



S-CUBED ApS

Skovbakken 1
3500 Værløse
CVR No. 30834909

Annual report 2019

The Annual General Meeting adopted the
annual report on 18.06.2020

Scott McGregor

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	5
Management commentary	7
Income statement for 2019	8
Balance sheet at 31.12.2019	9
Statement of changes in equity for 2019	11
Notes	12
Accounting policies	16

Entity details

Entity

S-CUBED ApS

Skovbakken 1

3500 Værløse

CVR No.: 30834909

Registered office: Furesø

Financial year: 01.01.2019 - 31.12.2019

E-mail: info@s-cubed.dk

Board of Directors

Niels Both

Jack Groth Jacobsen

Scott McGregor

David Peter Iberson-Hurst

Adam de Neergaard

Executive Board

Niels Both

Jack Groth Jacobsen

Scott McGregor

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of S-CUBED ApS for the financial year 01.01.2019 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We consider the preconditions for not auditing the financial statements for the financial year 01.01.2019 - 31.12.2019 as complied with..

We recommend the annual report for adoption at the Annual General Meeting.

Værløse, 18.06.2020

Executive Board

Niels Both

Jack Groth Jacobsen

Scott McGregor

Board of Directors

Niels Both

Jack Groth Jacobsen

Scott McGregor

David Peter Iberson-Hurst

Adam de Neergaard

Independent auditor's extended review report

To the shareholders of S-CUBED ApS

Conclusion

We have performed an extended review of the financial statements of S-CUBED ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary is in accordance with 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 the management commentary.

Copenhagen, 18.06.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jan Larsen

State Authorised Public Accountant
Identification No (MNE) mne16541

Management commentary

Primary activities

The Entity's activities comprise consultancy services, specialised within the pharmaceutical industry.

Development in activities and finances

The performance for the year has been satisfactory and is in line with the expectation.

Events after the balance sheet date

In early 2020, the outbreak of the coronavirus disease (COVID-19) has escalated, and on 11 March 2020 the WHO declared it a worldwide pandemic. The outbreak has led to a number of precautions that affect the planning and execution of day-to-day operations, and the Group's vendors and customers may be affected as well. Their financial impact cannot be determined at this point in time.

Aside from this, no material events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		38,357,818	35,812,399
Staff costs	2	(31,838,576)	(31,682,664)
Depreciation, amortisation and impairment losses	3	(64,326)	(81,365)
Operating profit/loss		6,454,916	4,048,370
Income from investments in group enterprises		(183,445)	0
Income from investments in associates		0	(15,323)
Other financial income	4	5,830	2,459
Other financial expenses	5	(106,400)	(92,554)
Profit/loss before tax		6,170,901	3,942,952
Tax on profit/loss for the year	6	(1,317,299)	(875,410)
Profit/loss for the year		4,853,602	3,067,542
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		4,459,472	0
Retained earnings		394,130	3,067,542
Proposed distribution of profit and loss		4,853,602	3,067,542

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		169,927	82,042
Property, plant and equipment	7	169,927	82,042
Investments in group enterprises		4,459,472	0
Receivables from group enterprises		2,808,541	0
Investments in associates		0	0
Receivables from associates		0	342,979
Other receivables		769,650	355,810
Other financial assets	8	8,037,663	698,789
Fixed assets		8,207,590	780,831
Trade receivables		8,169,324	13,341,272
Contract work in progress		2,117,447	2,391,112
Receivables from associates		59,147	170,000
Other receivables		26,256	98,816
Income tax receivable		482,716	0
Prepayments		110,229	143,513
Receivables		10,965,119	16,144,713
Cash		373,696	3,662,175
Current assets		11,338,815	19,806,888
Assets		19,546,405	20,587,719

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		125,000	125,000
Retained earnings		5,878,051	4,523,921
Proposed dividend		4,459,472	0
Equity		10,462,523	4,648,921
Deferred tax		25,072	22,455
Provisions for investments in associates		0	7,083
Provisions		25,072	29,538
Bank loans		111,352	57,425
Prepayments received from customers		612,046	3,255,488
Trade payables		1,964,563	2,571,090
Payables to group enterprises		0	509,624
Payables to associates		1,952	741,952
Income tax payable		0	892,560
Joint taxation contribution payable		1,395,398	0
Other payables	9	4,973,499	7,881,121
Current liabilities other than provisions		9,058,810	15,909,260
Liabilities other than provisions		9,058,810	15,909,260
Equity and liabilities		19,546,405	20,587,719
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	125,000	4,523,921	0	4,648,921
Sale of treasury shares	0	960,000	0	960,000
Profit/loss for the year	0	394,130	4,459,472	4,853,602
Equity end of year	125,000	5,878,051	4,459,472	10,462,523

The entity has this year sold 8 shares (nom. 4.000 or 3,2% of the share capital) for the amount of 960 t. DKK

Notes

1 Events after the balance sheet date

In early 2020, the outbreak of the coronavirus disease (COVID-19) has escalated, and on 11 March 2020 the WHO declared it a worldwide pandemic. The outbreak has led to a number of precautions that affect the planning and execution of day-to-day operations, and the Group's vendors and customers may be affected as well. Their financial impact cannot be determined at this point in time.

Aside from this, no material events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	26,762,362	27,476,086
Pension costs	2,920,000	2,926,825
Other social security costs	77,480	70,773
Other staff costs	2,078,734	1,208,980
	31,838,576	31,682,664
Average number of full-time employees	39	31

3 Depreciation, amortisation and impairment losses

	2019 DKK	2018 DKK
Depreciation of property, plant and equipment	64,326	140,388
Profit/loss from sale of intangible assets and property, plant and equipment	0	(59,023)
	64,326	81,365

4 Other financial income

	2019 DKK	2018 DKK
Other interest income	5,397	2,459
Other financial income	433	0
	5,830	2,459

5 Other financial expenses

	2019	2018
	DKK	DKK
Other interest expenses	42,060	40,938
Exchange rate adjustments	10,985	7,328
Other financial expenses	53,355	44,288
	106,400	92,554

6 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Current tax	1,314,682	881,486
Change in deferred tax	2,617	(6,076)
	1,317,299	875,410

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	343,601
Additions	152,211
Cost end of year	495,812
Depreciation and impairment losses beginning of year	(261,559)
Depreciation for the year	(64,326)
Depreciation and impairment losses end of year	(325,885)
Carrying amount end of year	169,927

8 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK	Investments in associates DKK	Receivables from associates DKK	Other receivables DKK
Cost beginning of year	0	0	25,000	342,979	355,810
Transfers	25,000	342,979	(25,000)	(342,979)	0
Additions	4,650,000	2,465,562	0	0	698,875
Disposals	0	0	0	0	(285,035)
Cost end of year	4,675,000	2,808,541	0	0	769,650
Impairment losses beginning of year	0	0	(32,083)	0	0
Transfers	(32,083)	0	32,083	0	0
Amortisation of goodwill	(85,417)	0	0	0	0
Share of profit/loss for the year	(98,028)	0	0	0	0
Impairment losses end of year	(215,528)	0	0	0	0
Carrying amount end of year	4,459,472	2,808,541	0	0	769,650

The difference between the carrying amount end year of Investment in group enterprises and A3 Informatics ApS' equity is caused by the amount of goodwill at DKK 341.668.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
A3 Informatics ApS	Værløse	ApS	100	4,117,804	(98,028)

9 Other payables

	2019 DKK	2018 DKK
VAT and duties	2,038,094	3,610,520
Wages and salaries, personal income taxes, social security costs, etc payable	30,203	717,073
Other costs payable	2,905,202	3,553,528
	4,973,499	7,881,121

10 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	7,423,780	454,595

11 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

12 Assets charged and collateral

Bank loans are secured by way of a company charge provided by the Company of DKK 1,200 thousand nominal covering unsecured claims as well as fixtures and fittings and operating equipment.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

There has been made small reclassifications in this years and last years income statement with no effect on profit/loss of the year and Equity

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
--	-----------

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation periods used are 10 years. Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to reserve for net revaluation according to the equity method in equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.