-2.302**	**311.096**
3	Staff costs	0	-282.379
4	Amortisation, depreciation and impairment of intangible assets and property, plant, and equipment	0	-57.482
	Operating profit	**-2.302**	**-28.765**
	Income from investments in group enterprises	64.000	0
5	Other financial income from group enterprises	0	1.851
6	Other financial income	0	21.429
7	Other financial expenses	-56.878	-79.827
	Pre-tax net profit or loss	**4.820**	**-85.312**
8	Tax on net profit or loss for the year	4.232	2.986
9	**Net profit or loss for the year**	**9.052**	**-82.326**
	Break-down of the consolidated profit or loss:		
	Shareholders in Orca Holding Denmark ApS		-82.326
			-82.326

Balance sheet

DKK thousand.

Note	Assets	Parent 31/3 2024	Group 31/3 2024
	Non-current assets		
10	Development and technology assets	0	71.427
11	Customer rights (badwill), customer relationship and brand	0	351.448
12	Goodwill	0	180.297
	Total intangible assets	0	603.172
13	Other fixtures and fittings, tools and equipment	0	3.904
	Total property, plant, and equipment	0	3.904
14	Investments in group enterprises	746.494	0
15	Other securities and investments	0	1.826
16	Deposits	0	3.803
	Total investments	746.494	5.629
	Total non-current assets	**746.494**	**612.705**
	Current assets		
	Trade receivables	0	164.101
17	Contract work in progress	0	31.134
	Receivables from group enterprises	0	5.446
18	Deferred tax assets	2.742	8.903
	Tax receivables from group enterprises	1.490	0
	Other receivables	0	19.170
19	Prepayments	0	9.487
	Total receivables	4.232	238.241
20	Cash and cash equivalents	0	20.564
	Total current assets	**4.232**	**258.805**
	Total assets	**750.726**	**871.510**

Balance sheet

DKK thousand.

Note	Equity and liabilities	Parent 31/3 2024	Group 31/3 2024
	Equity		
21	Contributed capital	52	52
	Share premium	158.935	158.935
	Retained earnings	9.052	-81.887
	Equity before non-controlling interest	168.039	77.100
	Total equity	**168.039**	**77.100**
	Provisions		
22	Provisions for pensions and similar liabilities	0	2.343
23	Provisions for deferred tax	0	93.027
	Total provisions	**0**	**95.370**
	Liabilities other than provisions		
24	Payables to group enterprises	582.687	582.687
	Total long term liabilities other than provisions	582.687	582.687
17	Prepayments received from customers for contract work in progress	0	11.596
	Trade payables	0	39.888
	Income tax payable	0	4.095
25	Other payables	0	60.774
	Total short term liabilities other than provisions	0	116.353
	Total liabilities other than provisions	**582.687**	**699.040**
	Total equity and liabilities	**750.726**	**871.510**

2 Fees for auditor

26 Contractual obligations, contingencies, etc

27 Related parties

Consolidated statement of changes in equity

DKK thousand.

	Contributed capital	Share premium	Retained earnings	Total
Equity 21 February 2023	40	0	0	40
Cash capital increase	12	158.935	0	158.947
Retained earnings for the year	0	0	-82.326	-82.326
Exchange adjust and other adjustment	0	0	439	439
	52	**158.935**	**-81.887**	**77.100**

Statement of changes in equity of the parent

DKK thousand.

	Contributed capital	Share premium	Retained earnings	Total
Equity 21 February 2023	40	0	0	40
Cash capital increase	12	158.935	0	158.947
Retained earnings for the year	0	0	9.052	9.052
	52	**158.935**	**9.052**	**168.039**

Statement of cash flows

DKK thousand.

Note		Group 21/2 2023 - 31/3 2024
	Net profit or loss for the year	-82.326
28	Adjustments	107.850
29	Change in working capital	-19.289
	Cash flows from operating activities before net financials	6.235
	Interest received, etc.	28.192
	Interest paid, etc.	-27.146
	Cash flows from ordinary activities	7.281
	Income tax paid	-5.690
	Cash flows from operating activities	**1.591**
	Purchase of intangible assets	-3.510
	Purchase of property, plant, and equipment	-1.482
30	Acquisition of enterprises and activities	-653.490
	Increase in deposits	-206
	Cash flows from investment activities	**-658.688**
	Proceeds from borrowings	582.687
	Repayment of borrowings	-64.000
	Proceeds from capital increase	158.935
	Cash flows from financing activities	**677.622**
	Change in cash and cash equivalents	**20.525**
	Cash and cash equivalents at 21 February 2023	39
	Cash and cash equivalents at 31 March 2024	**20.564**
	Cash and cash equivalents	
	Cash and cash equivalents	20.564
	Cash and cash equivalents at 31 March 2024	**20.564**

Notes

DKK thousand.

		Group 21/2 2023 - 31/3 2024
1.	**Revenue**	
	Geographical markets	
	Denmark	190.997
	Sweden	332.279
	Norway	95.550
	India	23.159
	Great Britain	7.533
	Germany	15.298
		664.816

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

		Group 21/2 2023 - 31/3 2024
2.	**Fees for auditor**	
	Total remuneration for KPMG, Statsautoriseret Revisionspartnerselskab	1.572
	Fees for auditors performing statutory audit	1.440
	Tax-related consulting	12
	Other services	120
		1.572

Notes

DKK thousand.

		Parent 21/2 2023 - 31/3 2024	Group 21/2 2023 - 31/3 2024
3.	**Staff costs**		
	Salaries	0	226.636
	Pensions	0	18.517
	Other social security costs	0	37.226
		0	**282.379**
	Average number of employees	0	473

The executive board does not receive any remuneration as their work for the Parent Company is at a minimum.

		Group 21/2 2023 - 31/3 2024
4.	**Amortisation, depreciation and impairment of intangible assets and property, plant, and equipment**	
	Development and technology assets	24.175
	Customer rights (badwill), customer relationship and brand	22.122
	Goodwill	9.640
	Other fixtures and fittings, tools and equipment	1.541
	Profit/loss on disposal of fixtures	4
		57.482

		Group 21/2 2023 - 31/3 2024
5.	**Other financial income from group enterprises**	
	Interest income from group companies	1.851
		1.851

DKK thousand.

		Group 21/2 2023 - 31/3 2024
6.	**Other financial income**	
	Interest, banks	2.188
	Exchange differences	19.241
		21.429

		Parent 21/2 2023 - 31/3 2024	Group 21/2 2023 - 31/3 2024
7.	**Other financial expenses**		
	Financial costs, group enterprises	54.598	54.598
	Other financial costs	2.280	25.229
		56.878	**79.827**
8.	**Tax on net profit or loss for the year**		
	Tax on net profit or loss for the year	-1.490	6.554
	Adjustment of deferred tax for the year	-2.742	-10.323
	Adjustment of tax for previous years	0	783
		-4.232	**-2.986**

		Parent 21/2 2023 - 31/3 2024
9.	**Proposed distribution of net profit**	
	Transferred to retained earnings	9.052
	Total allocations and transfers	**9.052**

DKK thousand.

		Group 31/3 2024
10.	**Development and technology assets**	
	Additions concerning company transfer	95.602
	Cost 31 March 2024	**95.602**
	Amortisation and depreciation for the year	-24.175
	Amortisation and write-down 31 March 2024	**-24.175**
	Carrying amount, 31 March 2024	**71.427**

		Group 31/3 2024
11.	**Customer rights (badwill), customer relationship and brand**	
	Additions concerning company transfer	373.470
	Cost 31 March 2024	**373.470**
	Amortisation and depreciation for the year	-22.022
	Amortisation and write-down 31 March 2024	**-22.022**
	Carrying amount, 31 March 2024	**351.448**

		Group 31/3 2024
12.	**Goodwill**	
	Additions concerning company transfer	189.911
	Cost 31 March 2024	**189.911**
	Amortisation and depreciation for the year	-9.614
	Amortisation and write-down 31 March 2024	**-9.614**
	Carrying amount, 31 March 2024	**180.297**

Notes

DKK thousand.

		Group 31/3 2024
13.	**Other fixtures and fittings, tools and equipment**	
	Additions concerning company transfer	5.453
	Disposals during the year	-109
	Cost 31 March 2024	**5.344**
	Amortisation and depreciation for the year	-1.542
	Reversal of depreciation, amortisation and impairment loss, assets disposed of	102
	Depreciation and write-down 31 March 2024	**-1.440**
	Carrying amount, 31 March 2024	**3.904**

		Parent 31/3 2024
14.	**Investments in group enterprises**	
	Additions during the year	746.494
	Carrying amount, 31 March 2024	**746.494**

Financial highlights for the enterprises according to the latest approved annual reports

DKK in thousands	**Equity interest**	**Share capital**
Zacco A/S, Denmark	100 %	TDKK 57.258
Zacco Denmark A/S, Denmark	100 %	TDKK 1.100
Zacco Norway AS, Norway	100 %	TNOK 2.000
Zacco Sweden AB, Sweden	100 %	TSEK 100
Zacco GmbH, Germany	100 %	TEUR 26
Zacco Digital Trust Denmark A/S, Denmark	100 %	TDKK 500
Zacco Digital Trust Sweden AB, Sweden	100 %	TSEK 50
Zacco UK Ltd, Great Britain	100 %	TGBP 5
Zacco IP Services A/S, Denmark	100 %	TDKK 400
Zacco India R&D Private Limited, India	100 %	TINR 12.420
OpSec Services India Private Limited, India	100 %	TINT 775

Notes

DKK thousand.

		Group 31/3 2024
15.	**Other securities and investments**	
	Additions concerning company transfer	1.826
	Cost 31 March 2024	**1.826**
	Carrying amount, 31 March 2024	**1.826**

		Group 31/3 2024
16.	**Deposits**	
	Additions concerning company transfer	3.803
	Cost 31 March 2024	**3.803**
	Carrying amount, 31 March 2024	**3.803**

		Group 31/3 2024
17.	**Contract work in progress**	
	The following is recognised:	
	Contract work in progress (current assets)	31.134
	Contract work in progress (prepayments received on account)	-11.596
		19.538

Notes

DKK thousand.

		Parent 31/3 2024	Group 31/3 2024
18.	**Deferred tax assets**		
	Deferred tax assets concerning company transfer	0	4.212
	Deferred tax of the net profit or loss for the year	2.742	4.691
		2.742	**8.903**
	The following items are subject to deferred tax:		
	Property, plant, and equipment	0	123
	Trade receivables	0	868
	Pension asset (net)	0	283
	Accrued costs	0	449
	Losses carried forward to next years	2.742	7.180
		2.742	**8.903**

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

19. Prepayments

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

		Group 31/3 2024
20.	**Cash and cash equivalents**	
	Cash and cash equivalents	20.564
		20.564

		Parent 31/3 2024	Group 31/3 2024
21.	**Contributed capital**		
	Contributed capital 21 February 2023	40	40
	Cash capital increase	12	12
		52	**52**

The share capital consists of 52.056 shares, each with a nominal value of DKK 1.

Changes in the contributed capital:
Capital increase in 2023/24: DKK 12.056

DKK thousand.

		Group 31/3 2024
22.	**Provisions for pensions and similar liabilities**	
	Provisions for pension obligations and similar obligations	2.343
		2.343
	Maturity is expected to be:	
	more than 5 years	2.343
		2.343

		Group 31/3 2024
23.	**Provisions for deferred tax**	
	Provisions for deferred tax concerning company transfer	98.283
	Deferred tax relating to the net profit or loss for the year	-5.256
		93.027
	The following items are subject to deferred tax:	
	Intangible assets	93.027
		93.027

		Parent 31/3 2024	Group 31/3 2024
24.	**Payables to group enterprises**		
	Total payables to group enterprises	**582.687**	**582.687**
	Share of liabilities due after 5 years	0	0

DKK thousand.

		Group 31/3 2024
25.	**Other payables**	
	VAT payable	6.845
	Payroll tax	10.958
	Salaries and pension	8.693
	Holiday pay	29.159
	Other payables	5.119
		60.774

26. Contractual obligations, contingencies, etc

Group

	31/3 2024 DKK in thousands
Lease liabilities	
Within 1 year	22.223
Between 1 and 5 years	29.750
After five years	0
	51.973

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

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

As of March 31, 2024, the companies in the Group have provided security to SE Banken AB by way of a pledge bank depositaccount of 13,2 mDKK including a credit facility of 7mDKK.

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

DKK thousand.

26. Contractual obligations, contingencies, etc (continued)

Group (continued)

Parent

Joint taxation

With OpSec Online ApS, company reg. no 27930875 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The total tax payable under the joint taxation scheme totals DKK 0.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

27. Related parties

Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Orca Holdings Limited, which is the ultimate parent company incorporated in the Cayman Islands. Orca Holdings Limited is an entity controlled by Investcorp Technology Secondary Fund 2018, L.P. and Mill Reef Capital Fund ScS, both of which are established in the Cayman Islands and Luxembourg, respectively.

Transactions

Payables to parent companies are disclosed in the balance sheet, and interest expense is disclosed in note 7.

DKK thousand.

		Group 21/2 2023 - 31/3 2024
28.	**Adjustments**	
	Depreciation, amortisation, and impairment	57.482
	Other financial income	-23.279
	Other financial expenses	79.827
	Tax on net profit or loss for the year	-2.987
	Other adjustments	-3.193
		107.850
29.	**Change in working capital**	
	Change in receivables	-34.913
	Change in trade payables and other payables	15.624
		-19.289
30.	**Acquisition of enterprises and activities**	
	Intangible assets	448.118
	Tangible assets	4.254
	Fixed assets	5.423
	Contract assets/liabilities	27.170
	Receivables	153.442
	Cash	94.282
	Deferred tax	-96.706
	Payables	-97.207
	Goodwill	208.996
	Hereof cash	-94.282
		653.490

Accounting policies

The annual report for Orca Holding Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

The consolidated financial statements

The consolidated financial statements comprise the Parent Company, Orca Holding Denmark ApS, and subsidiaries in which Orca Holding Denmark ApS 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.

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

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

Leases

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

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

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

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

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

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

Business combinations

Acquisitions completed by the 1 July 2018 or later (method of consolidation)

Acquisition of group enterprises are dealt with in accordance with the acquisition method, and afterwards the assets and liabilities of the acquired entity are measured at fair value at the date of acquisition. If it is possible to measure the value reliably, acquired contingent liabilities are measured at fair value under the item Equity investments in group enterprises.

The date of acquisition is the date when control of the acquired entity is obtained.

The cost of the acquired entity represents the fair value of the consideration agreed upon, including the considerations that are conditional on future events. Transaction costs directly attributable to the acquisition of group enterprises are recognised in the income statement as incurred.

Positive differences between the cost of the acquired entity and the identified assets and liabilities are recognised in the equity investment as goodwill, which is amortised on a straight-line basis in the income statement over the expected useful life. Amortisation of goodwill is allocated to the functions to which the goodwill relates. If the difference is negative, this is recognised immediately in the income statement.

If the allocation of the purchase price is not final, positive and negative differences from acquired group enterprises may, as a result of changes in recognition and measurement of the identified net assets, be adjusted up to 12 months from the date of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including depreciation already made.

If the cost includes contingent considerations, these are measured at fair value at the date of acquisition. Subsequently, contingent considerations at fair value are measured again. Value adjustments are recognised in the income statement.

In case of step-by-step acquisitions, the value of the hitherto equity holding in the acquired entity is measured again at the fair value at the date of acquisition. The difference between the carrying amount of the hitherto equity investment and the fair value is recognised in the income statement.

Income statement

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

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

Own work capitalised
Own work capitalised includes staff cost and other internal costs incurred during the financial year and recognised in the cost of proprietary intangible and tangible fixed assets.

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

Staff costs
Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities. Allocation to Group companies is deducted from staff costs.

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

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Other operating expenses

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

Income from equity investments in group entities

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.

If the dividend received exceeds the proportionate share of the year's result, this is considered an indication of impairment, which entails a requirement to prepare an impairment test.

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 onaccount tax scheme, etc.

Tax on net profit or 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.

Statement of financial position

Intangible assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's expe-rience within the individual business areas. The maximum amortisation period is between 5 and 20 years and longest for strategically acquired entities with a strong market position and long-term earnings profile.

Customer rights (badwill), customer relationship and brand are measured at cost less accrued amortisation. Customer rights (badwill), customer relationship and brand are amortised for a period of 15-20 years.

Research and development expenses and technology assets

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

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

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

Capitalized development costs are amortized on a straight-line basis over 3-5 years.

Property, plant, and equipment

Property, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depre-ciation 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:

	Useful life
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.

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured at cost in the Parent Company's balance sheet. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

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 propor-tion to estimated total costs relating to the individual construction contract.

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

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

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

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Income 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, de-ferred 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 utilisa-tion within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabili-ties 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 recog-nised in the income statement or equity, respectively.

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.

Statement of cash flows

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

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

Cash flows from operating activities

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

Cash flows from investment activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activi-ties, 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and short-term financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.