
ZeroNorth A/S

Amagerfælledvej 106, DK-2300 Copenhagen S

Annual Report for 2024

CVR No. 41 05 22 36

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 30/6 2025

Iben Schultz Jacobsen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of ZeroNorth A/S for the financial year 1 January - 31 December 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

As stated in note 1, the audit of the financial statements is not completed due to the matters described in the note. Therefore, the auditors report on the Financial Statements is a Disclaimer of Opinion.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 30 June 2025

Executive Board

Søren Christian Meyer

Board of Directors

Christian Michael Ingerslev
Chairman

Maria Aagaard Pejter

Danny Brian Lange

Mikael Øpstun Skov

Eric Aboussouan

Edward Frederick Llywelyn Hughes

Independent Auditor's report

To the shareholders of ZeroNorth A/S

Disclaimer of Opinion

We were engaged to audit the Financial Statements of ZeroNorth A/S for the financial year 1 January – 31 December 2024, which comprise the income statement, balance sheet, statement of changes in equity, and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flow. The financial reporting framework for the Financial Statements are the Danish Financial Statements Act.

We do not express an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements (the 'Financial Statements'). Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Financial Statements.

Basis for Disclaimer of Opinion

The Financial Statements for 2021/22 for the acquired companies Alpha Ori Technology Holdings Pte. Ltd. and its subsidiary Alpha Ori Technologies Pte. Ltd. includes an auditor's report with a Disclaimer of Opinion and the audit of the financial years 2022/23 and 2023/24 have not yet been completed, which could impact the opening balance for the acquired company in the Consolidated Financial Statements and also have other derived impacts on the Financial Statements.

We have hence not been able to obtain sufficient appropriate audit evidence for the opening balance for the acquired companies Alpha Ori Technology Holdings Pte. Ltd. and its subsidiary Alpha Ori Technologies Pte. Ltd. and any derived consequences. As a result, we have not been able to determine whether any adjustments are required to the opening balance for the acquired company and the potential derived effect on the Financial Statements.

Statement on Management's Review

As stated in the section Basis for Disclaimer of Opinion, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on the financial statements. Therefore, we do not express a statement on the Management's Review.

Management's responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

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

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

Auditor's responsibilities for the audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our responsibility is to conduct an audit of the Financial Statements in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, and to issue an Auditor's Report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Financial Statements.

Independent Auditor's report

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

Hellerup, 30 June 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Thomas Wraae Holm

State Authorised Public Accountant

mne30141

Henrik Ødegaard

State Authorised Public Accountant

mne31489

Company information

The Company	ZeroNorth A/S Amagerfælledvej 106 DK-2300 Copenhagen S Website: www.zeronorth.com CVR No: 41 05 22 36 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Christian Michael Ingerslev, chairman Maria Aagaard Pejter Danny Brian Lange Mikael Øpstun Skov Eric Aboussouan Edward Frederick Llywelyn Hughes
Executive Board	Søren Christian Meyer
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2024	2023	2022	2021	2020
	TUSD	TUSD	TUSD	TUSD	TUSD
Key figures					
Profit/loss					
Revenue	36,551	14,342	6,781	3,102	611
Gross profit/loss	8,377	-7,266	-4,565	-2,037	-4,405
Profit/loss of primary operations	-58,226	-45,387	-35,231	-11,092	-51,100
Profit/loss of financial income and expenses	-5,728	673	-594	66	-66
Net profit/loss for the year	-65,125	-41,393	-32,772	-8,185	-4,037
Balance sheet					
Balance sheet total	152,235	50,749	59,867	19,154	15,262
Investment in property, plant and equipment	2,496	724	457	309	0
Equity	93,715	11,057	39,370	4,986	13,171
Cash flows					
Cash flows from:					
- operating activities	-39,036	-30,339	0	0	0
- investing activities	-2,639	-728	0	0	0
- financing activities	33,076	23,543	0	0	0
Change in cash and cash equivalents for the year	-8,599	-7,524	0	0	0
Number of employees	417	196	130	47	27
Ratios					
Gross margin	22.9%	-50.7%	-67.3%	-65.7%	-720.9%
Profit margin	-159.3%	-316.5%	-519.6%	-357.6%	-8363.3%
Return on assets	-38.2%	-89.4%	-58.8%	-57.9%	-334.8%
Solvency ratio	61.6%	21.8%	65.8%	26.0%	86.3%
Return on equity	-124.3%	-164.2%	-147.8%	-90.2%	-61.3%

The comparative figures for 2020, 2021 and 2022 comprise the parent company alone according to the Danish Financial Statements act section 78 (7). Furthermore, cash flows were not reported for these years.

Management's review

Key activities

ZeroNorth A/S, founded in 2020, is a technology leader committed to accelerating the energy transition in global shipping. The company operates within the maritime industry, collaborating with partners and customers to optimise operational efficiencies and support decarbonisation objectives through the application of technology and data-driven solutions, leveraging technology to transform traditional practices.

ZeroNorth delivers a multi-service platform leveraging data analytics and artificial intelligence to provide actionable insights that enhances decision-making for stakeholders across the global trade ecosystem. The platform integrates voyage, vessel, and bunker optimisation functionalities, enabling its customers to maximise revenue while minimising CO2 emissions. ZeroNorth's solutions are trusted by over 225 entities, including shipping companies, energy majors and commodity traders, to navigate the complexities of the energy transition through optimised fuel consumption and emissions reduction strategies.

Key operational and strategic developments

- In February 2024, ZeroNorth and Alpha Ori Technologies joined forces, creating a leading entity in maritime optimisation and accelerating the digital transformation of the shipping industry. This partnership accelerates ZeroNorth's ability to enhance its data flywheel, providing customers with increasingly powerful insights as the platform gathers and analyses more data. Specifically, it enhances ZeroNorth's IoT sensor integration and data analytics capabilities, facilitating the delivery of high-frequency data insights that enable smarter decision-making and greater operational efficiency across the maritime value chain.
- In April 2024, ZeroNorth acquired CMB.TECH's FAST platform, which collects high-frequency data from sensors across Euronav's fleet to improve ship reporting, voyage optimisation and overall vessel optimisation.
- In April 2024, ZeroNorth launched a service to facilitate the integration of eBDN (electronic Bunker Delivery Notes) data between suppliers and buyers, enhancing transparency and accuracy. The initial rollout occurred in Singapore, a key bunkering hub where the Maritime and Port Authority of Singapore (MPA) is progressing towards mandatory eBDN adoption, to establish a digital infrastructure.
- In June 2024, ZeroNorth partnered with Hapag-Lloyd to introduce an advanced bunker procurement and planning solution.
- In October 2024, ZeroNorth partnered with RightShip to further industry decarbonisation by integrating RightShip's GHG 2.0 Rating and ZeroNorth's CII Emissions Analytics solution.
- In November 2024, ZeroNorth and Vitol initiated a digital bunkering trial at the Port of Rotterdam. This collaboration assessed the benefits of digital bunker delivery notes compared to manual processes, focusing on improving time efficiencies, operational performance, and data integrity.
- In December 2024, ZeroNorth A/S secured a USD 20 million credit facility from CIBC Innovation Banking.

Development in the year

For the financial year 2024, the Group reported a net loss of USD 65.1 million (2023: USD -41.1 million). As of 31 December 2024, the Group's balance sheet reflects a positive equity of USD 93.7 million (2023: USD 11.1 million). As a result of joining forces with Alpha Ori Technologies the company grew the Annual Recurring Revenue (ARR) with 124%.

Throughout 2024, the Group focused on international expansion, scaling operations and growing the global footprint as well as strategic realignment of products and workforce while realising synergies.

Further a key strategic initiative to drive towards profitability was rigorously closing the invoicing gap between contracted and billed ARR, thereby improving cash flow.

In December 2024, the Group achieved its first month of positive EBITDA, driven by substantial growth, with Annual Recurring Revenue (ARR) reaching USD 38.7 million for the year.

Management's review

The past year and follow-up on development expectations from last year

The Group delivered more than its prior year outlook for 2024, where recognised revenue demonstrated a year-over-year growth of 155%. This growth indicates the increasing adoption of ZeroNorth's technology and data-driven solutions within the maritime industry and contribution from the additional Alpha Ori Technologies revenue.

With the inclusion of the Alpha Ori Technologies revenue, Group Annual Recurring Revenue (ARR) was slightly below the 2024 expectations, while adjusted EBITDA was better than the expectation. One-off items in 2024 primarily consisted of expenses related to integration activities and M&A costs, which are considered investments in the company's long-term strategy to enhance its technology and market position.

The net loss for the year of USD 65.1 million was furthermore impacted by amortisations, depreciations and impairment losses of USD 31.1 million, primarily related to joining forces with Alpha Ori Technologies.

Targets and expectations for the year ahead

The Group is progressing towards its goals for 2025, with double-digit year-over-year revenue growth, demonstrating continued strong adoption of ZeroNorth's platform. Synergies from joining forces with Alpha Ori Technologies have largely been realised, demonstrating the Company's proficiency in integration and its ability to effectively scale its technology solutions.

The 2025 financial outlook includes a positive adjusted EBITDA of USD 0-5 million for the full year. Consequently, the financial statements have been prepared on a going-concern basis.

Non-Financial Performance Indicators

ZeroNorth's end-to-end platform enables customers to optimise operational efficiencies and reduce carbon emissions through services that leverage technology and data to provide advanced fuel modeling, facilitate route optimisation and reduce fuel consumption.

In 2024, ZeroNorth's customers optimised 72,000 voyage legs, generating 1.5 million voyages through the platform, which resulted in significant reductions in fuel consumption and, consequently, CO₂ emissions for our customers. This demonstrates the platform's tangible impact on improving sustainability outcomes through technology.

Key Resources

ZeroNorth's business involves the provision of advanced software solutions for the maritime industry, which requires a high level of specialised expertise among its employees as well as sophisticated business processes to effectively deliver and support these solutions. The recruitment and retention of highly skilled employees in software solutions, data platforms and maritime operations is critical for the company's ability to innovate and deliver these solutions.

The business is further highly dependent on the availability and quality of data, including weather, navigational, vessel and voyage data. High-quality data is the foundation of the ZeroNorth platform. Recognising the industry is historically known for customer data inaccuracy, we made a strategic decision to bolster our data quality. Therefore, in 2024, we developed a new vessel reporting solution with three-layer data validation to further enhance vessel and voyage data.

Subsequent events

No significant events have occurred after the balance sheet date that would require adjustment to or disclosure in these financial statements.

Management's review

Liquidation of ZeroNorth Norway

ZeroNorth is committed to being a streamlined and efficient organisation. As part of optimising our business and integrating acquisitions, ZeroNorth has decided to liquidate ZeroNorth Norway (formerly Prosmar AS) by the end of June 2025. This decision aligns with ZeroNorth's strategy to consolidate operations into stronger regional hubs, reducing complexity and managing costs as the company scales its services effectively.

ZeroNorth acquired Prosmar Bunkering in Norway as part of its growth strategy. Liquidation is a further step in streamlining operations.

All employees have been terminated by the end of February 2025. ZeroNorth Norway's technology has been integrated into ZeroNorth's broader suite of digital tools, and all intellectual property rights were transferred to ZeroNorth A/S in October 2023.

Alpha Ori

Historical annual reports for 2022/23 and 2023/24 for Alpha Ori Technology Holdings Pte. Ltd and Alpha Ori Technologies Pte. Ltd. were not completed prior to the takeover of the Alpha Ori Group. Their completion was pending the finalisation of the 2021/22 audit by AOT's previous auditor. The audit for the 2021/22 period has recently been closed, but with a disclaimer of opinion from that auditor. To address this, Management has engaged PWC Singapore to audit the outstanding financial reports and to resolve the disclaimer, which is expected to be completed by the second half of 2025. Management is aware that potential adjustments arising from the audits for the period 2021 to 2024 may impact the Alpha Ori Group's opening balance and the purchase price allocation performed in the ZeroNorth Group.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2024	2023	2024	2023
		USD	USD	USD	USD
Revenue		36,551,074	14,342,091	17,521,005	10,880,415
Other operating income		82,234	17,434	1,698,339	1,603,625
Other external expenses		-28,255,848	-21,625,534	-26,832,869	-21,889,695
Gross profit/loss		8,377,460	-7,266,009	-7,613,525	-9,405,655
Staff expenses	2	-35,468,536	-28,896,783	-21,247,681	-25,706,515
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-31,135,320	-9,224,144	-9,926,180	-5,863,351
Profit/loss before financial income and expenses		-58,226,396	-45,386,936	-38,787,386	-40,975,521
Income from investments in subsidiaries		0	0	-19,938,803	0
Financial income	3	573,637	1,401,725	620,284	1,387,538
Financial expenses	4	-6,301,569	-728,814	-8,210,928	-1,180,527
Profit/loss before tax		-63,954,328	-44,714,025	-66,316,833	-40,768,510
Tax on profit/loss for the year	5	-1,170,971	3,321,177	-861,642	4,014,095
Net profit/loss for the year	6	-65,125,299	-41,392,848	-67,178,475	-36,754,415

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		USD	USD	USD	USD
Acquired other similar rights		25,057,443	9,388,561	13,447,231	19,750,555
Goodwill		102,580,187	13,969,135	417,167	1,418,600
Intangible assets	7	127,637,630	23,357,696	13,864,398	21,169,155
Land and buildings		2,579,474	1,005,239	2,238,928	750,667
Property, plant and equipment	8	2,579,474	1,005,239	2,238,928	750,667
Investments in subsidiaries	9	0	0	121,606,575	20,711,051
Fixed asset investments		0	0	121,606,575	20,711,051
Fixed assets		130,217,104	24,362,935	137,709,901	42,630,873
Trade receivables		7,907,325	3,265,592	3,699,409	2,341,741
Receivables from group enterprises		0	0	21,490,007	4,360,828
Other receivables		5,733,970	1,813,218	2,908,126	1,735,060
Corporation tax receivable from group enterprises		1,058,960	5,391,192	1,058,960	5,659,355
Receivables		14,700,255	10,470,002	29,156,502	14,096,984
Cash at bank and in hand		7,317,428	15,916,010	2,330,077	15,173,532
Current assets		22,017,683	26,386,012	31,486,579	29,270,516
Assets		152,234,787	50,748,947	169,196,480	71,901,389

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		USD	USD	USD	USD
Share capital		249,741	138,506	249,741	138,506
Retained earnings		93,465,199	10,917,996	90,932,725	10,778,885
Equity		93,714,940	11,056,502	91,182,466	10,917,391
Convertible and profit-yielding instruments of debt		36,047,419	0	36,047,419	0
Lease obligations		2,004,745	270,224	1,964,412	134,839
Other payables		2,993,541	0	2,993,541	0
Long-term debt	10	41,045,705	270,224	41,005,372	134,839
Lease obligations	10	532,035	627,926	292,620	535,437
Trade payables		2,573,870	699,805	1,542,681	624,202
Payables to group enterprises		0	0	27,197,954	31,559,529
Payables to owners and Management		0	7,173,286	0	7,173,286
Corporation tax		445,193	0	0	0
Other payables	10	13,923,044	30,921,204	7,975,387	20,956,705
Short-term debt		17,474,142	39,422,221	37,008,642	60,849,159
Debt		58,519,847	39,692,445	78,014,014	60,983,998
Liabilities and equity		152,234,787	50,748,947	169,196,480	71,901,389
Disclaimer of opinion	1				
Contingent assets, liabilities and other financial obligations	13				
Related parties	14				
Accounting Policies	15				

Statement of changes in equity

Group

	Share capital	Retained earnings	Total
	USD	USD	USD
Equity at 1 January	138,506	10,917,996	11,056,502
Capital increase	111,235	146,147,642	146,258,877
Purchase of treasury shares	0	-253,171	-253,171
Share based payments	0	1,437,844	1,437,844
Exchange adjustments	0	340,187	340,187
Net profit/loss for the year	0	-65,125,299	-65,125,299
Equity at 31 December	249,741	93,465,199	93,714,940

Parent company

	Share capital	Retained earnings	Total
	USD	USD	USD
Equity at 1 January	138,506	10,778,885	10,917,391
Capital increase	111,235	146,147,642	146,258,877
Purchase of treasury shares	0	-253,171	-253,171
Share based payments	0	1,437,844	1,437,844
Net profit/loss for the year	0	-67,178,475	-67,178,475
Equity at 31 December	249,741	90,932,725	91,182,466

Cash flow statement 1 January - 31 December

	Note	Group	
		2024	2023
		USD	USD
Result of the year		-65,125,299	-41,392,848
Adjustments	11	38,034,223	5,230,056
Change in working capital	12	-9,956,080	2,995,954
Cash flow from operations before financial items		-37,047,156	-33,166,838
Financial income		573,637	1,401,725
Financial expenses		-6,301,569	-728,814
Cash flows from ordinary activities		-42,775,088	-32,493,927
Corporation tax paid		3,738,753	2,154,739
Cash flows from operating activities		-39,036,335	-30,339,188
Purchase of property, plant and equipment		-2,638,721	-728,398
Cash flows from investing activities		-2,638,721	-728,398
Lease obligations incurred		1,638,630	181,039
Cash capital increase		0	5,403,323
Shareholder loan		30,000,000	15,060,102
Warrent program		1,437,844	2,898,312
Cash flows from financing activities		33,076,474	23,542,776
Change in cash and cash equivalents		-8,598,582	-7,524,810
Cash and cash equivalents at 1 January		15,916,010	23,440,820
Cash and cash equivalents at 31 December		7,317,428	15,916,010
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		7,317,428	15,916,010
Cash and cash equivalents at 31 December		7,317,428	15,916,010

Notes to the Financial Statements

1. Disclaimer of opinion

In 2024, ZeroNorth A/S ('the Company') acquired Alpha Ori Technologies Group (AOT), which became a significant subsidiary of the Company (together 'the Group').

At the time of acquisition, the local statutory financial statements for AOT, resident in Singapore, were not finalised for the financial years 2021/22 and 2022/23 and the financial statements were not filed with the local authorities. This circumstance was known at the time of acquisition but based on information from the seller of AOT and their management, it was the expectation to have the financial statements completed in due course to ensure compliance with local filing requirements.

Since the acquisition, the Company has worked on completing the statutory financial statements of AOT and having these audited by the local auditor. The management of the Company has had ongoing dialogue with the local auditor to ensure completion of the audit in due time for the preparation of the Consolidated Financial Statements of the Group. However, only in June 2025 it was possible to obtain an auditor's report on the statutory financial Statements of AOT for 2021/22 and that was in the form of a so-called 'disclaimer of opinion' not stating any specific qualifications for any specific financial statement line items of the financial statements.

AOT was migrated to the Group's ERP system at the time of the acquisition, why the Management of the Company has confidence in the transactions recognised in the Consolidated Financial Statements for the Company for 2024. However, the disclaimer opinion on the 2021/22 financial statements for AOT as well as the lack of completion of the 2022/23 and 2023/24 financial statements for AOT, result in significant uncertainty regarding completeness and accuracy of the opening balances for the acquired company, as recognised in the Consolidated Financial Statements of the Company for 2024, as well as uncertainty about the potential impact this could have on the Consolidated Financial Statements for the Company for 2024.

Due to the above, the audit of the Consolidated Financial Statements of the Company is not completed and the auditor's report for the year ended 31 December 2024 is therefore also a Disclaimer of Opinion.

The management of the Company has decided to change the auditor of AOT, which was only possible after the audit report was rendered on the 2021/22 financial statements, to avoid the audit starting all over leading to further delays. Furthermore, Management has prepared a plan for completion of the audit of the financial statements for AOT for 2021/22 (due to the disclaimer of opinion) and the following financial years, which has been discussed with the newly elected auditor. Therefore, Management expects the outstanding matters to be completed during the second half of 2025.

To comply with the Danish filing requirements for the Company, Management has concluded to adopt and file the Annual Report of the Company acknowledging the Disclaimer of Opinion. A plan has been prepared by Management of the Company to get the local statutory financial statements for AOT audited in order to complete the Financial Statements of the Company, whereafter Management will ask the Danish Business Authority to amend the Annual Report for 2024.

Notes to the Financial Statements

1. Disclaimer of opinion

Uncertainty relating to recognition and measurement

The preparation of the Financial Statements requires Management to make certain estimates and judgments, which serve as the foundation for recognizing and measuring the Company's income, expenses, assets, and liabilities.

These estimates rely on historical data and other factors deemed relevant by Management given the circumstances; however, they involve inherent uncertainties and unpredictability. As such, assumptions may be incomplete or imprecise, and unexpected events or conditions could arise.

Additionally, the Company faces risks and uncertainties that may lead to outcomes differing from these estimates. Changes to prior estimates may become necessary due to modifications in underlying assumptions, new information, or events that impact the current and future periods.

Management assess that significant accounting estimates and judgements relates to purchase price allocation, impairment and useful life of intangible assets and impairment of receivables and investment in subsidiaries in the Parent Company.

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	USD	USD	USD	USD
2. Staff expenses				
Wages and salaries	32,488,755	26,329,055	19,472,271	23,545,455
Pensions	1,839,426	1,905,034	1,598,444	1,828,892
Other social security expenses	1,140,355	662,694	176,966	332,168
	35,468,536	28,896,783	21,247,681	25,706,515
Including remuneration to the Executive Board and Board of Directors	1,005,389	1,615,882	1,005,389	1,615,882
Average number of employees	417	196	123	137

An incentive scheme in the form of a warrant program was offered to certain employees. The amount expensed in wages and salaries relating to share-based payments is USD 1,437,846 (2023: USD 2,898,312).

The total warrants granted at 31 December 2022 was 83,474 with an average exercise price of USD 61. In 2023 15,240 warrants were granted with an average exercise price of USD 175. Furthermore, 533 warrants were exercised and 17,601 warrants lapsed during 2023. The total warrants granted at 31 December 2023 was 80,580 with an average exercise price of USD 69.

Furthermore, 5,333 warrants were exercised and 23,487 warrants lapsed during 2024. Total warrants granted at 31 December 2024 was 51,760 with an average exercise price of USD 62. The total vested warrants at 31 December 2024 is 28,882. The vesting period is on average 5 years and each warrant gives the holder the right to subscribe to one share and employment is required for utilization of warrants.

In 2024 no warrants were issued, but a new warrant programme was created and warrants have subsequently been granted in 2025.

Executive Management has a total of 25,220 warrants at 31 December 2024 with an average exercise price of USD 61. No warrants were issued to the Board of Directors.

	Group		Parent company	
	2024	2023	2024	2023
	USD	USD	USD	USD
3. Financial income				
Interest from group enterprises	0	0	370,555	27,229
Other financial income	573,637	1,401,725	249,729	1,360,309
	573,637	1,401,725	620,284	1,387,538

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	USD	USD	USD	USD
4. Financial expenses				
Interest to group enterprises	0	0	942,162	583,094
Other financial expenses	6,301,569	728,814	7,268,766	597,433
	6,301,569	728,814	8,210,928	1,180,527

	Group		Parent company	
	2024	2023	2024	2023
	USD	USD	USD	USD
5. Income tax expense				
Current tax for the year	-749,631	-4,966,437	-1,058,960	-5,659,355
Adjustment of tax concerning previous years	1,920,602	1,645,260	1,920,602	1,645,260
	1,170,971	-3,321,177	861,642	-4,014,095

	Parent company	
	2024	2023
	USD	USD
6. Profit allocation		
Retained earnings	-67,178,475	-36,754,415
	-67,178,475	-36,754,415

Notes to the Financial Statements

7. Intangible fixed assets

	Group		Parent company	
	Acquired other similar rights	Goodwill	Acquired other similar rights	Goodwill
	USD	USD	USD	USD
Cost at 1 January	15,656,967	21,593,952	26,592,229	5,006,000
Net effect from merger and acquisition	20,754,096	112,882,374	0	0
Additions for the year	1,985,958	0	1,985,958	0
Cost at 31 December	<u>38,397,021</u>	<u>134,476,326</u>	<u>28,578,187</u>	<u>5,006,000</u>
Impairment losses and amortisation at 1 January	6,268,406	7,624,817	6,841,674	3,587,633
Impairment losses for the year	0	1,138,803	0	0
Amortisation for the year	7,071,172	23,132,519	8,289,282	1,001,200
Impairment losses and amortisation at 31 December	<u>13,339,578</u>	<u>31,896,139</u>	<u>15,130,956</u>	<u>4,588,833</u>
Carrying amount at 31 December	<u>25,057,443</u>	<u>102,580,187</u>	<u>13,447,231</u>	<u>417,167</u>

8. Property, plant and equipment

	Group	Parent company
	Land and buildings	Land and buildings
	USD	USD
Cost at 1 January	2,261,270	1,923,466
Net effect from merger and acquisition	8,574	0
Additions for the year	2,496,366	2,123,959
Cost at 31 December	<u>4,766,210</u>	<u>4,047,425</u>
Impairment losses and depreciation at 1 January	1,256,031	1,172,799
Depreciation for the year	930,705	635,698
Impairment losses and depreciation at 31 December	<u>2,186,736</u>	<u>1,808,497</u>
Carrying amount at 31 December	<u>2,579,474</u>	<u>2,238,928</u>
Including assets under finance leases amounting to	<u>2,257,032</u>	<u>2,257,032</u>

Notes to the Financial Statements

	Parent company	
	2024	2023
	USD	USD
9. Investments in subsidiaries		
Cost at 1 January	24,631,051	22,104,000
Additions for the year	120,834,327	2,527,051
Cost at 31 December	<u>145,465,378</u>	<u>24,631,051</u>
Value adjustments at 1 January	-3,920,000	-3,920,000
Impairment losses for the year	-19,938,803	0
Value adjustments at 31 December	<u>-23,858,803</u>	<u>-3,920,000</u>
Carrying amount at 31 December	<u>121,606,575</u>	<u>20,711,051</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership and Votes	Equity	Net profit/loss for the year
ZeroNorth US, Inc.	USA	100%	0	0
Clearlynx LLC	USA	100%	0	0
BTS Pte. Ltd. (SGD)	Singapore	100%	2,021,111	1,914,918
Z-North Singapore Pte. Ltd. (SGD)	Singapore	100%	-277,214	-373,814
ZeroNorth India Pte. Ltd.	India	99%	0	0
ZeroNorth Bulgaria EOOD (BGN)	Bulgaria	100%	10,000	29,000
ZeroNorth Greece S.A (EUR)	Greece	100%	174,992	149,992
ZeroNorth Norway AS (NOK)	Norway	100%	117,252,056	18,877,146
Alpha Ori Technology Holdings Pte. Ltd. (SGD)	Singapore	100%	1,572,451	-5,071,193
Alpha Ori Technologies Pte. Ltd. (SGD)	Singapore	100%	-22,112,032	-5,690,656
Alpha Ori Technologies LLC	Singapore	100%	0	0
Alpha Ori India Pte. Ltd (INR)	India	99%	170,314,000	36,518,000
ZeroNorth Japan G.K.	Japan	100%	0	0
			<u>268,955,364</u>	<u>46,353,393</u>

The above figures are stated in local currency.

Notes to the Financial Statements

Group		Parent company	
2024	2023	2024	2023
USD	USD	USD	USD

10. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Convertible and profit-yielding instruments of debt

After 5 years	0	0	0	0
Between 1 and 5 years	36,047,419	0	36,047,419	0
Long-term part	36,047,419	0	36,047,419	0
Within 1 year	0	0	0	0
	36,047,419	0	36,047,419	0

Lease obligations

After 5 years	273,874	0	273,874	0
Between 1 and 5 years	1,730,871	270,224	1,690,538	134,839
Long-term part	2,004,745	270,224	1,964,412	134,839
Within 1 year	532,035	627,926	292,620	535,437
	2,536,780	898,150	2,257,032	670,276

Other payables

After 5 years	0	0	0	0
Between 1 and 5 years	2,993,541	0	2,993,541	0
Long-term part	2,993,541	0	2,993,541	0
Other short-term payables	13,923,044	30,921,204	7,975,387	20,956,705
	16,916,585	30,921,204	10,968,928	20,956,705

The Company has an outstanding loan of MUSD 36, which can be converted into 212.978 shares, at an average share price of USD 198. The loan can be converted to equity until 2029.

Notes to the Financial Statements

	Group	
	2024	2023
	USD	USD
11. Cash flow statement - Adjustments		
Financial income	-573,637	-1,401,725
Financial expenses	6,301,569	728,814
Depreciation, amortisation and impairment losses, including losses and gains on sales	31,135,320	9,224,144
Tax on profit/loss for the year	1,170,971	-3,321,177
	38,034,223	5,230,056

	Group	
	2024	2023
	USD	USD
12. Cash flow statement - Change in working capital		
Change in receivables	-11,142,017	-2,142,236
Change in trade payables, etc	1,425,746	2,158,657
Other changes in working capital	-239,809	2,979,533
	-9,956,080	2,995,954

13. Contingent assets, liabilities and other financial obligations

Contingent assets

The company has an unrecognized deferred tax asset of USD 6.4 million related to tax losses carried forward.

Guarantee obligations

End of 2024 ZeroNorth A/S entered into a facility loan agreement (at 31st December 0 USD) where the lender requires security in the form of Transaction Security which may include share pledges, mortgages and other security interests for the outstanding amount. Subsidiaries, Alpha Ori Technologies Pte. Ltd. and Alpha Ori Technology Holdings Pte. Ltd have provided guarantees to the Lender if ZeroNorth A/S fails to pay. The agreement contain restrictions/limitations on incurring additional debt, asset disposals, mergers/aquisitions, dividends.

ZeroNorth Group is subject to a few ongoing claims. In the opinion of the Executive Board, these are not expected to have a negative effect on the financial position of the Group in addition to what is already included in the balance er 31 December 2024.

Notes to the Financial Statements

13. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

ZeroNorth Group has entered into contractual agreements with vendors of 13.6m USD in the period 2025-2029 for the delivery of software/IT systems, hosting and platforms. Furthermore has the Group provided equipment and software functionality guarantees in a period up to 3 years towards its customers based on the underlying contract.

ZeroNorth A/S was until 19th February 2024 included in national joint taxation with Danish companies in the A.P. Moller Holding group. The company is up to this date jointly and severally liable for the payment of taxes and withholding tax. The total amount of corporation tax payable up to withdrawal is disclosed in the Annual Report of A.P. Møller Holding A/S, which was the management company of the joint taxation purposes. Moreover, the group companies are up to this date jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

14. Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

Notes to the Financial Statements

15. Accounting policies

The Annual Report of ZeroNorth A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2024 are presented in USD.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, ZeroNorth A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Notes to the Financial Statements

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

Leases

Lease contracts are capitalised using an incremental borrowing rate and recognised in the balance sheet as right-of-use assets and corresponding lease liabilities. The right-of-use assets are depreciated over the lease term. Lease payments made are split into an interest element presented under financial expenses and amortisation of the lease liability. Lease contracts with a term shorter than 12 months or for which the underlying asset are of low value are not capitalised but expensed straight-line over the lease term.

Translation policies

USD is used as presentation currency and functional currency, as the majority of the Company's transactions are in USD. Transactions in currencies other than the functional currency are translated to the exchange rate on the date of transaction. Monetary items in foreign currency not settled by the balance sheet date are translated to the exchange rate on the balance sheet date. Foreign exchange gains and losses are included in the income statement as financial income and expenses.

Share-based payments

Equity settled restricted shares and share options allocated to executive employees as part of the company's long-term incentive programmes are recognised as staff costs over the vesting period at estimated fair value at the grant date and a corresponding adjustment in equity.

Cash settled performance awards allocated to employees as part of the company's long-term incentive programmes are recognised as staff costs over the vesting period and a corresponding adjustment in other payables.

At the end of each reporting period, the company revises its estimates of the number of awards that are expected to vest based on the non-market vesting conditions and service conditions. Any impact of the revision is recognised in the income statement with a corresponding adjustment to equity or other payables.

Notes to the Financial Statements

Income statement

Revenue

Revenue recognition requires an agreement with the client which creates enforceable rights and obligations between the parties, has commercial substance, and identifies payment terms. In addition, it must be probable that the consideration determined in the contract will be collected. Revenue is recognized when the client has obtained control of the license or service and has the ability to use and obtain substantially all the benefits from the license or service. ZeroNorth has therefore assessed that the client obtains control of the license when all the following criteria are met: a binding contract is entered into; the license is delivered; and the client has the right to use it. License revenue is therefore generally recognized at that point-in-time. Revenue is recognised net of VAT and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Staff expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with group companies. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 5 years, determined on the basis of Management's experience with the individual business areas.

Other intangible fixed assets

Rights and customer relations are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Rights are amortised over the period of the agreements, which is 3-5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are. The depreciation periods used for offices and office equipment are 3-5 years.

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Equity

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Notes to the Financial Statements

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Notes to the Financial Statements

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin

Gross profit x 100 / Revenue

Profit margin

Profit/loss of primary operations x 100 / Revenue

Return on assets

Profit/loss of primary operations x 100 / Total assets at year end

Solvency ratio

Equity at year end x 100 / Total assets at year end

Return on equity

Net profit for the year x 100 / Average equity