Gavdi A/S

Lyngbyvej 2, 1., 2100 København Ø

CVR no. 25 05 77 32

Annual report 2017

Approved at the Company's annual general meeting on 9 April 2018

Chairman:

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Jeffrey Bruun

Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Gavdi A/S for the financial year 1 January - 31 December 2017.

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 financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Copenhagen, 9 April 2018
Executive Board:

Søren Koppelhus	Jeffrey Bruun

Board of Directors:

Lars Steffen Knudsen Chairman	Lise Hedegaard Koppelhus	Søren Koppelhus

Independent auditor's report

To the shareholders of Gavdi A/S

Opinion

We have audited the financial statements of Gavdi A/S for the financial year 1 January - 31 December 2017, 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 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 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, 9 April 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Mogens Andreasen State Authorised Public Accountant MNE no.: mne28603	Peter Jensen State Authorised Public Accountant MNE no.: mne33246

Management's review

Company details

Name	Gavdi A/S
Address, Postal code, City	Lyngbyvej 2, 1., 2100 København Ø
CVR no.	25 05 77 32
Registered office	København
Financial year	1 January - 31 December
Board of Directors	Lars Steffen Knudsen, Chairman Lise Hedegaard Koppelhus Søren Koppelhus
Executive Board	Søren Koppelhus Jeffrey Bruun
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Danske Bank A/S Holmens Kanal 2, 1090 Copenhagen K
Lawyer	Homann Advokater Amagertorv 11, 1160 Copenhagen K

Management's review

Financial highlights

DKKt	2017	2016	2015	2014	2013
Key figures					
Revenue	63,640	74,317	88,768	89,441	106,873
Gross margin	45,462	58,121	68,539	72,010	81,049
Operating profit/loss	2,625	-320	1,127	3,388	2,551
Net financials	990	1,036	907	637	1,064
Profit/loss for the year	**2,674**	**468**	**1,455**	**2,961**	**2,625**
Total assets	76,485	85,438	89,005	88,049	77,380
Investment in property, plant and equipment	0	0	305	1,738	1,503
Equity	**39,386**	**36,712**	**36,245**	**34,789**	**31,828**
Financial ratios					
Operating margin	4.1%	-0.4%	1.3%	3.8 %	2.4 %
Gross margin	71.4%	78.2%	77.2%	80.5%	75.8%
Current ratio	195.4%	164.1%	162.8%	157.8%	157.1%
Solvency ratio	51.5%	43.0%	40.7%	39.5%	41.1%
Return on equity	7.0%	1.3%	4.1%	8.9%	8.2%
Average number of employees	**50**	**61**	**66**	**66**	**73**

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios. For terms and definitions, please see the accounting policies.

Management's review

Business review

The principal activities comprise consultancy services around the cloud solutions from SAP being SuccesFactors for People, Cloud for sales for Customer Relationship Management and Concur for Traveland Expense Management.

Gavdi A/S is part of Gavdi Group A/S, the European leader in SAP People Solutions and one of the fasting grooving consultancies focusing on the cloud solutions from SAP.

Gavdi A/S continues to provide services to many of Denmark's largest and public business.

Financial review

The development in 2017 is still affected by customers' less investments in On Premise solutions and their transition to cloud based technology. Gavdi has made a correction of its business model and the necessary investments for the expected cloud transition and is now beginning to gain the benefits mainly based on another sales approach and delivery model.

By 1st of July 2017 Gavdi A/S also moved a major part of its technology consultants to Gavdi Labs A/S to secure the right focus in terms of market awareness and management.

Our customer satisfaction is still very high and we are constantly increasing our customer base especially by offering SuccessFactors solutions and consultancy, which is potentially covering a higher degree of the market for HR solutions. Gavdi's business cooperation with SAP is still working out well based on our expertise and shown track record of successful implementations and our reach within the Gavdi Group.

Management is satisfied with the overall profit for the year. The decrease in revenue was however not as expected but Gavdi A/S have witness and increase demand by end of year and expects higher revenue for 2018.

Profit/loss for the year compared to future expectations expressed in previous years

Management expectations to same level of revenue compared to 2016 was not fulfilled due to a decreasing On premise market and cloud revenue was not as expected developing in same pace. However, Gavdi A/S have experience and increasing cloud activity in the 2nd half of 2017. Despite of the difficult market situation Gavdi A/S has succeeded in optimizing the organization and improved operating margin with 4,5 %

Knowledge resources

Considering its employees to be its most important asset and sustaining and strengthening competences to be crucial to its ongoing development, the company works continuously to offer relevant training and career development to maintain Gavdi A/S's position as an attractive and innovative workplace characterized by a high competence level.

Events after the balance sheet date

No events have occurred after the financial year end which could significantly affect the Company's financial position at 31 December 2017.

Outlook

Management expects revenue for 2018 to increase compared to 2017 and increased profitability due to continues increase in revenue from subscriptions and further optimizations of the installed service delivery model.

Management considers the Company's risk exposure to be negligible as its business is centered around solvent customers and strategic cooperation agreements providing the basis for long term working relations.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2017	2016
	Revenue	63,640,290	74,317,016
	Other operating income	6,329,408	6,623,524
	Other external expenses	-24,507,475	-22,819,180
	Gross margin	45,462,223	58,121,360
2	Staff costs	-41,551,592	-56,913,299
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,285,380	-1,527,962
	Profit/loss before net financials	2,625,251	-319,901
3	Financial income	2,848,991	2,698,545
4	Financial expenses	-1,858,633	-1,662,560
	Profit before tax	3,615,609	716,084
5	Tax for the year	-941,813	-248,527
	Profit for the year	2,673,796	467,557

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2017	2016
	ASSETS		
	Fixed assets		
6	**Intangible assets**		
	Acquired intangible assets	3,660,000	4,880,000
	Goodwill	0	0
		3,660,000	4,880,000
7	**Property, plant and equipment**		
	Other fixtures and fittings, tools and equipment	8,470	241,600
		8,470	241,600
8	**Investments**		
	Deposits, investments	322,394	504,905
		322,394	504,905
	Total fixed assets	3,990,864	5,626,505
	Non-fixed assets		
	Receivables		
	Trade receivables	17,267,787	13,211,594
	Work in progress for third parties	1,589,956	782,445
	Receivables from group entities	52,601,431	64,532,779
11	Deferred tax assets	171,791	147,445
	Other receivables	78,713	252,092
9	Prepayments	634,690	823,659
		72,344,368	79,750,014
	Cash	149,806	61,479
	Total non-fixed assets	72,494,174	79,811,493
	TOTAL ASSETS	76,485,038	85,437,998

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2017	2016
	EQUITY AND LIABILITIES		
	Equity		
10	Share capital	500,000	500,000
	Retained earnings	38,885,880	36,212,084
	Total equity	39,385,880	36,712,084
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Bank debt	0	101,947
		0	101,947
	Current liabilities other than provisions		
	Current portion of long-term liabilities	0	45,300
	Bank debt	6,981,320	9,594,081
	Trade payables	2,558,561	2,375,491
	Payables to group entities	10,485,673	14,954,799
	Income taxes payable	1,972,058	1,005,899
	Payables to shareholders and management	2,000,000	0
	Other payables	9,351,489	16,975,311
12	Deferred income	3,750,057	3,673,086
		37,099,158	48,623,967
	Total liabilities other than provisions	37,099,158	48,725,914
	TOTAL EQUITY AND LIABILITIES	76,485,038	85,437,998

1 Accounting policies
13 Contractual obligations and contingencies, etc.
14 Collateral
15 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

	DKK	Share capital	Retained earnings	Total
	Equity at 1 January 2017	500,000	36,212,084	36,712,084
16	Transfer, see "Appropriation of profit"	0	2,673,796	2,673,796
	Equity at 31 December 2017	500,000	38,885,880	39,385,880

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Gavdi A/S for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the parent company, Gavdi Group A/S.

Reporting currency

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

Income statement

Revenue

Net revenue from sale of merchandise and finished goods is recognised in the income statement, if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the entity's principal activities, including profit from sale of intangible and tangible fixed assets.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	5 years
Goodwill	5 years
Other fixtures and fittings, tools and equipment	2-5 years

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

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 is jointly taxed with other subsidiaries. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company's development activities and which fulfil the criteria for recognition.

Other intangible assets include acquired intangible rights, including software licences.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investments

Deposits include rental deposits, which are recognised and measured at amortised cost. Deposits are not
depreciated.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost, which usually correspond to the nominal value.The value is reduced by write-downs, in order to meet expected losses.

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.

Work in progress for third parties

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of each contract in progress, less prepayments, is classified as assets when the market value exceeds prepayments and as liabilities when prepayments exceed the market value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprises bank deposits.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

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.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios.

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Gross margin ratio	$\frac{\text{Gross margin x 100}}{\text{Revenue}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax x 100}}{\text{Average equity}}$

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK	2017	2016
2	**Staff costs**		
	Wages/salaries	39,303,402	53,205,027
	Pensions	1,882,421	2,645,047
	Other social security costs	226,742	490,687
	Other staff costs	139,027	572,538
		41,551,592	56,913,299
	Average number of full-time employees	50	61

Total remuneration to Management: DKK 4,719,859 (2016: DKK 7,416,309).

The Board of Directors has not received any remuneration.

	DKK	2017	2016
3	**Financial income**		
	Interest receivable, group entities	2,632,000	2,625,000
	Exchange gain	216,991	73,545
		2,848,991	2,698,545
4	**Financial expenses**		
	Interest expenses, group entities	619,806	778,198
	Other interest expenses	1,238,827	884,362
		1,858,633	1,662,560
5	**Tax for the year**		
	Estimated tax charge for the year	966,159	373,186
	Deferred tax adjustments in the year	-24,346	-124,659
		941,813	248,527

Financial statements 1 January - 31 December

Notes to the financial statements

6 **Intangible assets**

DKK	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2017	13,700,000	500,000	14,200,000
Disposals in the year	-400,000	-500,000	-900,000
Cost at 31 December 2017	13,300,000	0	13,300,000
Impairment losses and amortisation at 1 January 2017	8,820,000	500,000	9,320,000
Amortisation in the year	1,220,000	0	1,220,000
Reversal of amortisation/depreciation and impairment of disposals	-400,000	-500,000	-900,000
Impairment losses and amortisation at 31 December 2017	9,640,000	0	9,640,000
Carrying amount at 31 December 2017	3,660,000	0	3,660,000

7 **Property, plant and equipment**

DKK	Other fixtures and fittings, tools and equipment
Cost at 1 January 2017	2,389,776
Disposals in the year	-305,000
Cost at 31 December 2017	2,084,776
Impairment losses and depreciation at 1 January 2017	2,148,176
Depreciation in the year	65,380
Reversal of depreciation and impairment of disposals	-137,250
Impairment losses and depreciation at 31 December 2017	2,076,306
Carrying amount at 31 December 2017	8,470

8 **Investments**

DKK	Deposits, investments
Cost at 1 January 2017	504,905
Additions in the year	322,394
Disposals in the year	-504,905
Cost at 31 December 2017	322,394
Carrying amount at 31 December 2017	322,394

9 **Prepayments**

Prepayments and accrued income comprise prepaid costs, primarily insurances, membership fees, rent, and lease payments relating to the next financial year.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2017	2016
10 Share capital		
Analysis of the share capital:		
300 A shares of DKK 1,000.00 nominal value each	300,000	300,000
200 B shares of DKK 1,000.00 nominal value each	200,000	200,000
	500,000	500,000

11 Deferred tax

Deferred tax relates to:		
Intangible assets	-153,180	-133,037
Property, plant and equipment	-18,611	-14,408
	-171,791	-147,445

12 Deferred income

Deferred income comprises payments relating to sales that are not recognised as income until in the subsequent financial year, when the recognition criteria are satisfied.

13 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	2017	2016
Rent and lease liabilities	5,252,975	2,684,797

Joint liabilities

The company is jointly and severally liable together with the parent company and the other Danish group companies in the jointly taxed group for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax.Tax payable of the group's jointly taxed income is stated in the annual report of Famkop Holding ApS, which serves as management company for the joint taxation.

14 Collateral

As security for bank debt, DKK 6,981,320, the Company has granted a charge on assets representing a nominal value of DKK 12,000,000. The charge comprises trade receivables at a carrying amount of DKK 17,267,787.

Financial statements 1 January - 31 December

Notes to the financial statements

15 Related parties

Gavdi A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Gavdi Group A/S	Lyngbyvej 2, 2100 København	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Gavdi Group A/S	København	www.cvr.dk
Famkop Holding ApS	Frederiksberg	www.cvr.dk

Related party transactions

Gavdi A/S was engaged in the below related party transactions:

DKK	2017	2016
Revenue	4,741,560	14,127,483
Management fee invoiced to other group enterprises	6,314,157	6,401,922
Sub contractors, group enterprises	12,367,883	4,721,342
Management fee paid to parent company	968,750	3,950,000

In addition receivables and payables to other group enterprises and management is presented in the balance sheet and the related interest is presented in note 3 and 4.

Information on the remuneration to management

Information on the remuneration to Management appears from note 2, "Staff costs".

DKK	2017	2016
16 Appropriation of profit		
Recommended appropriation of profit		
Retained earnings	2,673,796	467,557
	2,673,796	467,557