



Adapt A/S

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

Annual report for 2020

(22nd Financial year)

Adopted at the annual general
meeting on 4 March 2021

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 2020.

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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

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, 18 February 2021

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 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 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.

Independent auditor's report

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

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, 18 February 2021

Boreco
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 2020

Incorporated: 1 January 1999

Financial year: 22nd financial year

Domicile: Copenhagen

Supervisory board

Tommy Vange Davis, chairman
Rikke Frelle
Kresten Finsen Wiingaard

Executive board

Kresten Finsen Wiingaard

Auditors

Boreco
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 2020 shows a profit of DKK 2.967.437, and the balance sheet at 31 December 2020 shows equity of DKK 3.448.298.

The 2020 results for Adapt A/S have been satisfactory and come from all the initiatives conducted in 2019. While Covid-19 has had some negative impact on the annual result, we have managed to gain new revenue streams from existing and new clients. This has made up for the loss caused by clients in the travel industry who are heavily affected by the pandemic travel restrictions.

Adapt A/S has not utilized any support packages from the Danish Government nor are we planning to do so in 2021.

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 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

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

The annual report for 2020 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.

Accounting policies

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.

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.

Accounting policies

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

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 fixturea 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.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Accounting policies

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

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 tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

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.

The compensated absence commitment which the company's employees earn during the transitional period from 1 September 2019 to 31 August 2020, is administered by the company and is paid in to the Danish Holiday Fund before the employee reaches the pensionable age. Other debt is measured at amortised cost, which usually corresponds to the nominal value.

Prepayments received from customers

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 instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Income statement 1 January 2020 - 31 December 2020

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Gross profit		34.302.433	32.888.837
Staff costs	1	<u>-29.823.895</u>	<u>-35.473.314</u>
Profit/loss before amortisation/depreciation and impairment losses (EBITDA)		4.478.538	-2.584.477
Depreciation, amortisation and impairment of intangible assets and plant and equipment		<u>-542.087</u>	<u>-483.304</u>
Profit/loss before net financials (EBIT)		3.936.451	-3.067.781
Financial income	2	28.503	0
Financial costs		<u>-122.687</u>	<u>-193.692</u>
Profit/loss before tax		3.842.267	-3.261.473
Tax on profit/loss for the year	3	<u>-874.830</u>	<u>712.493</u>
Profit/loss for the year		<u>2.967.437</u>	<u>-2.548.980</u>
Proposed dividend for the year		500.000	0
Retained earnings		<u>2.467.437</u>	<u>-2.548.980</u>
		<u>2.967.437</u>	<u>-2.548.980</u>

Balance sheet at 31 December 2020

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Assets			
Completed development projects		999.900	1.277.100
Acquired patents		19.241	38.482
Intangible assets		<u>1.019.141</u>	<u>1.315.582</u>
Other fixtures and fittings, tools and equipment		300.349	169.183
Leasehold improvements		80.303	152.476
Tangible assets		<u>380.652</u>	<u>321.659</u>
Other fixed asset investments		13.919	13.551
Deposits		729.335	729.335
Fixed asset investments		<u>743.254</u>	<u>742.886</u>
Total non-current assets		<u>2.143.047</u>	<u>2.380.127</u>
Trade receivables		7.468.735	6.300.193
Receivables from subsidiaries		1.566.603	1.332.748
Other receivables		8.119	87.212
Deferred tax asset		0	768.703
Prepayments		408.609	495.632
Receivables		<u>9.452.066</u>	<u>8.984.488</u>
Cash at bank and in hand		<u>5.080.338</u>	<u>154.837</u>
Total current assets		<u>14.532.404</u>	<u>9.139.325</u>
Total assets		<u><u>16.675.451</u></u>	<u><u>11.519.452</u></u>

Balance sheet at 31 December 2020

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Equity and liabilities			
Share capital		625.000	625.000
Reserve development cost		779.922	996.138
Retained earnings		1.543.376	-1.140.277
Proposed dividend for the year		500.000	0
Equity		<u>3.448.298</u>	<u>480.861</u>
Provision for deferred tax		106.127	0
Total provisions		<u>106.127</u>	<u>0</u>
Holiday allowance		2.445.754	916.982
Total non-current liabilities	4	<u>2.445.754</u>	<u>916.982</u>
Other credit institutions		0	4.462.156
Prepayments received from customers		765.377	458.581
Trade payables		535.476	622.222
Payables to subsidiaries		90.897	238.053
Other payables		9.283.522	4.340.597
Total current liabilities		<u>10.675.272</u>	<u>10.121.609</u>
Total liabilities		<u>13.121.026</u>	<u>11.038.591</u>
Total equity and liabilities		<u>16.675.451</u>	<u>11.519.452</u>
Contingent liabilities	5		

Statement of changes in equity

	Share capital	Reserve developme nt cost	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2020	625.000	996.138	-1.140.277	0	480.861
Transfers, reserves	0	-216.216	216.216	0	0
Net profit/loss for the year	0	0	2.467.437	500.000	2.967.437
Equity at 31 December 2020	625.000	779.922	1.543.376	500.000	3.448.298

Notes

	2020 DKK	2019 DKK		
1 Staff costs				
Wages and salaries	25.076.829	30.318.829		
Pensions	3.356.655	3.936.501		
Other social security costs	373.089	392.535		
Other staff costs	1.017.322	2.211.449		
	29.823.895	36.859.314		
Transfer to development cost	0	-1.386.000		
	29.823.895	35.473.314		
Average number of employees	52	64		
2 Financial income				
Interest received from subsidiaries	28.503	0		
	28.503	0		
3 Tax on profit/loss for the year				
Deferred tax for the year	874.830	-712.493		
	874.830	-712.493		
4 Long term debt				
	Debt at 1 January 2020	Debt at 31 December 2020	Instalment next year	Debt outstanding after 5 years
Holiday allowance	916.982	2.445.754	0	0
	916.982	2.445.754	0	0

Notes

5 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. Refer to the annual report for the parent company for the total provision.