



Adapt A/S

Langebrogade 6A
1411 København K
CVR no. 21 75 89 73

Annual report for 2022

(24th Financial year)

Adopted at the annual general meeting on 7 March 2023

Kresten Finsen Wiingaard
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
 Management's review	
Company details	5
Management's review	6
 Financial statements	
Accounting policies	7
Income statement 1 January 2022 - 31 December 2022	11
Balance sheet at 31 December 2022	12
Statement of changes in equity	14
Notes	15

Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Adapt A/S for the financial year 1 January - 31 December 2022.

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 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

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, 20 February 2023

Executive board

Kresten Finsen Wiingaard
director

Supervisory board

Tommy Vange Davis
chairman

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 2022, 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 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 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 and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the 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:

- 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.

Independent auditor's report

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

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, 20 February 2023

Boreco
Statsautoriseret revisionspartnerselskab
CVR no. 36 07 49 81

Simon Daniel Elvemand
state authorized public accountants
MNE no. mne45890

Company details

The company

Adapt A/S
Langebrogade 6A
1411 København K

CVR no.: 21 75 89 73

Reporting period: 1 January - 31 December 2022

Incorporated: 1 January 1999

Financial year: 24th financial year

Domicile: Copenhagen

Supervisory board

Tommy Vange Davis, chairman
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.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

Unusual matters

The company's financial position at 31 December 2022 and the results of its operations for the financial year ended 31 December 2022 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 December 2022 shows a profit of DKK 1.119.972, and the balance sheet at 31 December 2022 shows equity of DKK 4.157.705.

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 2022 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 2022 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 operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

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.

Accounting policies

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.

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.

Accounting policies

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.

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.

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 2022 - 31 December 2022

	Note	2022 DKK	2021 DKK
Gross profit		40.602.886	36.693.832
Staff costs	1	-38.028.401	-35.089.826
Profit/loss before amortisation/depreciation and impairment losses		2.574.485	1.604.006
Depreciation, amortisation and impairment of intangible assets and plant and equipment		-942.632	-622.864
Profit/loss before net financials		1.631.853	981.142
Financial income		5.951	0
Financial costs	2	-154.026	-225.451
Profit/loss before tax		1.483.778	755.691
Tax on profit/loss for the year	3	-363.806	-166.255
Profit/loss for the year		1.119.972	589.436
Recommended appropriation of profit/loss			
Proposed dividend for the year		1.100.000	500.000
Retained earnings		19.972	89.436
		1.119.972	589.436

Balance sheet at 31 December 2022

	Note	2022 DKK	2021 DKK
Assets			
Completed development projects		418.500	722.700
Acquired patents		0	0
Intangible assets	4	418.500	722.700
Other fixtures and fittings, tools and equipment		117.089	249.683
Leasehold improvements		840.706	1.263.808
Tangible assets		957.795	1.513.491
Other fixed asset investments		53.086	21.133
Deposits		1.009.505	992.005
Fixed asset investments		1.062.591	1.013.138
Total non-current assets		2.438.886	3.249.329
Trade receivables		10.756.561	9.190.227
Receivables from subsidiaries		3.663.722	2.338.533
Other receivables		100.379	14.603
Corporation tax		0	45.090
Prepayments		324.105	563.998
Receivables		14.844.767	12.152.451
Cash at bank and in hand		283.044	4.919.632
Total current assets		15.127.811	17.072.083
Total assets		17.566.697	20.321.412

Balance sheet at 31 December 2022

	Note	2022 DKK	2021 DKK
Equity and liabilities			
Share capital		625.000	625.000
Reserve development cost		326.430	563.706
Retained earnings		2.106.275	1.849.027
Proposed dividend for the year		1.100.000	500.000
Equity		4.157.705	3.537.733
Provision for deferred tax		193.758	331.926
Total provisions		193.758	331.926
Holiday allowance		2.480.530	2.428.915
Total non-current liabilities	5	2.480.530	2.428.915
Other credit institutions		383.665	0
Prepayments received from customers		608.325	1.712.488
Trade payables		354.281	830.816
Payables to subsidiaries		37.925	28.268
Corporation tax		501.974	0
Other payables		8.848.534	11.451.266
Total current liabilities		10.734.704	14.022.838
Total liabilities		13.215.234	16.451.753
Total equity and liabilities		17.566.697	20.321.412
Rent and lease liabilities	6		
Contingent liabilities	7		
Mortgages and collateral	8		

Statement of changes in equity

	Share capi- tal	Reserve develop- ment cost	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2022	625.000	563.706	1.849.027	500.000	3.537.733
Ordinary dividend paid	0	0	0	-500.000	-500.000
Transfers, reserves	0	-237.276	237.276	0	0
Net profit/loss for the year	0	0	19.972	1.100.000	1.119.972
Equity at 31 December 2022	625.000	326.430	2.106.275	1.100.000	4.157.705

Notes

	2022 DKK	2021 DKK
1 Staff costs		
Wages and salaries	31.627.500	29.674.260
Pensions	3.880.688	3.631.933
Other social security costs	526.564	478.233
Other staff costs	1.993.649	1.305.400
	38.028.401	35.089.826
Average number of employees	60	57
2 Financial costs		
Other financial costs	154.026	204.827
Exchange loss	0	20.624
	154.026	225.451
3 Tax on profit/loss for the year		
Current tax for the year	501.974	-45.090
Deferred tax for the year	-138.168	225.799
Adjustment of tax concerning previous years	0	-14.454
	363.806	166.255

Notes

4 Intangible assets

	Completed devel- opment projects	Acquired patents
Cost at 1 January 2022	1.386.000	96.205
Cost at 31 December 2022	1.386.000	96.205
Impairment losses and amortisation at 1 January 2022	663.300	96.205
Depreciation for the year	304.200	0
Impairment losses and amortisation at 31 December 2022	967.500	96.205
Carrying amount at 31 December 2022	418.500	0

5 Long term debt

	Debt at 1 January 2022	Debt at 31 De- cember 2022	Instalment next year	Debt out- standing af- ter 5 years
Holiday allowance	2.428.915	2.480.530	0	0
	2.428.915	2.480.530	0	0

6 Rent and lease liabilities

	2022 DKK	2021 DKK
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	1.904.888	1.792.363
Between 1 and 5 years	5.720.021	7.512.384
	7.624.909	9.304.747

Notes

7 Contingent liabilities

The company is jointly taxed with its parent company, Adapt Group A/S (management company) located at Langebrogade 6A 1411 København K, 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.

8 Mortgages and collateral

For the benefit of the company's banks, corporate mortgages (nom 5,000,000) have been issued in debtors, intangible fixed assets, fixed assets. The mortgage amounts to a total value of kDKK 12,133 (2021: kDKK 11,426)

9 Related parties and ownership structure

Consolidated financial statements

The company is reflected in the group report as the parent company Adapt Group A/S, København K