

# **Adapteo A/S**

**Greve Main 33, 2670 Greve**

**Company reg. no. 11 03 39 11**

## **Annual report**

**1 January - 31 December 2021**

The annual report was submitted and approved by the general meeting on the 16 June 2022.

---

John Ola Skogö  
Chairman of the meeting

## Contents

---

	<u>Page</u>
<b>Reports</b>	
Management's statement	1
Independent auditor's report	2
<b>Management's review</b>	
Company information	5
Financial highlights	6
Management's review	7
<b>Financial statements 1 January - 31 December 2021</b>	
Income statement	10
Balance sheet	11
Statement of changes in equity	13
Notes	14
Accounting policies	21

Notes:

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

## **Management's statement**

---

Today, the board of directors and the executive board have presented the annual report of Adapteo A/S for the financial year 1 January - 31 December 2021 for Adapteo A/S.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the company's results of activities in the financial year 1 January – 31 December 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Greve, 16 June 2022

### **Executive board**

John Ola Skogö

Max Olsen

### **Board of directors**

Teemu Arvo Sakari Saarela

Chairman

Carol Maria Elisabeth Holmström

Spendilow

Vice Chairman

John Ola Skogö

## **Independent auditor's report**

---

### **To the shareholders of Adapteo A/S**

#### **Opinion**

We have audited the financial statements of Adapteo A/S for the financial year 1 January - 31 December 2021, comprising income statement, balance sheet, statement of changes in equity, notes and accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities, and financial position at 31 December 2021 and of the results of the company's operations and cash-flow for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

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

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

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

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control, that Management 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 in preparing the financial statements unless Management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

## **Independent auditor's report**

---

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

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

### **Statement on the Management's Review**

Management is responsible for the Management's Review.

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

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

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

## **Independent auditor's report**

---

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

Copenhagen, 16 June 2022

### **KPMG**

State Authorised Public Accountants  
Company reg. no. 25 57 81 98

### **David Olafsson**

State Authorized Public Accountant  
mne19737

## Company information

---

### The company

Adapteo A/S  
Greve Main 33  
2670 Greve

Company reg. no. 11 03 39 11

Financial year: 1 January - 31 December

### Board of directors

Teemu Arvo Sakari Saarela, Chairman  
Carol Maria Elisabeth Holmström Spendilow, Vice Chairman  
John Ola Skogö

### Executive board

John Ola Skogö  
Max Olsen

### Auditors

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø

## Financial highlights

---

DKK in thousands.	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Income statement:</b>					
Revenue	158.983	176.369	152.629	137.586	202.332
Gross profit	77.756	85.811	100.389	78.150	107.559
Profit from operating activities	9.366	35.674	44.684	37.335	-859
Net financials	-3.749	-3.402	-4.263	-4.309	-6.050
Net profit or loss for the year	6.236	32.272	40.421	33.026	-6.919
<b>Statement of financial position:</b>					
Balance sheet total	883.215	479.796	465.859	387.150	378.651
Investments in property, plant and equipment	502.656	52.196	51.705	51.013	87.334
Equity	596.775	266.959	234.686	194.263	161.329
<b>Employees:</b>					
Average number of full-time employees	25	24	26	25	75
<b>Key figures in %:</b>					
Solvency ratio	67,6	55,6	50,4	50,2	42,6
Return on assets	1,8	7,5	10,5	9,8	-0,2

The comparative figures has not been adjusted with the implementation of IFRS 16 in 2019.

For definitions of key ratios, see Accounting policies.



## Management's review

---

### The principal activities of the company

In Denmark Adapteo A/S rents pavilions to the public sector, private customers and construction industry. Adapteo A/S have 2 sales offices and storage locations in Denmark and employs 25 employees. Adapteo A/S is a Danish company in the pan-European Adapteo Group.

The group's parent company, Adapteo Group Oy, is one of Europe's leading service and equipment providers in the rental industry.

With a dedicated focus on business ethics and sustainability, Adapteo is operating in the Nordic countries of Finland, Sweden, Norway and Denmark. Adapteo also operates in Germany Netherlands and Lithuania. Adapteo Group rents equipment and pavilions through 300 rental depots in a wide variety of product and rental offerings according to local demand in the Nordic countries. The group has approximately 549 employees during the reporting period 17 August–31 December 2021.

### Unusual circumstances

In early September 2021, Adapteo was subject to a data breach. Adapteo engaged with a cyber security specialist firm and recovered from the attack without material damages. The data breach was reported to the local data protection authorities in Sweden and Finland, for coordination with all local authorities in the countries Adapteo operates in, as there were indications data had been stolen. Due to these events, Adapteo has offered all employees an ID theft protection service to minimise the risks related to personal data being available for criminal intent. Within two weeks from the breach Adapteo was fully operational with all core tools and data intact. The data breach was closed in early November 2021.

The parent company Adapteo Plc's shares were delisted from Nasdaq Stockholm, the last trading day in the stock exchange being 10 September 2021. The first financial period of the newly established Group comprises the period of 17 August to 31 December 2021.

On 7 December 2021, Adapteo announced having entered an agreement to acquire the assets of Ajos A/S in Denmark. Ajos, a subsidiary of MT Højgaard Holding (MTH), provides high-quality adaptable buildings for rent to primarily the public sector in Denmark. The company offers buildings for schools, daycares, premium offices, and relocation facilities. Ajos had a revenue of DKK 81.0 million in 2020, and more than 96 percent of the rental revenues came from the public sector. One of Ajos' key customers is Copenhagen municipality. Ajos has delivered more than 650 modular solutions to the municipality during the last few years. With this acquisition, Adapteo strengthened its leading position and expanded its capabilities in the Danish market. Furthermore, by acquiring the key part of Ajos, partly certified with the Swan Ecolabel, Adapteo moved again one step further to becoming one of the most sustainable companies in the industry. The asset deal of Ajos was closed on 30 December 2021.

### Development in activities and financial matters

The revenue for the year is T.DKK 158.983 against T.DKK 176.369 last year. Income from ordinary activities after tax totals T.DKK 6.236 against T.DKK 32.272 last year. The balance shows an equity of T.DKK 596.775 for 2021.

## Management's review

---

### Capital resources

Adapteo Group Oy has issued a letter of support stating that financial support will be provided to Adapteo A/S at least until the date of the general meeting where the financial statements for the year ending 31 December 2022 is approved.

### Special risks

#### *Operating risks*

The company's main operating risk is related to market conditions, including competitive conditions. However, with Adapteo A/S being one of the largest suppliers of rental equipment in Denmark, and given the executed restructuring and adaption to the market, this risk is currently considered less significant, however Adapteo is ongoing monitoring the market situation to evaluate changes in the risk picture.

#### *Interest rate risks*

Interest-bearing net debts amounts to a relatively large share of the company's balance sheet total. However, with interest rates fixed based on 3 and 12-months Cibor rates in November 2011, changes in interest rates will not have any significant effect on earnings. In December 2021 the loans from parent company were converted to base currency Euro.

### Expected developments

The result for the financial year 2021 was below expected due to a decline in market activity especially in the first half of 2021. This was mainly impacted by the Covid-19 situation. Second half the company saw an increase in market activity but not enough to close the lost revenue and EBITDA from the first half year.

### Events occurring after the end of the financial year

On 24 February 2022, Russia invaded Ukraine, which generated global uncertainty in many areas as the geopolitical situation changed significantly. The long-term implications for Adapteo are currently uncertain. The future scenario includes increased demand for temporary housing and for preschools and schools as all countries where Adapteo conducts business are expected to receive large inflows of refugees. Prices for raw materials and components will likely increase, which will drive consumer prices and wage inflation. Suppliers to Adapteo are likely to face supply constraints. Interest rates in general are foreseen to increase. Global economic volatility has thus increased.

Adapteo Plc has issued a new Inter Company loan for Adapteo A/S on 27th of April with a maturity date 27th of April 2025. The loan drawdown amount in base currency was EUR 15,000,000.00 and Interest rate is Euribor 3M plus margin 2,74%.

### Outlook

Adapteo operates with a strong brand and with long-term customer relationships. There is a strong tie between its adaptable and sustainable solutions towards the fast-changing demands of society which increasingly values sustainability. Adapteo's current solutions are deemed to be a good match to future market needs, though markets are foreseen to continue to be competitive. Raw material and component prices have increased during the reporting period and the same trend is foreseen to continue in 2022, which puts additional pressure on future profitability development. Adapteo foresees the profitable operational growth to continue despite current risks and negative drivers.

## **Management's review**

---

### **Impact on the external environment**

Efforts to protect the environment and assure quality are an important element of Adapteo A/S' activities. In order to make sure that this area is handled efficiently, Adapteo A/S has been certified according to ISO 14001 and ISO 9001, which lay down strict environmental and quality requirements.

### **Knowledge resources**

Based on its long-standing activities in the market for rental and marketing of modular space and building and construction machinery, the company has build highly skilled and experienced staff.

## Income statement 1 January - 31 December

---

DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Revenue	158.983	176.369
Direct cost	-39.167	-65.032
Other external expenses	-42.060	-25.526
<b>Gross profit</b>	<b>77.756</b>	<b>85.811</b>
1 Staff costs	-20.998	-14.899
2 Depreciation, amortisation, and impairment	-47.392	-35.238
<b>Operating profit</b>	<b>9.366</b>	<b>35.674</b>
Other financial income	96	5
3 Other financial costs	-3.845	-3.407
<b>Pre-tax net profit or loss</b>	<b>5.617</b>	<b>32.272</b>
Tax on ordinary results	619	0
<b>4 Net profit or loss for the year</b>	<b>6.236</b>	<b>32.272</b>

## Balance sheet at 31 December

DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
<b>Non-current assets</b>		
5 Acquired intangible assets	0	0
6 Goodwill	13.383	15.758
Total intangible assets	13.383	15.758
7 Property	16.696	15.743
8 Plant and machinery	775.705	340.294
9 Other fixtures and fittings, tools and equipment	3.801	4.399
10 Property, plant, and equipment under construction and prepayments for property, plant, and equipment	18.808	0
Total property, plant, and equipment	815.010	360.436
11 Deposits	2.131	2.600
12 Other receivables	2.413	1.705
Total investments	4.544	4.305
<b>Total non-current assets</b>	<b>832.937</b>	<b>380.499</b>
<b>Current assets</b>		
Trade receivables	40.107	51.742
Work in progress for the account of others	1.195	0
Receivables from group enterprises	0	39.299
13 Deferred tax assets	5.802	5.183
14 Prepayments and accrued income	3.174	3.073
Total receivables	50.278	99.297
<b>Total current assets</b>	<b>50.278</b>	<b>99.297</b>
<b>Total assets</b>	<b>883.215</b>	<b>479.796</b>

## Balance sheet at 31 December

DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Contributed capital	11.000	11.000
Retained earnings	585.775	255.959
<b>Total equity</b>	<b>596.775</b>	<b>266.959</b>
<b>Provisions</b>		
15 Other provisions	10.887	0
<b>Total provisions</b>	<b>10.887</b>	<b>0</b>
<b>Liabilities other than provisions</b>		
16 Lease liabilities	10.700	12.959
17 Payables to group enterprises, long-term	95.955	81.000
18 Long term debt other than provisions	13	13
Total long term liabilities other than provisions	106.668	93.972
Short-term part of long-term liabilities	8.152	6.397
Trade payables	12.461	18.949
Payables to group enterprises	107.970	64.607
Other payables	22.570	15.145
19 Accruals and deferred income	17.732	13.767
Total short term liabilities other than provisions	168.885	118.865
<b>Total liabilities other than provisions</b>	<b>275.553</b>	<b>212.837</b>
<b>Total equity and liabilities</b>	<b>883.215</b>	<b>479.796</b>

**20 Contingencies**

**21 Related parties**

## Statement of changes in equity

---

DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2021	11.000	255.959	266.959
Profit or loss for the year brought forward	0	6.236	6.236
Capital transfer from group	0	323.580	323.580
	<b>11.000</b>	<b>585.775</b>	<b>596.775</b>

## Notes

---

DKK thousand.

	<u>2021</u>	<u>2020</u>
<b>1. Staff costs</b>		
Salaries and wages	17.869	13.143
Pension costs	2.110	1.274
Other costs for social security	243	165
Other staff costs	<u>776</u>	<u>317</u>
	<b><u>20.998</u></b>	<b><u>14.899</u></b>
Executive Board and the Board of Directors	<u>4.190</u>	<u>0</u>
Average number of employees	<u>25</u>	<u>24</u>
By reference to section 98(b)(ii) of the Danish Financial Statements Act, remuneration of the Executive Board and Board of Directors is not disclosed in the comparative figures.		
In accordance with section 98b(3) of the Danish Financial Statements Act, remuneration of the Executive Board and the Board of Directors is presented as an aggregate single amount.		
<b>2. Depreciation, amortisation, and impairment</b>		
Amortisation of concessions, patents and licences	0	0
Amortisation of goodwill	2.375	2.464
Depreciation on production plants and machinery	39.269	27.354
Depreciation on plants, operating assets, fixtures and furniture	251	160
Impairment of tangible assets	6.640	8.413
Profit/loss on sale of tangible assets	<u>-1.143</u>	<u>-3.153</u>
	<b><u>47.392</u></b>	<b><u>35.238</u></b>
<b>3. Other financial costs</b>		
Financial costs, group enterprises	3.355	2.771
Other financial costs	<u>490</u>	<u>636</u>
	<b><u>3.845</u></b>	<b><u>3.407</u></b>



## Notes

---

DKK thousand.

	<u>2021</u>	<u>2020</u>
<b>4. Proposed appropriation of net profit</b>		
Transferred to retained earnings	6.236	32.273
<b>Total allocations and transfers</b>	<b>6.236</b>	<b>32.273</b>
<b>5. Acquired intangible assets</b>		
Cost 1 January 2021	1.342	1.342
<b>Cost 31 December 2021</b>	<b>1.342</b>	<b>1.342</b>
Amortisation and writedown 1 January 2021	-1.342	-1.342
<b>Amortisation and writedown 31 December 2021</b>	<b>-1.342</b>	<b>-1.342</b>
<b>Carrying amount, 31 December 2021</b>	<b>0</b>	<b>0</b>
<b>6. Goodwill</b>		
Cost 1 January 2021	24.387	24.387
<b>Cost 31 December 2021</b>	<b>24.387</b>	<b>24.387</b>
Amortisation and writedown 1 January 2021	-8.629	-6.165
Amortisation for the year	-2.375	-2.464
<b>Amortisation and writedown 31 December 2021</b>	<b>-11.004</b>	<b>-8.629</b>
<b>Carrying amount, 31 December 2021</b>	<b>13.383</b>	<b>15.758</b>

## Notes

---

DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>7. Property</b>		
Cost 1 January 2021	29.572	32.970
Additions during the year	5.974	3.707
Disposals during the year	-106	-7.105
<b>Cost 31 December 2021</b>	<b><u>35.440</u></b>	<b><u>29.572</u></b>
Depreciation and writedown 1 January 2021	-13.829	-7.045
Depreciation for the year	-4.915	-6.784
<b>Depreciation and writedown 31 December 2021</b>	<b><u>-18.744</u></b>	<b><u>-13.829</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>16.696</u></b>	<b><u>15.743</u></b>
Lease assets are recognised at a carrying amount of	<u>15.647</u>	<u>15.743</u>
<b>8. Plant and machinery</b>		
Cost 1 January 2021	451.317	420.241
Additions during the year	476.493	45.761
Disposals during the year	-3.588	-14.685
<b>Cost 31 December 2021</b>	<b><u>924.222</u></b>	<b><u>451.317</u></b>
Depreciation and writedown 1 January 2021	-111.023	-86.611
Depreciation for the year	-39.269	-27.354
Reversal of depreciation, amortisation and writedown, assets disposed of	1.775	2.942
<b>Depreciation and writedown 31 December 2021</b>	<b><u>-148.517</u></b>	<b><u>-111.023</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>775.705</u></b>	<b><u>340.294</u></b>

## Notes

---

DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>9. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2021	6.881	5.155
Additions during the year	1.380	2.728
Disposals during the year	<u>-2</u>	<u>-1.002</u>
<b>Cost 31 December 2021</b>	<b><u>8.259</u></b>	<b><u>6.881</u></b>
Amortisation and writedown 1 January 2021	-2.482	-1.491
Depreciation for the year	-1.976	-1.769
Writedown for the year	0	-20
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>0</u>	<u>798</u>
<b>Amortisation and writedown 31 December 2021</b>	<b><u>-4.458</u></b>	<b><u>-2.482</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>3.801</u></b>	<b><u>4.399</u></b>
Lease assets are recognised at a carrying amount of	<u>2.625</u>	<u>3.266</u>
<b>10. Property, plant, and equipment under construction and prepayments for property, plant, and equipment</b>		
Additions during the year	<u>18.808</u>	<u>0</u>
<b>Cost 31 December 2021</b>	<b><u>18.808</u></b>	<b><u>0</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>18.808</u></b>	<b><u>0</u></b>
<b>11. Deposits</b>		
Cost 1 January 2021	2.600	2.522
Additions during the year	0	78
Disposals during the year	<u>-469</u>	<u>0</u>
<b>Cost 31 December 2021</b>	<b><u>2.131</u></b>	<b><u>2.600</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>2.131</u></b>	<b><u>2.600</u></b>

## Notes

---

DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>12. Other receivables</b>		
Cost 1 January 2021	1.705	0
Additions during the year	12.578	1.705
Disposals during the year	<u>-11.870</u>	<u>0</u>
<b>Cost 31 December 2021</b>	<b><u>2.413</u></b>	<b><u>1.705</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>2.413</u></b>	<b><u>1.705</u></b>
<b>13. Deferred tax assets</b>		
Deferred tax assets 1 January 2021	5.183	5.183
Deferred tax of the results for the year	<u>619</u>	<u>0</u>
<b>Carrying amount, 31 December 2021</b>	<b><u>5.802</u></b>	<b><u>5.183</u></b>
<b>14. Prepayments and accrued income</b>		
Other prepayments	<u>3.174</u>	<u>3.073</u>
	<b><u>3.174</u></b>	<b><u>3.073</u></b>
<b>15. Other provisions</b>		
Change of the year in other provisions	<u>10.887</u>	<u>0</u>
	<b><u>10.887</u></b>	<b><u>0</u></b>
<b>16. Lease liabilities</b>		
Total lease liabilities	16.993	19.355
Share of amount due within 1 year	<u>-6.293</u>	<u>-6.396</u>
	<b><u>10.700</u></b>	<b><u>12.959</u></b>

## Notes

---

DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>17. Payables to group enterprises, long-term</b>		
Adapteo Group Oy has issued a letter of support stating that financial support will be provided to Adapteo A/S at least until the date of the general meeting where the financial statements for the year ending 31 December 2022 is approved.		
<b>18. Long term debt other than provisions</b>		
<b>Total long term debt other than provisions</b>	<b><u>106.631</u></b>	<b><u>93.971</u></b>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
<b>19. Accruals and deferred income</b>		
Prepayments/deferred income	<u>17.736</u>	<u>13.767</u>
	<b><u>17.736</u></b>	<b><u>13.767</u></b>

## Notes

---

DKK thousand.

### 20. Contingencies

#### Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

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

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

### 21. Related parties

#### Controlling interest

Adapteo Group Oy

Majority shareholder

Adapteo A/S is part of the consolidated financial statements of Adapteo Group Oy, Äyritie 12 B, 01510 Vantaa, Finland. The consolidated financial statements of Adapteo Group Oy can be obtained by contacting the companies at the above addresses.

#### Transactions

The company has the following related party transactions:

	<u>2021</u>
Sales of services to parent company	0
Purchase of services from parent company	4.544
Purchases of services from group entities	9.877
Sales of services group entities	0
Purchase of assets from group entitie	<u>12.646</u>
	<u>27.067</u>

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 1

Payables to associates and subsidiaries are disclosed in the balance sheet and financial expenses are disclosed in note 3.

## Accounting policies

---

The annual report for Adapteo A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

Consolidated financial statements and statement of cash flows

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Adapteo Plc.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

## Accounting policies

---

### Income statement

#### Revenue

New service model agreements with customers:

For rental activities, which are identified as operating leases, the revenue from rental sales of building units is recognised on a straight-line basis during the rental period according to Adapteo's new service model. On lease commencement, Adapteo does not derecognise the leased building units from property, plant and equipment and continues to depreciate the assets based on the useful life of the building unit. Adapteo's deliverable to customer in these agreements consists of the rented adaptable building, assembly and disassembly service under the lease agreement so that the building unit is in accessible condition for the customer. The revenue recognised over the duration of the agreements includes both lease and non-lease components as they are not distinct in this service model.

Legacy agreements (agreements that are entered prior to 1 January 2021) with customers:

In legacy customer agreements, assembly and disassembly services are considered as separate service components in addition to the operating lease component. Revenues from assembly and disassembly services are recognised over time according to IFRS 15.

#### Other external costs

Other external costs include expenses related to distribution, sales, advertisement, administration, premises, bad debt losses, operational leases, etc.

#### Staff costs

Staff costs include wages and salaries, including holiday allowance and pensions as well as other social security contributions, etc., made to the entity's employees. The item is net of refunds received from public authorities.

#### Amortisation, depreciation and impairment losses

The item includes amortisation of intangible assets, depreciations on property, plant and equipment and impairment losses. Amortisation/depreciation is provided on a straight-line basis on cost together with the estimated useful life and residual value.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that concern the financial year. Financial income and expenses include interest income and expenses as well as additions and surcharges under the on-account tax scheme, etc.

#### Tax on net profit or loss for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments for the year less the share of tax for the year that relates to changes in equity.

Current tax and deferred tax relating to changes in equity are recognised directly in equity.



## Accounting policies

---

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

### The balance sheet

#### Intangible assets

Other intangible assets include development projects and other acquired intangible rights.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

The estimated useful lives for acquired IP rights are 5 years with a residual value of DKK 0.

#### Property, plant, and equipment

Property, plant and equipment comprise building, plant and machinery and other fixtures and fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	10 years	40 %
Plant and machinery	3-20 years	0-15 %
Other fixtures and fittings, tools and equipment	3-7 years	0-15%

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively. Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### Property, plant, and equipment in progress

Property, plant, and equipment in progress are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

## **Accounting policies**

---

### **Leases**

Lease liabilities are initially recognised at an amount equal to the present value of estimated contractual lease payments at the inception of the lease, after taking into account any options to extend the term of the lease. Lease commitments are discounted to present value using the interest rate implicit in the lease if this can be readily determined, or the applicable incremental rate of borrowing, as appropriate. Right-of-use lease assets are initially recognized at an amount equal to the lease liability, adjusted for initial direct costs in relation to the assets, then depreciated over the shortest period of the lease term and their estimated useful lives.

### **Impairment loss relating to non-current assets**

Intangible assets and property, plant and equipment are reviewed annually for impairment. Where there is indication of impairment, an impairment test is carried out for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if this is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

### **Receivables**

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

### **Deposits**

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

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress can not be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

### **Prepayments and accrued income**

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

## Accounting policies

---

### Equity

#### Income tax and deferred tax

Current tax liabilities are recognised in the balance sheet as the calculated tax on the expected taxable income for the year, adjustment for tax on prior year's taxable income and tax paid on account.

Adapteo A/S is jointly taxed with the Danish group companies and acts, in this respect, as the administration company. According to the rules of joint taxation, Adapteo A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

Provisions for deferred tax are calculated at 22% of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, and temporary differences on non-amortisable goodwill.

Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or a sett-off against tax liabilities.

#### Provisions

Provisions are recognised when Adapteo has a present legal or constructive obligation as a result of past events, it is probable that a cash outflow will be required to settle the obligation and the amount can be estimated reliably. Provisions are split between amounts expected to be settled within 12 months of the balance sheet date (current) and amounts expected to be settled later (non-current).

Guarantee provisions are made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. Management estimates the provisions based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Disassembly cost provisions are recognised for estimated costs of dismantling, removing the asset and restoring the site after lease period.

#### Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

## Accounting policies

---

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

### Financial highlights overview

$$\text{Return on assets (\%)} = \frac{\text{Profit/loss before financial income and expenses X 100}}{\text{Avg. assets}}$$

$$\text{Solvency ratio (\%)} = \frac{\text{Equity at year end X 100}}{\text{Total assets at year end.}}$$

# Participants

## MAX OLSEN

**Signed with Danish NemID**

Name returned from Danish NemID: Max Olsen  
Max Olsen

**2022-06-16 07:43:23 UTC**

Date

Delivery channel: Email

## OLA SKOGÖ Sweden

**Signed with Swedish BankID**

Name returned from Swedish BankID: John Ola Skogö

**2022-06-16 07:50:25 UTC**

Date

Delivery channel: Email

## TEEMU SAARELA Finland

**Signed with Finnish BankID**

Name returned from Finnish BankID: TEEMU ARVO SAKARI  
SAARELA

**2022-06-16 07:48:27 UTC**

Date

Delivery channel: Email

## CAROL SPENDILOW Sweden

**Signed with Swedish BankID**

Name returned from Swedish BankID: Carol Holmström Spendilow

**2022-06-16 07:41:44 UTC**

Date

Delivery channel: Email

## DAVID OLAFSSON Denmark

**Signed with Danish NemID**

Name returned from Danish NemID: David Olafsson

**2022-06-16 08:10:49 UTC**

Date

Delivery channel: Email