

# ADA Scan Holding ApS

Hørkær 26, 2730 Herlev

CVR no. 36 69 96 63

## Annual report 2019

Approved at the Company's annual general meeting on 7 September 2020

Chairman:

.....  
Kai Boris Bendix





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## Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of ADA Scan Holding ApS for the financial year 1 January - 31 December 2019.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the annual report be approved at the annual general meeting.

Herlev, 7 September 2020  
Executive Board:

.....  
Kai Boris Bendix  
CEO

## Independent auditor's report

To the shareholders of ADA Scan Holding ApS

### Opinion

We have audited the financial statements of ADA Scan Holding ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

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

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

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

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 the financial statements.

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.

## Independent auditor's report

- ▶ 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 note 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 the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 7 September 2020  
Ernst & Young  
CVR no. 30 70 02 28

Martin Alsbaek  
State Authorised Public Accountant  
mne28627

## Management's review

### Company details

Name	ADA Scan Holding ApS
Address, Postal code, City	Hørkær 26, 2730 Herlev
CVR no.	36 69 96 63
Established	30 March 2015
Registered office	Herlev
Financial year	1 January - 31 December
Executive Board	Kai Boris Bendix, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

### Management commentary

#### Business review

The company's purpose is to invest and own shares in other companies and provide administrative and management services to such companies.

#### Recognition and measurement uncertainties

The impairment test of the investment in the subsidiary ADA International Scandinavia A/S is sensitive to key assumptions regarding expected cash flow in the budget period, growth rate in the terminal period and WACC. In the impairment test the growth rate in the terminal period has been assessed to be 2% and WACC after tax to be 9.0%. An increase in the WACC after tax to approximately 9.6 % or more would result in an impairment.

#### Financial review

The income statement for 2019 shows a profit of DKK 2,422 thousand against a profit of DKK 2,521 thousand last year, and the balance sheet at 31 December 2019 shows equity of DKK 39,765 thousand.

#### Events after the balance sheet date

In March 2020, the ADA Group was impacted by the effects of the Covid - 19 pandemic. While sales in January and February 2020 were still well above plan, they reached their lowest level in April 2020

The impact of the pandemic, which is not yet fully predictable, will have a impact on the ADA Group's and the company's business policy. The original budget for 2020 included a increase in sales in the subsidiary, but the current projections forecast a sales level lower than the original forecast, with corresponding effects on EBITDA and cash flow. However, the early measures taken to reduce costs and manage liquidity ensure the long-term solvency of the ADA Group within the frame-work of existing credit lines. The Outline plan of the ADA Group and the subsidiary, which covers the financial years 2021 to 2023, foresees that revenues in 2021 will be just below the level of 2019 and will then grow according to plan.

Beside the Covid - 19 pandemic, no events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Reference is made to note 3 for more details.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2019	2018
	External expenses	-51	-83
	Gross profit	-51	-83
	Income from investments in group enterprises	3,900	4,000
4	Financial income	18	37
5	Financial expenses	-1,862	-1,654
	Profit before tax	2,005	2,300
	Tax for the year	417	221
	Profit for the year	2,422	2,521
	Recommended appropriation of profit		
	Retained earnings	2,422	2,521
		2,422	2,521

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2019	2018
	ASSETS		
	Fixed assets		
6	Investments		
	Investments in group enterprises	76,996	76,996
		76,996	76,996
	Total fixed assets	76,996	76,996
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	5,125	772
	Corporation tax receivable	668	678
	Joint taxation contribution receivable	417	507
	Other receivables	14	0
		6,224	1,957
	Cash	0	78
	Total non-fixed assets	6,224	2,035
	TOTAL ASSETS	83,220	79,031



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2019	2018
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	50	50
	Share premium account	18,091	18,091
	Retained earnings	21,624	19,202
	Total equity	39,765	37,343
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	39	56
	Payables to group enterprises	43,416	41,632
		43,455	41,688
	Total liabilities other than provisions	43,455	41,688
	TOTAL EQUITY AND LIABILITIES	83,220	79,031

- 1 Accounting policies
- 2 Recognition and measurement uncertainties
- 3 Events after the balance sheet date
- 8 Collateral
- 9 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK'000	Share capital	Share premium account	Retained earnings	Total
Equity at 1 January 2019	50	18,091	19,202	37,343
Transfer through appropriation of profit	0	0	2,422	2,422
Equity at 31 December 2019	50	18,091	21,624	39,765

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of ADA Scan Holding ApS for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### External expenses

Other external expenses include the year's expenses relating to administration, etc.

##### Profit from investments in subsidiaries

The item includes dividend received from subsidiaries in so far as the dividend does not exceed the accumulated earnings in the subsidiary in the period of ownership.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

##### Balance sheet

##### Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

##### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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 has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Recognition and measurement uncertainties

The impairment test of the investment in the subsidiary ADA International Scandinavia A/S is sensitive to key assumptions regarding expected cash flow in the budget period, growth rate in the terminal period and WACC. In the impairment test the growth rate in the terminal period has been assessed to be 2% and WACC after tax to be 9.0%. An increase in the WACC after tax to approximately 9.6 % or more would result in an impairment.

#### 3 Events after the balance sheet date

In March 2020, the ADA Group was impacted by the effects of the Covid - 19 pandemic. While sales in January and February 2020 were still well above plan, they reached their lowest level in April 2020. The impact of the pandemic, which is not yet fully predictable, will have a impact on the ADA Group's and the company's business policy.

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Beside the Covid - 19 pandemic, no events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

DKK'000	2019	2018
4 Financial income		
Interest receivable, group entities	17	37
Other financial income	1	0
	<u>18</u>	<u>37</u>
5 Financial expenses		
Interest expenses, group entities	1,837	439
Other interest expenses	0	1,081
Exchange losses	25	133
Other financial expenses	0	1
	<u>1,862</u>	<u>1,654</u>

#### 6 Investments

DKK'000	Investments in group enterprises
Cost at 1 January 2019	<u>76,996</u>
Cost at 31 December 2019	<u>76,996</u>
Carrying amount at 31 December 2019	<u>76,996</u>

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries					

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 6 Investments (continued)

##### ADA

Internatio  
nal Scandi

navia A/S A/S

Herlev

100.00%

4,246

3,687

#### 7 Share capital

Analysis of changes in the share capital over the past 5 years:

DKK'000	2019	2018	2017	2016	2015
Opening balance	50	50	50	50	0
Capital increase	0	0	0	0	50
	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>

## Financial statements 1 January - 31 December

## Notes to the financial statements

## 8 Collateral

As management company, the company is jointly taxed with its subsidiary ADA International Scandinavia A/S and is jointly liable for payment of income taxes from the start of the joint taxation 14 April 2015 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment after that date.

## 9 Related parties

## Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
MLC Black Forest GmbH	Germany	Frankfurt am Main