

## **Adapt A/S**

Langebrogade 6 E, 2.  
1411 København K  
CVR no. 21 75 89 73

### **Annual report for 2019**

(21th Financial year)

Adopted at the annual general  
meeting on 27 August 2020

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Kresten Finsen Wiingaard  
chairman

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## **Statement by management on the annual report**

The supervisory and executive boards have today discussed and approved the annual report of Adapt A/S for the financial year 1 January - 31 December 2019.

The annual report is 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 financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 27 May 2020

### **Executive board**

Kresten Finsen Wiingaard  
director

### **Supervisory board**

Tommy Vange Davis  
chairman

Rikke Frelle

Kresten Finsen Wiingaard

## Independent auditor's report

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

#### **Opinion**

We have audited the financial statements of Adapt A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibilities for the 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 as management determines is necessary to enable the preparation of the 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 about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 skepticism throughout the audit. We also:

## Independent auditor's report

- Identify and assess the risks of material misstatement of the 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 represent 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 management's review**

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 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 management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Roskilde, 27 May 2020

Azets Audit  
Statsautoriseret revisionspartnerselskab  
CVR no. 36 07 49 81

Anders Salomonsen  
state authorized public accountants  
MNE no. mne40143

## Company details

### The company

Adapt A/S  
Langebrogade 6 E, 2.  
1411 København K

CVR no.: 21 75 89 73

Reporting period: 1 January - 31 December 2019

Incorporated: 17. June 1999

Financial year: 21st financial year

Domicile: Copenhagen

### Supervisory board

Tommy Vange Davis, chairman  
Rikke Frelle  
Kresten Finsen Wiingaard

### Executive board

Kresten Finsen Wiingaard

### Auditors

Azets Audit  
Statsautoriseret revisionspartnerselskab  
Vindingevej 10  
4000 Roskilde

## **Management's review**

### **Business review**

The Company's principal activity is advisory and consulting services related to Information Technology and products i related thereto.

### **Financial review**

The company's income statement for the year ended 31 December 2019 shows a loss of DKK 2.548.980, and the balance sheet at 31 December 2019 shows equity of DKK 480.863.

In 2019 Adapt A/S has had an unsatisfying result. The reason being not one but many different incidents. At the same time, we have used 2019 to merge our three companies Adapt Mobile, Adapt Conversion and Adapt A/S to one company which continues as Adapt A/S. The merger has removed sub-optimizing in the old business units since the services we provided began to overlap too much. We expect a positive result for 2020.

### **Significant events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.



## Accounting policies

The annual report of Adapt A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in DKK

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

## Income statement

### Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other operating income less raw materials and consumables and other external expenses.

### Revenue

Income from the sale is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

## Accounting policies

Income from customised products is recognised as production is carried out, implying that revenue corresponds to the selling price of contracts completed in the year (percentage-of-completion method). This method is applied where the total income and expenses relating to the contract and the stage of completion at the balance sheet date can be estimated reliably and it is probable that future economic benefits will flow to the Company.

### Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, etc.

### Staff costs

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. The item is net of refunds made by public authorities.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and plant and equipment.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

### Tax on profit/loss for the year

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## Balance sheet

### Intangible assets

#### *Development projects, patents and licences*

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

## Accounting policies

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the term of the licence, however not more than 5 years.

### Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment.	3 years	0 %
Leasehold improvements	3 years	0 %

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

### Other securities and investments, fixed assets

Investments are measured at fair value.

### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

### Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

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

## Accounting policies

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

### Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

### Liabilities

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

## Income statement 1 January 2019 - 31 December 2019

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>Gross profit</b>		<b>32.888.837</b>	<b>39.664.277</b>
Staff costs	1	<u>-35.473.314</u>	<u>-37.769.942</u>
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>-2.584.477</b>	<b>1.894.335</b>
Depreciation, amortisation and impairment of intangible assets and plant and equipment		<u>-483.304</u>	<u>-384.666</u>
<b>Profit/loss before net financials</b>		<b>-3.067.781</b>	<b>1.509.669</b>
Financial costs	2	<u>-193.692</u>	<u>-101.090</u>
<b>Profit/loss before tax</b>		<b>-3.261.473</b>	<b>1.408.579</b>
Tax on profit/loss for the year	3	<u>712.493</u>	<u>-337.845</u>
<b>Profit/loss for the year</b>		<b><u>-2.548.980</u></b>	<b><u>1.070.734</u></b>
Proposed dividend for the year		0	110.000
Retained earnings		<u>-2.548.980</u>	<u>960.734</u>
		<b><u>-2.548.980</u></b>	<b><u>1.070.734</u></b>

## Balance sheet at 31 December 2019

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>Assets</b>			
Completed development projects		1.277.100	0
Acquired patents		38.482	57.723
<b>Intangible assets</b>	<b>4</b>	<b><u>1.315.582</u></b>	<b><u>57.723</u></b>
Other fixtures and fittings, tools and equipment		169.183	246.537
Leasehold improvements		152.476	262.200
<b>Tangible assets</b>	<b>5</b>	<b><u>321.659</u></b>	<b><u>508.737</u></b>
Other fixed asset investments	6	13.551	14.033
Deposits	6	729.335	729.336
<b>Fixed asset investments</b>		<b><u>742.886</u></b>	<b><u>743.369</u></b>
<b>Total non-current assets</b>		<b><u>2.380.127</u></b>	<b><u>1.309.829</u></b>
Trade receivables		6.300.193	11.589.458
Receivables from subsidiaries		1.332.748	2.282.608
Other receivables		87.212	153.363
Deferred tax asset		768.703	56.210
Prepayments		495.632	392.399
<b>Receivables</b>		<b><u>8.984.488</u></b>	<b><u>14.474.038</u></b>
<b>Cash at bank and in hand</b>		<b><u>154.837</u></b>	<b><u>1.404.565</u></b>
<b>Total current assets</b>		<b><u>9.139.325</u></b>	<b><u>15.878.603</u></b>
<b>Total assets</b>		<b><u><u>11.519.452</u></u></b>	<b><u><u>17.188.432</u></u></b>

## Balance sheet at 31 December 2019

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>Equity and liabilities</b>			
Share capital		625.000	625.000
Reserve development cost		996.138	0
Retained earnings		-1.140.275	2.404.843
Proposed dividend for the year		<u>0</u>	<u>110.000</u>
<b>Equity</b>		<b><u>480.863</u></b>	<b><u>3.139.843</u></b>
Other payables		<u>916.982</u>	<u>0</u>
<b>Total non-current liabilities</b>	<b>7</b>	<b><u>916.982</u></b>	<b><u>0</u></b>
Other credit institutions		4.462.156	2.475.441
Prepayments received from customers		458.581	1.251.091
Trade payables		622.222	684.160
Payables to subsidiaries		238.053	1.371.517
Corporation tax		0	351.010
Other payables		<u>4.340.595</u>	<u>7.915.370</u>
<b>Total current liabilities</b>		<b><u>10.121.607</u></b>	<b><u>14.048.589</u></b>
<b>Total liabilities</b>		<b><u>11.038.589</u></b>	<b><u>14.048.589</u></b>
<b>Total equity and liabilities</b>		<b><u>11.519.452</u></b>	<b><u>17.188.432</u></b>
Contingent liabilities	8		

## Statement of changes in equity

	Share capital	Reserve developme nt cost	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2019	625.000	0	2.404.843	110.000	3.139.843
Ordinary dividend paid	0	0	0	-110.000	-110.000
Transfers, reserves	0	996.138	-996.138	0	0
Net profit/loss for the year	0	0	-2.548.980	0	-2.548.980
<b>Equity at 31 December 2019</b>	<b>625.000</b>	<b>996.138</b>	<b>-1.140.275</b>	<b>0</b>	<b>480.863</b>



## Notes

	2019 DKK	2018 DKK
<b>1 Staff costs</b>		
Wages and salaries	30.318.829	32.573.295
Pensions	3.936.501	2.430.935
Other social security costs	392.535	375.150
Other staff costs	2.211.449	2.390.562
	<b>36.859.314</b>	<b>37.769.942</b>
Transfer to development cost	-1.386.000	0
	<b>35.473.314</b>	<b>37.769.942</b>
Average number of employees	64	71
<b>2 Financial costs</b>		
Interest paid to subsidiaries	0	20.524
Other financial costs	164.033	61.678
Exchange loss	29.659	18.888
	<b>193.692</b>	<b>101.090</b>
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	0	351.010
Deferred tax for the year	-712.493	-13.165
	<b>-712.493</b>	<b>337.845</b>

## Notes

### 4 Intangible assets

	Completed development projects	Acquired patents
Cost at 1 January 2019	0	96.205
Additions for the year	1.386.000	0
Cost at 31 December 2019	<u>1.386.000</u>	<u>96.205</u>
AA Impairment losses and amortisation at 1 January 2019	0	38.482
Depreciation for the year	108.900	19.241
AA Impairment losses and amortisation at 31 December 2019	<u>108.900</u>	<u>57.723</u>
<b>Carrying amount at 31 December 2019</b>	<b><u>1.277.100</u></b>	<b><u>38.482</u></b>

### 5 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2019	1.439.839	1.486.870
Additions for the year	117.209	91.000
Cost at 31 December 2019	<u>1.557.048</u>	<u>1.577.870</u>
Impairment losses and depreciation at 1 January 2019	1.232.674	1.224.670
Depreciation for the year	155.191	200.724
Impairment losses and depreciation at 31 December 2019	<u>1.387.865</u>	<u>1.425.394</u>
<b>Carrying amount at 31 December 2019</b>	<b><u>169.183</u></b>	<b><u>152.476</u></b>

## Notes

### 6 Fixed asset investments

	Other fixed asset investments	Deposits
Cost at 1 January 2019	14.033	729.335
Disposals for the year	-482	0
Cost at 31 December 2019	<u>13.551</u>	<u>729.335</u>
<b>Carrying amount at 31 December 2019</b>	<b><u>13.551</u></b>	<b><u>729.335</u></b>

### 7 Long term debt

	Debt at 1 January 2019	Debt at 31 December 2019	Instalment next year	Debt outstanding after 5 years
Other payables	<u>0</u>	<u>916.982</u>	<u>0</u>	<u>0</u>
	<b><u>0</u></b>	<b><u>916.982</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

### 8 Contingent liabilities

The company is jointly taxed with its parent company, Adapt Group A/S (management company), and jointly and severally liable with other jointly taxed entities for payment of income taxes and without taxes on dividends, interest and royalties. Total provision for tax at 31/12-19 DKK 0.

#### Rental and lease obligations

Rental agreement interminable for 6 months, max. commitment: DKK: 496.000

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## Rikke Frelle

### Bestyrelsesmedlem

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## Kresten Wiingaard

### Direktør

Serienummer: CVR:21758973-RID:60062967

IP: 94.18.xxx.xxx

2020-06-09 13:37:53Z

NEM ID 

## Kresten Wiingaard

### Bestyrelsesmedlem

Serienummer: CVR:21758973-RID:60062967

IP: 94.18.xxx.xxx

2020-06-09 13:37:53Z

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## Tommy Vange Davis

### Bestyrelsesformand

Serienummer: PID:9208-2002-2-080053834575

IP: 94.18.xxx.xxx

2020-06-12 07:15:17Z

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## Anders Salomonsen

### Statsautoriseret revisor

På vegne af: Azets Audit Statsautoriseret Revisionspartnerselskab

Serienummer: CVR:36074981-RID:98866845

IP: 152.115.xxx.xxx

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NEM ID 

## Kresten Finsen Wiingaard

### Dirigent

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