



GAVDI GROUP A/S

Lyngbyvej 2, 1.
2100 København Ø
CVR No. 29799644

Annual report 2023

The Annual General Meeting adopted the annual report on 26.06.2024

Jeffrey Bruun

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management on the annual report	3
Independent auditor's report	4
Management commentary	7
Consolidated income statement for 2023	12
Consolidated balance sheet at 31.12.2023	13
Consolidated statement of changes in equity for 2023	15
Consolidated cash flow statement for 2023	16
Notes to consolidated financial statements	18
Parent income statement for 2023	25
Parent balance sheet at 31.12.2023	26
Parent statement of changes in equity for 2023	28
Notes to parent financial statements	29
Accounting policies	32

Entity details

Entity

GAVDI GROUP A/S

Lyngbyvej 2, 1.

2100 København Ø

Business Registration No.: 29799644

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Lars Steffen Knudsen, Chairman

Lise Hedegaard Koppelhus

Søren Koppelhus

Executive Board

Søren Koppelhus, CEO

Jeffrey Bruun, CFO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of GAVDI GROUP A/S for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

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

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

Copenhagen, 26.06.2024

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 GROUP A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of GAVDI GROUP A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements 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 audit of the consolidated financial statements and the parent financial statements

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

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent 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 consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity'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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 commentary

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 26.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant
Identification No (MNE) mne33712

Rasmus Christiansen

State Authorised Public Accountant
Identification No (MNE) mne50632

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	189,431	235,440	226,955	214,884	248,156
Gross profit/loss	154,987	159,870	159,893	146,840	168,940
Operating profit/loss	38,299	15,018	21,181	16,753	9,220
Net financials	2,002	1,040	521	1,756	1,253
Profit/loss for the year	47,025	14,426	18,011	16,136	7,241
Profit for the year excl. minority interests	41,821	11,532	13,791	10,960	3,466
Balance sheet total	102,661	146,536	149,435	144,158	152,500
Investments in property, plant and equipment	45	542	1,294	2,216	164
Equity	46,083	85,377	80,085	72,768	67,820
Equity excl. minority interests	44,368	77,370	68,199	61,140	50,987
Cash flows from operating activities	56,320	6,945	17,296	15,903	15,986
Cash flows from investing activities	18,767	(423)	(1,305)	2,249	(6,025)
Cash flows from financing activities	(79,358)	(11,308)	(12,430)	(6,986)	(1,301)
Average number of employees	160	255	242	225	278
Ratios					
Gross margin (%)	81.82	67.90	70.45	68.33	68.08
Operating margin (%)	20.22	6.34	9.33	7.80	3.72
Net margin (%)	24.82	6.13	7.94	7.51	2.92
Return on equity (%)	68.71	15.84	21.33	19.55	7.03
Equity ratio (%)	43.22	52.80	45.64	42.41	33.43

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

Operating margin (%):

Operating profit/loss * 100
Revenue

Net margin (%):

Profit/loss for the year * 100
Revenue

Return on equity (%):

Profit/loss for the year excl. minority interests * 100
Average equity excl. minority interests

Equity ratio (%):

Equity excl. minority interests * 100
Balance sheet total

Primary activities

Gavdi Group A/S is the holding company of the Gavdi Group's Danish and foreign companies. The Gavdi companies supply advisory, implementation, technology and support services related to the people solutions from SAP including SAP HCM, SuccessFactors and SAP Concur.

Management and technology areas

Per October 3rd all of Gavdi A/S shares in Gavdi Polska S.A. was sold.

Gavdi Group A/S has majority interests in twelve companies all operating under the Gavdi brand in EMEA with the exception of PXMSOFT A/S a company developing software with enhanced functionality to existing SAP products.

Development in activities and finances

Financial review - Parent

Even with demanding market conditions mainly due to macroeconomics uncertainty 2023 developed into a great year seen across all Gavdi units. Income from investments in group enterprises developed positively and together with the sale of all Gavdi Polska S.A. shares profit and loss ended up being the best result ever in history of Gavdi Group A/S.

Income from investment in Group entities increased from MDKK 10,2 in 2022 to MDKK 18,8 in 2023.

The income statement for 2023 shows a net result of MDKK 42,2 and balance sheet at 31 December 2023 shows total equity of MDKK 44,4 due to paid dividends during 2023.

Financial review - Group

Group's revenue for 2023 excluding Gavdi Polska S.A who are included as a separate line item for discontinued operations, MDKK 189,4, increased with 7,7 % compared to 2022. Growth is mainly realized within implementation services and own developed products and with a small decrease in delivered support services. Services based on Cloud technology continues to be the largest contributor to growth within Gavdi Group. Operating profit excluding Gavdi Polska S.A activities increased with MDKK 2,9 to MDKK 14,6 mainly due to an increased Gross margin with 1,1% and EBIT margin excluding Gavdi Polska S.A activities ends up in 7.7%. Core reason was increased utilization. Net result for 2023 ends with MDKK 47,0 and balance sheet at 31 December 2023 shows total equity of MDKK 46,1.

Operating review

Global and local market conditions continued to be demanding with less visibility and a high inflation especially in first half of 2023 but even then Gavdi Group excluding Gavdi Polska S.A. was able to grow its revenue with 7,7 % for 2023.

Gavdi Group's own developed software for supporting Danish SAP HCM and SuccessFactors customers with enhanced functionality was per January 1st 2023 bought out of Gavdi Group company PXMSOFT A/S and sold to Gavdi A/S to provide an even stronger focus on expanding the products to the benefit of Gavdi A/S existing and potential new customers. By April 1st a team of 6 employees specialized in developing, implementing and selling Gavdi Group global software products like Easy document, Easy Recruit, Easy Hire, Easy Certify and Easy Org was transferred from Gavdi A/S to PXMSOFT A/S to establish a leading organization for further streamline and growth of Gavdi Group's first in class products e.g. supporting compliance requirements and effective handling of HR documents.

Mainly due to large project implementations revenue for market units in Finland, Germany and Middel East was

increasing with more than 40% compared to 2022. Sweden was experience an decrease in revenue around 10% mainly due to less project implementation activity.

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 both in terms of revenue growth and profitability especially seen in the light of the difficult market conditions.

Profit/loss for the year in relation to expected developments

Gavdi Group was overachieving its goals in terms of revenue growth and is within the target with an EBIT margin of 9,3% excluding the profit of selling all shares of Gavdi Polska S.A.

Outlook

Based on a decreased level of activity in start of 2024 management expect for 2024 overall revenue growth of 4-6% and an EBIT margin within the interval of 5-6%.

Use of financial instruments

Management considers the company's risk exposure still to be medium in the present environment, due to continues war in Europe, other conflict zones that may affect global economy and by then also local market conditions and continues high interest rates. Risk areas are mainly related to how further escalation of the war in Ukraine can impact general economy, inflation not decreasing as expected or other factors due to ongoing conflicts in Middle East or China/Taiwan and European economy going into recession. All these elements can have an immediate effect on our customers daily business, profitability and willingness for investments.

Management continues to monitor the situation and will quickly take needed measures if situation is developing in wrong direction. Except for this the group is not exposed to any risks other than those that are usual for the sector. The group has a moderate currency exposure, but as this is mainly related to currencies that are pegged to the euro, management does not find additional hedging required.

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 Group's position as an attractive and innovative workplace characterized by a high competence level, diversity and inclusion. Gavdi Group has during and continued post Covid pandemic established more flexible working conditions with a working culture with well-established IT infrastructure allowing to work from home in an efficient way.

Environmental performance

The Group does not impact the external environment significantly.

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 2023.

Parent treasury shares

	Number	Nominal value DKK	Share of contributed capital %
Gavdi Holding A/S	26	26,000	4.42
Holding of treasury shares	26	26,000	4.42

Gavdi Group A/S has acquired shares in the parent company, Gavdi Holding A/S. The treasury shares were acquired to make the company able to plan incentive programs for key employees in the group.

Consolidated income statement for 2023

	Notes	2023 DKK	2022 DKK
Revenue		189,430,756	235,439,572
Other operating income	2	25,091,228	172,876
Other external expenses		(59,535,444)	(75,742,861)
Gross profit/loss		154,986,540	159,869,587
Staff costs	3	(116,059,924)	(143,096,271)
Depreciation, amortisation and impairment losses	4	(627,143)	(1,755,698)
Operating profit/loss		38,299,473	15,017,618
Other financial income	5	3,488,607	2,649,538
Other financial expenses	6	(1,487,033)	(1,609,123)
Profit/loss before tax		40,301,047	16,058,033
Tax on profit/loss for the year	7	(2,067,637)	(1,632,439)
Profit/loss from continuing operations		38,233,410	14,425,594
Profit/loss from discontinued operations	8	8,791,448	0
Profit/loss for the year	9	47,024,858	14,425,594

Consolidated balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	11	0	105,224
Goodwill		899,631	1,305,289
Intangible assets	10	899,631	1,410,513
Other fixtures and fittings, tools and equipment		103,245	2,502,782
Property, plant and equipment	12	103,245	2,502,782
Other investments		3,768,115	3,768,115
Deposits		1,755,423	1,940,719
Financial assets	13	5,523,538	5,708,834
Fixed assets		6,526,414	9,622,129
Trade receivables		55,803,133	50,296,470
Contract work in progress		9,737,678	9,115,628
Receivables from group enterprises	14	4,823,495	44,502,093
Deferred tax	15	282,857	1,331,355
Other receivables		2,038,495	2,794,216
Tax receivable		713,069	1,604,401
Prepayments	16	1,246,092	1,329,073
Receivables		74,644,819	110,973,236
Cash		21,489,359	25,940,568
Current assets		96,134,178	136,913,804
Assets		102,660,592	146,535,933

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	17, 18	513,111	513,111
Other reserves		3,768,115	3,768,115
Retained earnings		40,086,471	70,089,184
Proposed dividend for the financial year		0	3,000,000
Equity belonging to Parent's shareholders		44,367,697	77,370,410
Equity belonging to minority interests		1,715,075	8,006,217
Equity		46,082,772	85,376,627
Debt to other credit institutions		0	1,098,126
Other payables		3,995,654	4,134,108
Non-current liabilities other than provisions	19	3,995,654	5,232,234
Current portion of non-current liabilities other than provisions	19	0	1,100,996
Bank loans		3,590,441	3,375,466
Contract work in progress		5,822,319	2,761,914
Trade payables		9,374,328	14,114,620
Payables to group enterprises		906,218	0
Payables to owners and management		180,822	180,406
Tax payable		942,777	144,984
Other payables		22,007,583	18,641,857
Deferred income	20	9,757,678	15,606,829
Current liabilities other than provisions		52,582,166	55,927,072
Liabilities other than provisions		56,577,820	61,159,306
Equity and liabilities		102,660,592	146,535,933
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	23		
Assets charged and collateral	24		
Transactions with related parties	25		
Subsidiaries	26		

Consolidated statement of changes in equity for 2023

	Contributed capital DKK	Other reserves DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Proposed dividend for the financial year DKK
Equity beginning of year	513,111	3,768,115	70,089,184	0	3,000,000
Effect of divestments of entities etc.	0	0	0	0	0
Ordinary dividend paid	0	0	0	0	(3,000,000)
Extraordinary dividend paid	0	0	0	(72,000,000)	0
Exchange rate adjustments	0	0	(153,862)	0	0
Profit/loss for the year	0	0	(29,848,851)	72,000,000	0
Equity end of year	513,111	3,768,115	40,086,471	0	0

	Equity belonging to Parent's shareholders DKK	Equity belonging to minority interests DKK	Total DKK
Equity beginning of year	77,370,410	8,006,217	85,376,627
Effect of divestments of entities etc.	0	(7,427,227)	(7,427,227)
Ordinary dividend paid	(3,000,000)	(3,711,749)	(6,711,749)
Extraordinary dividend paid	(72,000,000)	0	(72,000,000)
Exchange rate adjustments	(153,862)	(25,875)	(179,737)
Profit/loss for the year	42,151,149	4,873,709	47,024,858
Equity end of year	44,367,697	1,715,075	46,082,772

Consolidated cash flow statement for 2023

	Notes	2023 DKK	2022 DKK
Operating profit/loss		38,299,473	15,017,618
Amortisation, depreciation and impairment losses		1,444,586	1,846,520
Working capital changes	21	27,731,325	(6,472,307)
Gain/loss on sale of enterprises and activities		(23,710,586)	0
Operating profit from discontinued activities		9,756,105	0
Cash flow from ordinary operating activities		53,520,903	10,391,831
Financial income received		3,488,607	1,915,219
Financial expenses paid		(1,487,033)	(475,656)
Taxes refunded/(paid)		1,762,066	(4,886,421)
Other cash flows from operating activities		(964,657)	0
Cash flows from operating activities		56,319,886	6,944,973
Acquisition etc. of property, plant and equipment		(45,061)	(541,981)
Sale of property, plant and equipment		0	118,961
Changes in Deposits		185,296	0
Sale of enterprises		18,626,646	0
Cash flows from investing activities		18,766,881	(423,020)
Free cash flows generated from operations and investments before financing		75,086,767	6,521,953
Loans raised		214,975	0
Repayments of loans etc.		(861,465)	(1,100,996)
Dividend paid		(78,711,749)	(7,769,538)
Payments to owners and shareholders		0	(515,307)
Acquisition of minorities		0	(1,741,427)
Other cash flows from financing activities		0	(181,050)
Cash flows from financing activities		(79,358,239)	(11,308,318)
Increase/decrease in cash and cash equivalents		(4,271,472)	(4,786,365)
Cash and cash equivalents beginning of year		25,940,568	31,274,587

Currency translation adjustments of cash and cash equivalents	(179,737)	(547,654)
Cash and cash equivalents end of year	21,489,359	25,940,568

Cash and cash equivalents at year-end are composed of:

Cash	21,489,359	25,940,568
Cash and cash equivalents end of year	21,489,359	25,940,568

Notes to consolidated financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Other operating income

Other operating income consists of profit from sale of the shares in Gavdi Polska S.A. of 23.710 T.DKK and payroll compensations of 1.380 T.DKK.

3 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	104,687,395	130,046,213
Pension costs	6,505,803	7,463,389
Other social security costs	3,972,934	4,376,730
Other staff costs	893,792	1,209,939
	116,059,924	143,096,271
Average number of full-time employees	160	255

	Remuneration of management 2023 DKK	Remuneration of management 2022 DKK
Executive Board	3,216,000	2,916,000
	3,216,000	2,916,000

4 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Amortisation of intangible assets	497,036	791,859
Depreciation on property, plant and equipment	130,107	1,054,661
Profit/loss from sale of intangible assets and property, plant and equipment	0	(90,822)
	627,143	1,755,698

5 Other financial income

	2023	2022
	DKK	DKK
Financial income from group enterprises	1,727,460	1,468,000
Other interest income	161,797	322,918
Exchange rate adjustments	511,595	734,319
Other financial income	1,087,755	124,301
	3,488,607	2,649,538

6 Other financial expenses

	2023	2022
	DKK	DKK
Financial expenses from group enterprises	21,000	18,000
Other interest expenses	114,680	203,049
Exchange rate adjustments	1,105,292	1,133,467
Other financial expenses	246,061	254,607
	1,487,033	1,609,123

7 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	2,196,426	1,191,463
Change in deferred tax	(128,789)	436,539
Adjustment concerning previous years	0	4,437
	2,067,637	1,632,439

8 Discontinued operations

	2023
	DKK
Revenue	57,022,347
Other external expenses	(13,454,226)
Staff costs	(32,994,573)
Depreciation, amortisation and impairment losses	(817,443)
Financial income	285,242
Financial expenses	(453,678)
Tax on profit	(796,221)
Profit/loss for the period	8,791,448
Post-tax profit/loss from discontinued operations	8,791,448

The group has sold all shares in Gavdi Polska S.A. during 2023, and will for this reason not be represented in the Polish market anymore. As this represented an individually significant geographical market, the activities has be presented as discontinued operations for 2023. Of the staff costs for the period, 89 employees has been employed based on an average calculation.

9 Proposed distribution of profit/loss

	2023	2022
	DKK	DKK
Ordinary dividend for the financial year	0	3,000,000
Extraordinary dividend distributed in the financial year	72,000,000	0
Retained earnings	(29,848,851)	8,531,940
Minority interests' share of profit/loss	4,873,709	2,893,654
	47,024,858	14,425,594

10 Intangible assets

	Completed development projects	Goodwill
	DKK	DKK
Cost beginning of year	36,938,806	15,491,707
Disposals on divestments etc.	(18,423,854)	0
Cost end of year	18,514,952	15,491,707
Amortisation and impairment losses beginning of year	(36,833,582)	(14,186,417)
Disposals on divestments etc	18,410,007	0
Amortisation for the year	(91,377)	(405,659)
Amortisation and impairment losses end of year	(18,514,952)	(14,592,076)
Carrying amount end of year	0	899,631

11 Development projects

The groups development projects relate to the development and improvement of the groups technology that is incorporated in existing and future product portfolio.

12 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	6,349,110
Disposals on divestments etc.	(2,219,699)
Exchange rate adjustments	1,947
Additions	45,061
Cost end of year	4,176,419
Depreciation and impairment losses beginning of year	(3,846,328)
Disposals on divestments etc	722,651
Exchange rate adjustments	(1,947)
Depreciation for the year	(947,550)
Depreciation and impairment losses end of year	(4,073,174)
Carrying amount end of year	103,245

13 Financial assets

	Other investments DKK	Deposits DKK
Cost beginning of year	3,768,115	1,940,719
Disposals	0	(185,296)
Cost end of year	3,768,115	1,755,423
Carrying amount end of year	3,768,115	1,755,423

Other Investments relates to investment in Gavdi Holding A/S with an ownership of 4,42%.

14 Receivables from group enterprises

Receivables from group enterprises, consisting of a receivable against FAMKOP Holding ApS, in all material respects fall due after more than 12 months from the balance sheet date.

15 Deferred tax

	2023 DKK	2022 DKK
Intangible assets	282,857	149,027
Property, plant and equipment	0	1,182,328
Deferred tax	282,857	1,331,355

	2023	2022
	DKK	DKK
Changes during the year		
Beginning of year	1,331,355	1,767,894
Recognised in the income statement	128,789	(436,539)
Decrease from sale of entity	(1,177,287)	0
End of year	282,857	1,331,355

Deferred tax assets

As per 31 December 2023 the company has recognized a deferred tax asset with a carrying amount of DKK 282.857. 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.

16 Prepayments

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

17 Contributed capital

	Number	Par value DKK	Nominal value DKK
A-shares	30,000,000	0.01	300,000
B-shares	21,311,051	0.01	213,111
	51,311,051		513,111

The parent 's share capital has remained DKK 501,000 from 1. january 2019 until 28.12.2022, when a capital raise of nominal 12.111 was made. After the capital raise, the share capital amounts to 513,111.

18 Treasury shares

	Number	Nominal value DKK	Share of contributed capital %
Gavdi Holding A/S	26	26,000	4.42
Holding of treasury shares	26	26,000	4.42

Gavdi Group A/S has acquired shares in the parent company, Gavdi Holding A/S. The treasury shares were acquired to make the company able to plan incentive programs for key employees in the group.

19 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due after more than 12 months 2023 DKK	Outstanding after 5 years 2023 DKK
Debt to other credit institutions	1,100,996	0	0
Other payables	0	3,995,654	3,161,482
	1,100,996	3,995,654	3,161,482

Other long term payables consists of frozen holiday pay obligation to the companies employees. The obligation will be payed as each employee will retire. A part of the obligation is expected to be payed after more than 5 years.

20 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.

21 Changes in working capital

	2023 DKK	2022 DKK
Increase/decrease in receivables	13,133,380	(3,369,236)
Increase/decrease in trade payables etc.	3,510,965	(5,540,127)
Other changes	11,086,980	2,437,056
	27,731,325	(6,472,307)

22 Other cash flows from investing activities

In cash flows related to investment activities, the sale of Gavdi Polska S.A. is included. The cash flow effect is calculated based on the fixed purchase price with a reduction of the cash position from the subsidiary as per the closing date.

23 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Total liabilities under rental or lease agreements until maturity	4,739,846	8,861,222

24 Assets charged and collateral

As collateral for bank debt of 3,590,441 DKK, Gavdi A/S 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 30,332,674 DKK.

25 Transactions with related parties

	Parent DKK
Management fee	4,200,000

In addition, receivables and payables to other group entities and Management is presented in the balance sheet and the related interests are presented in note 5 and 6.

Information on the remuneration to management is presented in note 2, staff costs. Total remuneration to executive board and board of directors amounts to 5.095 T.DKK for 2023 and 4.795 T.DKK for 2022 (Including remuneration for non-management services).

26 Subsidiaries

	Registered in	Ownership %
Gavdi A/S	København, DK	100.00
PXMsoft A/S	København, DK	100.00
Gavdi Management A/S	København, DK	100.00
Gavdi Next A/S (Established at 28.12.2023)	København, DK	100.00
Gavdi Sverige AB	Kista, SE	84.00
Gavdi Polska S.A. (Sold as per 03.10.2023)	Warszawa, PL	54.50
Gavdi Finland Oy	Espoo, FI	100.00
Gavdi UK Ltd.	London, UK	100.00
Gavdi Deutschland GmbH	Walldorf, DE	100.00
Gavdi MEA FZ-LLC	Dubai, UAE	100.00
Gavdi Ireland Ltd.	Dublin, IE	100.00
Gavdi Portugal Unipenssoal LDA	Lisboa, PT	100.00
Gavdi BV	Amsterdam, NL	100.00

Parent income statement for 2023

	Notes	2023 DKK	2022 DKK
Other operating income	2	23,710,586	0
Other external expenses		(2,586,062)	(177,172)
Gross profit/loss		21,124,524	(177,172)
Income from investments in group enterprises		18,836,985	10,159,553
Other financial income	3	3,172,433	1,523,889
Other financial expenses	4	(981,639)	(396,461)
Profit/loss before tax		42,152,303	11,109,809
Tax on profit/loss for the year	5	(1,154)	422,131
Profit/loss for the year	6	42,151,149	11,531,940

Parent balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Goodwill		0	0
Intangible assets	7	0	0
Investments in group enterprises		53,184,605	88,029,058
Other investments		3,768,115	3,768,115
Financial assets	8	56,952,720	91,797,173
Fixed assets		56,952,720	91,797,173
Receivables from group enterprises		4,504,564	3,333,244
Other receivables		1,513,184	0
Tax receivable		330,000	453,805
Receivables		6,347,748	3,787,049
Cash		3,429,854	2,758,527
Current assets		9,777,602	6,545,576
Assets		66,730,322	98,342,749

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		513,111	513,111
Reserve for net revaluation according to equity method		3,522,956	37,917,631
Other reserves		3,768,115	3,768,115
Retained earnings		36,563,515	32,171,553
Proposed dividend for the financial year		0	3,000,000
Equity		44,367,697	77,370,410
Provisions for investments in group enterprises	9	6,144,798	976,046
Provisions		6,144,798	976,046
Trade payables		1,649,375	42,900
Payables to group enterprises		14,445,802	19,953,393
Joint taxation contribution payable		91,850	0
Other payables		30,800	0
Current liabilities other than provisions		16,217,827	19,996,293
Liabilities other than provisions		16,217,827	19,996,293
Equity and liabilities		66,730,322	98,342,749
Events after the balance sheet date	1		
Employees	10		
Contingent liabilities	11		
Related parties with controlling interest	12		
Transactions with related parties	13		

Parent statement of changes in equity for 2023

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Other reserves DKK	Retained earnings DKK	Proposed extraordinary dividend DKK
Equity beginning of year	513,111	37,917,631	3,768,115	32,171,553	0
Ordinary dividend paid	0	0	0	0	0
Extraordinary dividend paid	0	0	0	0	(72,000,000)
Exchange rate adjustments	0	0	0	(153,862)	0
Transfer to reserves	0	(34,394,675)	0	34,394,675	0
Profit/loss for the year	0	0	0	(29,848,851)	72,000,000
Equity end of year	513,111	3,522,956	3,768,115	36,563,515	0

	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	3,000,000	77,370,410
Ordinary dividend paid	(3,000,000)	(3,000,000)
Extraordinary dividend paid	0	(72,000,000)
Exchange rate adjustments	0	(153,862)
Transfer to reserves	0	0
Profit/loss for the year	0	42,151,149
Equity end of year	0	44,367,697

Notes to parent financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Other operating income

Other operating income consists of profit from sale of the shares in Gavdi Polska S.A.

3 Other financial income

	2023	2022
	DKK	DKK
Financial income from group enterprises	1,949,726	1,224,323
Other interest income	134,952	0
Exchange rate adjustments	0	175,756
Other financial income	1,087,755	123,810
	3,172,433	1,523,889

4 Other financial expenses

	2023	2022
	DKK	DKK
Financial expenses from group enterprises	761,042	294,314
Other interest expenses	591	0
Exchange rate adjustments	220,006	102,147
	981,639	396,461

5 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	1,154	(426,568)
Adjustment concerning previous years	0	4,437
	1,154	(422,131)

6 Proposed distribution of profit and loss

	2023	2022
	DKK	DKK
Ordinary dividend for the financial year	0	3,000,000
Extraordinary dividend distributed in the financial year	72,000,000	0
Retained earnings	(29,848,851)	8,531,940
	42,151,149	11,531,940

7 Intangible assets

	Goodwill DKK
Cost beginning of year	3,338,990
Cost end of year	3,338,990
Amortisation and impairment losses beginning of year	(3,338,990)
Amortisation and impairment losses end of year	(3,338,990)
Carrying amount end of year	0

8 Financial assets

	Investments in group enterprises DKK	Other investments DKK
Cost beginning of year	50,111,427	3,768,115
Additions	1,000,000	0
Disposals	(915,920)	0
Cost end of year	50,195,507	3,768,115
Revaluations beginning of year	37,917,631	0
Exchange rate adjustments	(153,862)	0
Amortisation of goodwill	(405,659)	0
Share of profit/loss for the year	19,242,643	0
Dividend	(49,491,169)	0
Reversal of revaluations	(8,122,080)	0
Investments with negative equity value depreciated over receivables	(1,167,158)	0
Investments with negative equity value transferred to provisions	5,168,752	0
Revaluations end of year	2,989,098	0
Carrying amount end of year	53,184,605	3,768,115
Goodwill or negative goodwill recognised during the financial year	899,631	

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements. Other Investments relates to investment in Gavdi Holding A/S with an ownership of 4,42%.

9 Provisions for investments in group enterprises

Provisions for investments in group enterprises consists of provisions for negativ equity in subsidiaries.

10 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

11 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Famkop Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity

is therefore secondarily liable for income taxes etc. for the jointly taxed entities, limited to the equity interest by which the Entity participates in the Group, and also secondarily liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The Parent Company has issued a joint guarantee as security for the bank debt in Gavdi A/S. For that purpose, shares in subsidiaries and associates in the following companies are charged:

- Gavdi A/S
- PXMSOFT A/S (tidl. Gavdi Solutions A/S)

The parent Company has signed a letter of support for PXMSOFT A/S (Gavdi Solutions A/S) and Gavdi Ireland Ltd. and will financially support and secure the Companies unconditionally until 31 December 2024. The companies for which letter of support has been provided, has a negative equity of 16.892 T.DKK.

The Parent Company has entered a subordination agreement with Gavdi Deutschland GmbH. The receivable amounts to DKK. 10.044 T.DKK., and is due for payment .

12 Related parties with controlling interest

Gavdi Holding ApS owns the majority of the shares in the Entity, thus exercising control.

13 Transactions with related parties

	Parent DKK
Management fee paid	4,200,000

In addition, receivables and payables to other group entities and Management is presented in the balance sheet and the related interests are presented in note 2 and 3.

Information on the remuneration to management is presented in note 2 in the consolidated accounts.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition

date, with net assets having been calculated at fair value.

Income statement

Revenue

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

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.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds .

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 wages and salaries, 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.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, 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, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, 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.

Balance sheet**Goodwill**

Goodwill is the positive difference between cost 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. Useful life of goodwill has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5-10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives

which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-5 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and 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:

	Useful life
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 in the parent financial statements 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 the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share 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. For the amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5-10 years.

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

Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date, and unlisted equity investments measured at the lower of cost and net realisable value.

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 contract 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 in 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.

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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

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. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Treasury shares

Acquisition and selling prices and dividends of treasury shares are classified directly as equity in retained earnings. Gains and losses from sale are not recognised in the income statement. Capital reduction by cancellation of treasury shares reduces the contributed capital by an amount corresponding to their nominal value.

Minority interests

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

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.

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.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.