

# Gavdi A/S

Lyngbyvej 2, 1., 2100 København Ø

CVR no. 25 05 77 32

## Annual report 2019

Approved at the Company's annual general meeting on

Chairman:

.....  
Jeffrey Bruun





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## 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 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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, 7 May 2020  
Executive Board:

.....  
Søren Koppelhus  
CEO

.....  
Jeffrey Bruun  
CFO

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 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 May 2020  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Mogens Andreasen  
State Authorised Public Accountant  
mne28603

Peter Jensen  
State Authorised Public Accountant  
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, CEO Jeffrey Bruun, CFO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Allé 36, 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

## Management's review

### Financial highlights

t	2019	2018	2017	2016	2015
<b>Key figures</b>					
Revenue	81,689	69,043	63,640	74,317	88,768
Gross profit	39,843	42,840	45,462	58,121	68,539
Profit before interest and tax (EBITA)	90	4,120	2,625	-320	1,127
Net financials	1,989	1,844	990	1,036	907
<b>Profit for the year</b>	<b>1,616</b>	<b>4,601</b>	<b>2,674</b>	<b>468</b>	<b>1,455</b>
<b>Balance sheet</b>					
Total assets	82,623	83,217	76,485	85,438	89,005
Investment in property, plant and equipment	0	0	0	0	305
<b>Equity</b>	<b>45,603</b>	<b>43,987</b>	<b>39,386</b>	<b>36,712</b>	<b>36,245</b>
<b>Financial ratios</b>					
Operating margin	0.1%	6.0%	0.0%	-0.4 %	0.0 %
Gross margin	48.8%	62.0%	71.4%	78.2%	77.2%
Current ratio	225.6%	204.6%	195.4%	164.1%	162.8%
Equity ratio	55.2%	52.9%	51.5%	43.0%	40.7%
Return on equity	3.6%	11.0%	7.0%	1.3%	4.1%
<b>Average number of employees</b>					
	<b>48</b>	<b>46</b>	<b>50</b>	<b>61</b>	<b>66</b>

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 company supplies consultancy around the onpremise and cloud solutions from SAP being SuccessFactors for People, Cloud for Service and Concur for Travel and Expense Management.

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

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

### Financial review

Gavdi A/S has continued its growth mainly with international exposed SuccessFactors projects, Payroll updates and Support and is continuously benefitting from the implemented One Gavdi strategy who also on a daily operational level provides access to skilled resources from entities within the Group.

Our Customer satisfaction is still high and we are constantly increasing our customer base. Existing customer engagement often result in Support agreements delivered by our well-established European support organization who can provide support with a local flavor including local language if needed.

Our SAP partnership is essential and works well and we considered one of the most important partners, not only in Denmark but in all the markets we are present in.

Management is satisfied with the development related to increasing overall sales and revenue. On the other hand has Operating margin, EBITDA ratio and overall profit not developed satisfactory and is highly effected by a few projects not managed well and investment in new products not yet resulting in expected sales.

Profit/loss for the year compared to future expectations:

With an Revenue growth of 18,3 % compared to 8,5% the year before revenue expectations has been exceeded but an EBITDA ratio decreasing to 1,6 % is not according to plan. This has resulted in new initiatives around the way we do project management.

### 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 and mix of age, gender, religion and nationalities.

Gavdi A/S have a well-established IT infrastructure and working culture that support working from home.

### 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 2019.

### Outlook

Due to the Corona Covid-19 situation that effects both Gavdi A/S, employees and its customers, Management are unsure how 2020 will end up as outcome can be very different, if it will have an immediate high effect but within short period of time or it will be more long term like a general recession, considering both domestic and global economy.

In present situation we will expect a decreased revenue of 10% and a break even result due to some business areas with very low activity.



## Management's review

Management considers the company's risk exposure to be high in the present environment due to different spread of virus scenarios that are closing down entire businesses and societies and effect economy both locally and globally in a scale not seen before. Risk areas are employees for being exposed to virus or virus related constraints, customers both existing and new for not getting new assignments or losing ability to pay. Major deviations in currency deviations based on global unbalances and IT security as increasing fraudulent behavior.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2019	2018
	<b>Revenue</b>	81,689,470	69,043,141
	Other operating income	5,529,095	5,788,984
	Other external expenses	-47,376,050	-31,992,288
	<b>Gross profit</b>	39,842,515	42,839,837
2	Staff costs	-38,532,445	-37,491,028
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,220,004	-1,228,474
	<b>Profit before net financials</b>	90,066	4,120,335
3	Financial income	2,406,011	2,705,429
4	Financial expenses	-416,871	-861,467
	<b>Profit before tax</b>	2,079,206	5,964,297
5	Tax for the year	-463,055	-1,363,038
	<b>Profit for the year</b>	1,616,151	4,601,259

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2019	2018
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
6	<b>Intangible assets</b>		
	Acquired intangible assets	1,219,992	2,439,996
		<u>1,219,992</u>	<u>2,439,996</u>
7	<b>Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment	0	0
		<u>0</u>	<u>0</u>
8	<b>Investments</b>		
	Deposits, investments	516,512	508,835
		<u>516,512</u>	<u>508,835</u>
	<b>Total fixed assets</b>	<u>1,736,504</u>	<u>2,948,831</u>
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Trade receivables	17,795,684	20,573,399
	Work in progress for third parties	1,140,993	1,173,862
	Receivables from group entities	60,287,088	56,385,645
9,12	Deferred tax assets	318,502	245,799
	Other receivables	25,918	50,066
10	Prepayments	819,289	1,435,659
		<u>80,387,474</u>	<u>79,864,430</u>
	<b>Cash</b>	498,471	404,068
	<b>Total non-fixed assets</b>	<u>80,885,945</u>	<u>80,268,498</u>
	<b>TOTAL ASSETS</b>	<u><u>82,622,449</u></u>	<u><u>83,217,329</u></u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2019	2018
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
11	Share capital	500,000	500,000
	Retained earnings	45,103,290	43,487,139
	<b>Total equity</b>	<b>45,603,290</b>	<b>43,987,139</b>
	<b>Liabilities other than provisions</b>		
13	<b>Non-current liabilities other than provisions</b>		
	Other payables	1,169,365	0
		<b>1,169,365</b>	<b>0</b>
	<b>Current liabilities other than provisions</b>		
	Bank debt	4,821,237	5,481,051
	Work in progress for third parties	1,624,543	1,962,600
	Trade payables	2,541,917	3,550,396
	Payables to group entities	13,862,892	12,825,754
	Income taxes payable	535,758	1,437,046
	Payables to shareholders and management	1,807,696	2,142,756
	Other payables	8,324,955	7,940,034
14	Deferred income	2,330,796	3,890,553
		<b>35,849,794</b>	<b>39,230,190</b>
	<b>Total liabilities other than provisions</b>	<b>37,019,159</b>	<b>39,230,190</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>82,622,449</b>	<b>83,217,329</b>

- 1 Accounting policies
- 15 Contractual obligations and contingencies, etc.
- 16 Collateral
- 17 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

Note	DKK	Share capital	Retained earnings	Total
	Equity at 1 January 2019	500,000	43,487,139	43,987,139
18	Transfer, see "Appropriation of profit"	0	1,616,151	1,616,151
	<b>Equity at 31 December 2019</b>	<b>500,000</b>	<b>45,103,290</b>	<b>45,603,290</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Gavdi A/S for 2019 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

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

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.

Income from contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Licence income is recognised over the term of the agreement in accordance with the contents of the agreement.

Revenue from time limited software licences is accrued and recognised on a straight line basis over the term of the licence according to the terms of the licence agreement.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

##### 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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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

The item comprises amortisation/ depreciation 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
Other fixtures and fittings, tools and equipment	2-5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or 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 group entities. 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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Intangible assets

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.

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.

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.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### 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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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 ratios

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

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

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2019	2018
<b>2 Staff costs</b>		
Wages/ salaries	36,085,631	35,305,822
Pensions	1,839,860	1,677,980
Other social security costs	342,209	355,089
Other staff costs	264,745	152,137
	<u>38,532,445</u>	<u>37,491,028</u>
Average number of full-time employees	<u>48</u>	<u>46</u>
Total remuneration to Management: DKK 5,388,709 (2018: DKK 5,220,885).		
The Board of Directors has not received any remuneration.		
<b>3 Financial income</b>		
Interest receivable, group entities	2,037,000	2,404,000
Exchange gain	176,268	301,429
Other financial income	192,743	0
	<u>2,406,011</u>	<u>2,705,429</u>
<b>4 Financial expenses</b>		
Interest expenses, group entities	65,023	138,157
Exchange losses	87,962	283,503
Other interest expenses	263,886	439,807
	<u>416,871</u>	<u>861,467</u>
<b>5 Tax for the year</b>		
Estimated tax charge for the year	535,758	1,437,046
Deferred tax adjustments in the year	-72,703	-74,008
	<u>463,055</u>	<u>1,363,038</u>
<b>6 Intangible assets</b>		
DKK		<b>Acquired intangible assets</b>
Cost at 1 January 2019		<u>13,300,000</u>
Cost at 31 December 2019		<u>13,300,000</u>
Impairment losses and amortisation at 1 January 2019		10,860,004
Amortisation in the year		1,220,004
Impairment losses and amortisation at 31 December 2019		<u>12,080,008</u>
<b>Carrying amount at 31 December 2019</b>		<u>1,219,992</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 7 Property, plant and equipment

DKK	<b>Other fixtures and fittings, tools and equipment</b>
Cost at 1 January 2019	2,084,776
Cost at 31 December 2019	2,084,776
Impairment losses and depreciation at 1 January 2019	2,084,776
Impairment losses and depreciation at 31 December 2019	2,084,776
<b>Carrying amount at 31 December 2019</b>	<b>0</b>

#### 8 Investments

DKK	<b>Deposits, investments</b>
Cost at 1 January 2019	508,835
Additions in the year	7,677
Cost at 31 December 2019	516,512
<b>Carrying amount at 31 December 2019</b>	<b>516,512</b>

#### 9 Deferred tax assets

As per 31 December 2019 the company has recognized a deferred tax asset with a carrying amount of DKK. 318,502. The deferred tax asset relates to other fixtures and fittings, tools and equipments with DKK. 11,949 and acquired intangible assets with DKK. 306,553.

On basis of the expectations for the next 1-3 years, Management expects the taxable profit to be sufficient enough to use the deferred tax asset.

#### 10 Prepayments

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

DKK	<u>2019</u>	<u>2018</u>
<b>11 Share capital</b>		
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
	<u>500,000</u>	<u>500,000</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 12 Deferred tax

Deferred tax relates to:

DKK	2019	2018
Intangible assets	-306,553	-229,867
Property, plant and equipment	-11,949	-15,932
	<u>-318,502</u>	<u>-245,799</u>

#### 13 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other payables	1,169,365	0	1,169,365	0
	<u>1,169,365</u>	<u>0</u>	<u>1,169,365</u>	<u>0</u>

#### 14 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.

#### 15 Contractual obligations and contingencies, etc.

##### Contingent liabilities

##### 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.

##### Other financial obligations

Other rent and lease liabilities:

Rent and lease liabilities	1,910,462	3,571,670
	<u>1,910,462</u>	<u>3,571,670</u>

Lease commitments that fall due within 1 years total DKK 1,693 thousand (2018: DKK 1,661 thousand).

#### 16 Collateral

As security for bank debt, DKK 4,821,237, 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 17,795,684.

The Company has issued a joint guarantee to the bank assuming primary liability for Gavdi Labs A/S' commitments to the bank.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 17 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	2019	2018
Revenue	2,496,987	608,490
Management fee invoiced to other group enterprises	5,393,899	5,832,983
Sub contractors, group enterprises	29,076,099	19,625,056

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".

#### 18 Appropriation of profit

##### Recommended appropriation of profit

Retained earnings	1,616,151	4,601,259
	<u>1,616,151</u>	<u>4,601,259</u>

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Direktør (CFO)

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Adm. direktør

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Bestyrelse

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## Jeffrey Bruun

Dirigent

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