



Grey Holding ApS

Lystrupvej 50
8240 Risskov
CVR No. 40489991

Annual report 01.07.2023 - 30.06.2024

The Annual General Meeting adopted the annual
report on 16.12.2024

Charlotte Aahøj Kert
Chairman of the General
Meeting

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Entity details

Entity

Grey Holding ApS
Lystrupvej 50
8240 Risskov

Business Registration No.: 40489991
Registered office: Aarhus
Financial year: 01.07.2023 - 30.06.2024

Board of Directors

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

Executive Board

Kim Nyborg Carlsen
Charlotte Aahøj Kert

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 01.07.2023 - 30.06.2024.

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 30.06.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.07.2023 - 30.06.2024.

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, 16.12.2024

Executive Board

Kim Nyborg Carlsen

Charlotte Aahøj Kert

Board of Directors

Mark Fitzhugh

Edmund Alfred Lazarus

Erik Hubertus Maria Geilenkirchen

Kim Nyborg Carlsen

Mark William Joseph

Adam Frahm

Charlotte Aahøj Kert

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 01.07.2023 - 30.06.2024, 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 30.06.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.07.2023 - 30.06.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 16.12.2024

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

	2023/24	2022/23	2021/22	2020/21	2019/20
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Key figures					
Gross profit/loss	17,983	17,652	18,066	16,678	16,820
Operating profit/loss	(2,074)	(1,595)	624	568	27
Net financials	(4,431)	(3,361)	(2,703)	(3,676)	(3,670)
Profit/loss for the year	(6,217)	(4,973)	(2,064)	(3,024)	(3,887)
Balance sheet total	123,659	135,628	142,265	151,693	159,012
Investments in property, plant and equipment	257	548	770	379	1,090
Equity	50,984	57,334	61,613	63,764	66,704
Cash flows from operating activities	6,856	4,812	7,509	9,146	2,161
Cash flows from investing activities	(2,502)	(6,739)	(2,326)	(2,881)	(134,707)
Cash flows from financing activities	(3,754)	(1,650)	(6,570)	(3,375)	138,780
Average number of employees	76	66	54	45	34
Ratios					
Return on equity (%)	(11.48)	(8.36)	(3.29)	(4.64)	(11.65)
Equity ratio (%)	41.23	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

Towards the end of the financial year, The Group launched a new video platform, incl. associated equipment like connectors and cameras, providing additional capabilities to its customers.

Profit/loss for the year in relation to expected developments

During the financial year, the Group's operations have underperformed expectations. This is primarily due to the geopolitical situation, with some investments being redirected to defence materials.

Loss for the year after tax ended at EUR 6.217 thousand against a loss of EUR 4,973 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 results before tax for 2024/25 are expected to be in the range of tEUR -4.000 to -5.000 thousand.

Research and development activities

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.

Foreign branches

The Group has permanent establishments 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	Share of contributed capital %	Purchase/ (selling) price EUR
17 October 2023	1,342	1,342	0.19	102,237
Investments acquired	1,342	1,342	0.19	
7 October 2021	835	835	0.11	
17 October 2023	1,342	1,342	0.19	
Holding of treasury shares	2,177	2,177	0.30	

The company and the Group has acquired treasury shares from previous shareholders and employees.

There are no other companies other than the parent in the group that have acquired shares in the parent company.

Consolidated income statement for 2023/24

	Notes	2023/24 EUR	2022/23 EUR
Gross profit/loss		17,983,444	17,652,232
Staff costs	1	(7,418,926)	(6,753,662)
Depreciation, amortisation and impairment losses	2	(12,611,408)	(12,494,066)
Other operating expenses		(26,814)	0
Operating profit/loss		(2,073,704)	(1,595,496)
Other financial income	3	930,127	825,297
Other financial expenses	4	(5,361,333)	(4,186,753)
Profit/loss before tax		(6,504,910)	(4,956,952)
Tax on profit/loss for the year	5	288,242	(16,427)
Profit/loss for the year	6	(6,216,668)	(4,973,379)

Consolidated balance sheet at 30.06.2024

Assets

	Notes	2023/24 EUR	2022/23 EUR
Completed development projects	8	7,318,283	3,878,088
Acquired intangible assets		67,243,390	74,067,662
Goodwill		35,859,824	39,590,254
Development projects in progress	8	32,768	2,934,877
Intangible assets	7	110,454,265	120,470,881
Other fixtures and fittings, tools and equipment		803,508	985,202
Leasehold improvements		186,241	210,345
Property, plant and equipment	9	989,749	1,195,547
Deposits		102,573	102,573
Financial assets	10	102,573	102,573
Fixed assets		111,546,587	121,769,001
Raw materials and consumables		3,714,013	3,998,766
Manufactured goods and goods for resale		995,055	1,203,474
Inventories		4,709,068	5,202,240
Trade receivables		1,843,446	3,679,491
Other receivables		246,524	435,816
Tax receivable		185,673	0
Prepayments	11	368,951	382,887
Receivables		2,644,594	4,498,194
Cash		4,759,162	4,158,251
Current assets		12,112,824	13,858,685
Assets		123,659,411	135,627,686

Equity and liabilities

	Notes	2023/24 EUR	2022/23 EUR
Contributed capital		733,161	733,161
Retained earnings		50,250,488	56,600,644
Equity		50,983,649	57,333,805
Deferred tax	12	16,159,498	17,705,870
Other provisions	13	74,585	55,062
Provisions		16,234,083	17,760,932
Bank loans		49,901,626	54,639,840
Lease liabilities		31,636	24,575
Tax payable		846,123	1,037,987
Derivative financial instruments	14	482,608	0
Non-current liabilities other than provisions	15	51,261,993	55,702,402
Current portion of non-current liabilities other than provisions	15	1,007,132	7,141
Prepayments received from customers		0	3,583
Trade payables		936,013	883,543
Payables to group enterprises		457,073	552,073
Tax payable		1,106,821	1,733,575
Other payables		949,332	933,958
Deferred income	16	723,315	716,674
Current liabilities other than provisions		5,179,686	4,830,547
Liabilities other than provisions		56,441,679	60,532,949
Equity and liabilities		123,659,411	135,627,686
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Group relations	22		
Subsidiaries	23		

Consolidated statement of changes in equity for 2023/24

	Contributed capital EUR	Retained earnings EUR	Total EUR
Equity beginning of year	733,161	56,600,644	57,333,805
Purchase of treasury shares	0	(102,237)	(102,237)
Exchange rate adjustments	0	(31,251)	(31,251)
Profit/loss for the year	0	(6,216,668)	(6,216,668)
Equity end of year	733,161	50,250,488	50,983,649

The share capital comprises 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 2023/24

	Notes	2023/24 EUR	2022/23 EUR
Operating profit/loss		(2,073,704)	(1,595,496)
Amortisation, depreciation and impairment losses		12,556,217	12,494,066
Other provisions		19,523	998
Working capital changes	17	2,508,350	(2,634,348)
Loss from the sale of intangible assets and property, plant and equipment		26,814	0
Cash flow from ordinary operating activities		13,037,200	8,265,220
Financial income received		714,177	825,297
Financial expenses paid		(4,898,345)	(4,186,753)
Taxes refunded/(paid)		(1,996,587)	(92,167)
Cash flows from operating activities		6,856,445	4,811,597
Acquisition etc. of intangible assets		(2,197,375)	(2,153,900)
Acquisition etc. of property, plant and equipment		(202,025)	(526,965)
Acquisition of fixed asset investments		0	(4,058,196)
Acquisition of treasury shares		(102,237)	0
Cash flows from investing activities		(2,501,637)	(6,739,061)
Free cash flows generated from operations and investments before financing		4,354,808	(1,927,464)
Repayments of loans etc.		(3,738,223)	(1,738,214)
Incurrence of debt to group enterprises		0	95,000
Repayment of lease liabilities		(15,674)	(7,152)
Cash flows from financing activities		(3,753,897)	(1,650,366)
Increase/decrease in cash and cash equivalents		600,911	(3,577,830)

Cash and cash equivalents beginning of year	4,158,251	7,736,081
Cash and cash equivalents end of year	4,759,162	4,158,251

Cash and cash equivalents at year-end are composed of:

Cash	4,759,162	4,158,251
Cash and cash equivalents end of year	4,759,162	4,158,251

Notes to consolidated financial statements

1 Staff costs

	2023/24 EUR	2022/23 EUR
Wages and salaries	6,824,979	6,227,705
Pension costs	507,917	450,882
Other social security costs	86,030	75,075
	7,418,926	6,753,662
Average number of full-time employees	76	66

	Remuneration of management 2023/24 EUR	Remuneration of management 2022/23 EUR
Executive Board	367,117	368,594
Board of Directors	41,124	29,883
	408,241	398,477

2 Depreciation, amortisation and impairment losses

	2023/24 EUR	2022/23 EUR
Amortisation of intangible assets	12,172,382	12,154,030
Depreciation on property, plant and equipment	439,026	340,036
	12,611,408	12,494,066

3 Other financial income

	2023/24 EUR	2022/23 EUR
Financial income from group enterprises	95,000	0
Other interest income	356,117	149,262
Exchange rate adjustments	176,835	676,035
Other financial income	302,175	0
	930,127	825,297

4 Other financial expenses

	2023/24	2022/23
	EUR	EUR
Financial expenses from group enterprises	0	95,000
Other interest expenses	4,671,603	3,302,768
Exchange rate adjustments	207,122	776,756
Fair value adjustments	482,608	0
Other financial expenses	0	12,229
	5,361,333	4,186,753

5 Tax on profit/loss for the year

	2023/24	2022/23
	EUR	EUR
Current tax	1,025,205	1,394,513
Change in deferred tax	(1,546,372)	(1,448,232)
Adjustment concerning previous years	232,925	70,146
	(288,242)	16,427

6 Proposed distribution of profit/loss

	2023/24	2022/23
	EUR	EUR
Retained earnings	(6,216,668)	(4,973,379)
	(6,216,668)	(4,973,379)

7 Intangible assets

	Completed development projects EUR	Acquired intangible assets EUR	Goodwill EUR	Development projects in progress EUR
Cost beginning of year	9,351,603	101,581,705	54,074,199	2,934,877
Exchange rate adjustments	(3,748)	(2,009)	(3,077)	0
Transfers	5,119,396	0	(53,590)	(5,119,396)
Additions	0	0	0	2,220,110
Disposals	0	0	0	(2,823)
Cost end of year	14,467,251	101,579,696	54,017,532	32,768
Depreciation and impairment losses beginning of year	(5,473,515)	(27,514,043)	(14,483,945)	0
Exchange rate adjustments	390	84	429	0
Amortisation for the year	(1,675,843)	(6,822,347)	(3,674,192)	0
Depreciation and impairment losses end of year	(7,148,968)	(34,336,306)	(18,157,708)	0
Carrying amount end of year	7,318,283	67,243,390	35,859,824	32,768

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	1,574,441	241,686
Additions	257,216	0
Disposals	(31,312)	0
Cost end of year	1,800,345	241,686
Depreciation and impairment losses beginning of year	(589,239)	(31,341)
Depreciation for the year	(414,922)	(24,104)
Reversal regarding disposals	7,324	0
Depreciation and impairment losses end of year	(996,837)	(55,445)
Carrying amount end of year	803,508	186,241

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

	2023/24 EUR	2022/23 EUR
Changes during the year		
Beginning of year	17,705,870	18,200,075
Recognised in the income statement	(1,546,372)	(1,448,232)
Additions from business combinations	0	954,027
End of year	16,159,498	17,705,870

13 Other provisions

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

14 Derivative financial instruments

The Company has entered into an interest rate swap agreement to secure the interest rate on the group's bank loans. The agreement ensures the group a fixed interest rate on the bank loans instead of a variable interest rate. The agreement termination date is 3. august 2026. The value is recognized on the basis of market data from the group's bank.

The bank debt covered by the particular Swap Transaction amounts to EUR 51,447 thousand.

The fixed interest rate on the recognized bank loans used is 3.515% p.a.

15 Non-current liabilities other than provisions

	Due within 12 months 2023/24 EUR	Due within 12 months 2022/23 EUR	Due after more than 12 months 2023/24 EUR
Bank loans	1,000,000	0	49,901,626
Lease liabilities	7,132	7,141	31,636
Tax payable	0	0	846,123
Derivative financial instruments	0	0	482,608
	1,007,132	7,141	51,261,993

16 Deferred income

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

17 Changes in working capital

	2023/24 EUR	2022/23 EUR
Increase/decrease in inventories	493,172	(985,570)
Increase/decrease in receivables	2,039,273	(61,472)
Increase/decrease in trade payables etc.	(24,095)	(1,587,306)
	2,508,350	(2,634,348)

18 Fair value information

	Derivative financial instruments EUR
Fair value end of year	(482,608)
Unrealised fair value adjustments recognised in the income statement	(482,608)

19 Unrecognised rental and lease commitments

	2023/24	2022/23
	EUR	EUR
Total liabilities under rental or lease agreements until maturity	738,848	1,000,643

20 Assets charged and collateral

The group has provided a joint of payment of the bank debt in the group. The bank debt totals DKK 383.666 thousand (EUR 51.447 thousand) at 30.06.2024.

21 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.

22 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

23 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 Vigilância 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 2023/24

	Notes	2023/24 EUR	2022/23 EUR
Gross profit/loss		(129,166)	(43,222)
Income from investments in group enterprises		(6,177,860)	(5,006,043)
Other financial income from group enterprises		98,306	98,037
Other financial income		6,365	2,151
Other financial expenses	1	(25,259)	(13,320)
Profit/loss before tax		(6,227,614)	(4,962,397)
Tax on profit/loss for the year	2	10,946	(10,982)
Profit/loss for the year	3	(6,216,668)	(4,973,379)

Parent balance sheet at 30.06.2024

Assets

	Notes	2023/24 EUR	2022/23 EUR
Investments in group enterprises		46,208,835	52,417,946
Financial assets	4	46,208,835	52,417,946
Fixed assets		46,208,835	52,417,946
Receivables from group enterprises		5,330,926	5,585,317
Other receivables		40	0
Joint taxation contribution receivable		1,666,512	2,488,782
Receivables		6,997,478	8,074,099
Cash		140,636	10,274
Current assets		7,138,114	8,084,373
Assets		53,346,949	60,502,319

Equity and liabilities

	Notes	2023/24 EUR	2022/23 EUR
Contributed capital		733,161	733,161
Retained earnings		50,250,488	56,600,644
Equity		50,983,649	57,333,805
Tax payable		558,344	1,037,987
Non-current liabilities other than provisions	5	558,344	1,037,987
Trade payables		22,734	12,136
Payables to group enterprises		675,494	651,109
Tax payable		1,106,728	1,467,282
Current liabilities other than provisions		1,804,956	2,130,527
Liabilities other than provisions		2,363,300	3,168,514
Equity and liabilities		53,346,949	60,502,319
Employees	6		
Contingent liabilities	7		
Assets charged and collateral	8		
Related parties with controlling interest	9		
Non-arm's length related party transactions	10		

Parent statement of changes in equity for 2023/24

	Contributed capital EUR	Retained earnings EUR	Total EUR
Equity beginning of year	733,161	56,600,644	57,333,805
Purchase of treasury shares	0	(102,237)	(102,237)
Exchange rate adjustments	0	(31,251)	(31,251)
Profit/loss for the year	0	(6,216,668)	(6,216,668)
Equity end of year	733,161	50,250,488	50,983,649

The share capital comprises 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 Other financial expenses

	2023/24	2022/23
	EUR	EUR
Financial expenses from group enterprises	24,385	12,853
Other financial expenses	874	467
	25,259	13,320

2 Tax on profit/loss for the year

	2023/24	2022/23
	EUR	EUR
Current tax	0	9,602
Adjustment concerning previous years	0	1,380
Refund in joint taxation arrangement	(10,946)	0
	(10,946)	10,982

3 Proposed distribution of profit and loss

	2023/24	2022/23
	EUR	EUR
Retained earnings	(6,216,668)	(4,973,379)
	(6,216,668)	(4,973,379)

4 Financial assets

	Investments in group enterprises EUR
Cost beginning of year	66,589,008
Cost end of year	66,589,008
Impairment losses beginning of year	(14,171,062)
Exchange rate adjustments	(31,251)
Share of profit/loss for the year	(6,177,860)
Impairment losses end of year	(20,380,173)
Carrying amount end of year	46,208,835

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

5 Non-current liabilities other than provisions

	Due after more than 12 months 2023/24 EUR
Tax payable	558,344
	558,344

6 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

7 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.

8 Assets charged and collateral

Collateral provided for group enterprises

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 bank debt in Grey Bidco 2019 ApS totals DKK 383.666 thousand (EUR 51.447 thousand) at 30.06.2024. The bank debt in Covidence A/S totals DKK 0 thousand (EUR 0 thousand) at 30.06.2024.

9 Related parties with controlling interest

EMK Capital Partners LP, Jersey

10 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 accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

The Entity has changed its accounting policies with regard to presentation of Other staff costs. The change in accounting policies regarding Other staff cost has not led to a decrease or increase in equity, assets or liabilities.

Other staff costs was previous shown as part of Staff cost, but is now presented as Other external expenses 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 a decrease of EUR 181k in Staff cost and a decrease of Gross profit of the same amount.

Apart from the change 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.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in the reserve for fair value adjustments of hedging instruments in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

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.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss 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,

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 10-15 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 4-7 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.

Receivables

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

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.

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.

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.