PKF Munkebo Vindelev
Statsautoriseret Revisionsaktieselskab

Accountants &
business advisers

# Annual report 2018

**Company reg. no. 30 51 40 41**

**Gubra ApS**

**Hørsholm Kongevej 11 B**

**2970 Hørsholm**

The annual report has been submitted and approved by the general meeting on 14 May 2019.

Morten Lau Smith
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

# Management's report

The board of directors and the managing director have today presented the annual report of Gubra ApS for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities and cash flows in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Hørsholm, 14 May 2019

**Managing Director**

Henrik Blou

**Board of directors**

| | | |
|---|---|---|
| Niels Vrang<br>Chairman | Jacob Jelsing<br>Vice chairman | Steffen Theodor Petersen |

# Independent auditor's report

**To the shareholders of Gubra ApS**

**Opinion**

We have audited the annual accounts of Gubra ApS for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet, cash flow statement and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations and cash flows for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

**Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section “Auditor’s responsibilities for the audit of the annual accounts”. We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

**The management's responsibilities for the annual accounts**

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

# Independent auditor's report

**Auditor’s responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management’s preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

**Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management’s review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management’s review and in that connection consider whether the management’s review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Glostrup, 14 May 2019

PKF Munkebo Vindelev
State Authorised Public Accountants
Company reg. no. 14 11 92 99

Kasper Vindelev
State Authorised Public Accountant
mne29389

# Company data

| | | |
|---|---|---|
| **The company** | Gubra ApS<br>Hørsholm Kongevej 11 B<br>2970 Hørsholm | |
| | Company reg. no. | 30 51 40 41 |
| | Established: | 9 October 2008 |
| | Domicile: | Hørsholm Municipality |
| | Financial year: | 1 January - 31 December<br>10th financial year |
| **Board of directors** | Niels Vrang, Chairman<br>Jacob Jelsing, Vice chairman<br>Steffen Theodor Petersen | |
| **Managing Director** | Henrik Blou | |
| **Auditors** | PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab<br>Hovedvejen 56<br>2600 Glostrup | |
| **Bankers** | Sydbank, Jernbanevej 4, 2800 Kgs. Lyngby<br>Lægernes Bank, Dirch Passers Allé 76, 2000 Frederiksberg | |

# Financial highlights

| DKK in thousands. | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|
| **Profit and loss account:** | | | | | |
| Gross profit | 105.414 | 77.677 | 52.656 | 32.734 | 30.629 |
| Results from operating activities | 22.129 | 19.376 | 10.915 | 4.658 | 11.118 |
| Net financials | -1.641 | -1.327 | -1.644 | -663 | -178 |
| Results for the year | 16.401 | 14.061 | 7.263 | 2.954 | 8.211 |
| **Balance sheet:** | | | | | |
| Balance sheet sum | 130.173 | 110.544 | 76.230 | 67.626 | 23.756 |
| Investments in tangible fixed assets represent | 11.810 | 16.835 | 10.354 | 40.328 | 1.032 |
| Equity | 47.138 | 35.163 | 21.733 | 14.683 | 11.722 |
| **Cash flow:** | | | | | |
| Operating activities | -2.497 | 43.260 | 11.772 | - | - |
| Investment activities | -12.060 | -16.835 | -10.354 | - | - |
| Financing activities | 9.910 | -870 | 2.568 | - | - |
| Cash flow in total | -4.646 | 25.556 | 3.986 | - | - |
| **Employees:** | | | | | |
| Average number of full time employees | 130 | 87 | 63 | 45 | 34 |
| **Key figures in %:** | | | | | |
| Return on invested capital | 18,4 | 20,7 | 15,2 | 10,2 | 59,3 |
| Acid test ratio | 184,9 | 125,6 | 147,0 | 82,5 | 178,1 |
| Solvency ratio | 36,2 | 31,8 | 28,5 | 21,7 | 49,3 |
| Return on equity | 39,9 | 49,4 | 39,9 | 22,4 | 105,0 |

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

With reference to the Danish Financial Statement Act, Article 101, section 3, the financial highlights and key figures for 2014 have not been adjusted according to the changes in accounting policies completed in the annual report 2016 (recognition of financial leases as assets) and the correction of errors related to recognition of revenue (according to the progress of the production), also completed in the annual report 2016. The corresponding numbers of 2015 have been adjusted.

Consequently, the results for the year 2014 are not directly comparable with the years 2015-2018. Also, various posts in the balance sheet are not directly comparable between these years (e.g. fixed assets, where the financially leased tangible assets were not recognized as assets in the year 2014).

# Financial highlights

The key figures appearing from the survey have been calculated as follows:

| | |
|---|---|
| **Return on invested capital** | $\frac{\text{Results from primary activities (EBIT) x 100}}{\text{Average invested capital}}$ |
| **Invested capital** | Operational intangible and tangible fixed assets and net working capital |
| **Acid test ratio** | $\frac{\text{Current assets x 100}}{\text{Short-term liabilities}}$ |
| **Equity share** | $\frac{\text{Equity, closing balance x 100}}{\text{Assets in total, closing balance}}$ |
| **Return on equity** | $\frac{\text{Results for the year x 100}}{\text{Average equity}}$ |

# Management's review

**The principal activities of the company**

In 2018 the Company continued its hybrid business model combining research services to the biotech and pharma industry with proprietary research programs and collaboration programs.

**Development in activities and financial matters**

The gross profit for the year is DKK 105.413.589 against DKK 77.676.615 last year. The results from ordinary activities after tax are DKK 16.401.023 against DKK 14.060.986 last year. The management consider the results satisfactory.

Cash and cash equivalents of the Company were DKK 27.383.702 compared to DKK 31.676.237 the year before.

**Special risks**

*Market risks*

The general trend of the biotech and pharma industry is towards a higher degree of outsourcing meaning the underlying research service market is growing. However, a general economic slowdown could impact the service arm of the business negatively. First and foremost the biotech segment could be exposed but also with some delay the big pharma segment could be affected resulting in a slower growth rate or even a contraction of the market.

*Risk related to proprietary research programs and research services:*

Proprietary research programs are inherently associated with risk. To mitigate this Gubra is continuing its strategy to launch such programs in collaboration with partners. Gubra constantly monitors, supervises and assesses the overall risk involved in conducting niche research services to the biotech and pharmaceutical industry and the overall risk when entering into research collaborations with partners from the pharmaceutical industry or from the public sector. This includes frequent risk assessment of all the company's proprietary projects by the Executive Management together with the responsible group leaders, project managers and internal experts.

*Financial risks:*

A major part of the revenue of Gubra is denominated in foreign currency. The associated risk of currency fluctuations is mitigated through contracting in low volatility currencies such as EUR.

Financial risks, including risks related to interest rate and currency fluctuations, financing opportunities and cash flow forecasting, are managed and regularly assessed by the Company's Executive Management.

**Know how resources**

Gubra is depending on highly skilled employees, which are among the most important assets of the company. Gubra is constantly aiming at being able to attract, develop and retain highly knowledgeable people and to be a company, where employees will thrive, regardless of their background or nationality.

# Management's review

### The expected development

The Company expects a further positive development of its activtities as a research company and a provider of services to the biotech and pharma industry.

### Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have a material impact on the financial position of the company.

# Accounting policies used

The annual report for Gubra ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

**Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

**Translation of foreign currency**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

# Accounting policies used

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

## THE PROFIT AND LOSS ACCOUNT

### Gross profit

The gross profit comprises the net turnover, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Contract work in progress concerning pre-clinical contract research services is recognised concurrently in the net turnover with the progress of the production. Thus, the net turnover corresponds to the sales value of the completed productions of the year (the production method). The net turnover is recognised when the total income and costs of the contract and the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the financial benefits will be received by the company.

When the results of a contract can not be determined reliably, the net turnover is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

Direct costs include raw materials, external assitance etc. less discounts.

Other external costs comprise costs for sales, vehicles, premises, administration and operational leasing costs.

### Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

### Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

### Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

# Accounting policies used

**Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

**THE BALANCE SHEET**

**Intangible fixed assets**

**Licences**

Licenses are measured at cost with deduction of accrued amortisation.

The depreciation period is 5 years.

**Tangible fixed assets**

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight-line basis and based on an evaluation of the expected useful life:

| | *Useful life* |
|---|---|
| *Foundation and brick* | *50 years* |
| *Buildings* | *23 years* |
| *Windows and doors* | *20 years* |
| *Roof construction* | *15 years* |
| *Technical installations* | *10 years* |
| *Other plants, operating assets, fixtures and furniture* | *5-10 years* |

Assets with a cost of less than t.DKK 13 per unit are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

**Leasing contracts**

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

**Writedown of fixed assets**

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

**Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

**Work in progress for the account of others**

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses.

# Accounting policies used

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual contract.

When the sales value of a contract can not be determined reliably, the selling price is measured solely at the costs incurred, or at the net realisable value, if this is lower.

Contracts are recognised as trade debtors if the selling price of the work performed exceeds invoicing on account and expected losses. Contracts are recognised as liabilities if invoicing on account and expected losses exceed the selling price.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

**Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand.

**Equity**

**Dividend**

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

**Own shares**

Proceeds on the purchase and sale of own shares and dividend from such shares are recognised in equity.

**Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

**Liabilities**

Mortgage debt and bank debt are measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

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

**THE CASH FLOW STATEMENT**

The cash flow statement shows the cash flow of the company for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities, respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

**Cash flow from operating activities**

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

**Cash flow from investment activities**

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

**Cash flow from financing activities**

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

# Accounting policies used

### Available funds

Available funds comprise cash and cash equivalents with deduction of short-term bank debt and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

## Profit and loss account 1 January - 31 December

All amounts in DKK.

| Note | | 2018 | 2017 |
|---|---|---|---|
| | **Gross profit** | **105.413.589** | **77.676.615** |
| 1 | Staff costs | -76.307.520 | -53.198.693 |
| | Depreciation, amortisation and writedown relating to tangible and intangible fixed assets | -6.976.902 | -5.101.643 |
| | **Operating profit** | **22.129.167** | **19.376.279** |
| | Other financial income | 187.993 | 1.659 |
| | Other financial costs | -1.829.106 | -1.328.728 |
| | **Results before tax** | **20.488.054** | **18.049.210** |
| 2 | Tax on ordinary results | -4.087.031 | -3.988.224 |
| | **Results from ordinary activities after tax** | **16.401.023** | **14.060.986** |
| 3 | **Results for the year** | **16.401.023** | **14.060.986** |

## Balance sheet 31 December

All amounts in DKK.

**Assets**

| Note | | 2018 | 2017 |
|---|---|---|---|
| | **Fixed assets** | | |
| 4 | Acquired concessions, patents, licenses, trademarks and similar rights | 241.426 | 0 |
| | Intangible fixed assets in total | 241.426 | 0 |
| 5 | Land and property | 46.901.796 | 48.499.309 |
| 6 | Other plants, operating assets, and fixtures and furniture | 18.289.458 | 11.850.755 |
| | Tangible fixed assets in total | 65.191.254 | 60.350.064 |
| 7 | Deposits | 227.848 | 222.291 |
| | Financial fixed assets in total | 227.848 | 222.291 |
| | **Fixed assets in total** | **65.660.528** | **60.572.355** |
| | **Current assets** | | |
| | Trade debtors | 32.824.767 | 13.205.136 |
| 8 | Work in progress for the account of others | 3.289.475 | 828.974 |
| 9 | Receivable corporate tax | 232.910 | 1.687.740 |
| | Other debtors | 186.746 | 2.101.639 |
| 10 | Accrued income and deferred expenses | 595.299 | 471.608 |
| | Debtors in total | 37.129.197 | 18.295.097 |
| | Cash and cash equivalents | 27.383.702 | 31.676.237 |
| | **Current assets in total** | **64.512.899** | **49.971.334** |
| | **Assets in total** | **130.173.427** | **110.543.689** |

# Balance sheet 31 December

All amounts in DKK.

| Note | Equity and liabilities | 2018 | 2017 |
|---|---|---|---|
| | **Equity** | | |
| 11 | Contributed capital | 132.632 | 132.632 |
| 12 | Results brought forward | 45.679.274 | 33.977.453 |
| 13 | Proposed dividend for the financial year | 1.326.320 | 1.052.635 |
| | **Equity in total** | **47.138.226** | **35.162.720** |
| | **Provisions** | | |
| 14 | Provisions for deferred tax | 567.066 | 620.794 |
| | **Provisions in total** | **567.066** | **620.794** |
| | **Liabilities** | | |
| 15 | Mortgage debt | 37.887.453 | 29.057.369 |
| 15 | Leasing liabilities | 9.698.608 | 5.922.064 |
| | Long-term liabilities in total | 47.586.061 | 34.979.433 |
| 15 | Liabilities | 5.069.283 | 3.340.052 |
| | Bank debts | 450.849 | 96.960 |
| | Prepayments received from customers | 13.041.197 | 25.937.322 |
| | Trade creditors | 4.810.070 | 3.784.910 |
| | Other debts | 11.510.675 | 6.621.498 |
| | Short-term liabilities in total | 34.882.074 | 39.780.742 |
| | **Liabilities in total** | **82.468.135** | **74.760.175** |
| | **Equity and liabilities in total** | **130.173.427** | **110.543.689** |

**16 Mortgage and securities**

**17 Contingencies**

## Cash flow statement 1 January - 31 December

All amounts in DKK.

| Note | | 2018 | 2017 |
|---|---|---|---|
| | Results for the year | 16.401.023 | 14.060.986 |
| 18 | Adjustments | 12.705.040 | 10.416.936 |
| 19 | Change in working capital | -27.276.275 | 26.062.263 |
| | Cash flow from operating activities before net financials | 1.829.788 | 50.540.185 |
| | Interest received and similar amounts | 187.387 | 0 |
| | Interest paid and similar amounts | -1.784.169 | -1.328.757 |
| | Cash flow from ordinary activities | 233.006 | 49.211.428 |
| | Corporate tax paid | -2.730.260 | -5.951.144 |
| | **Cash flow from operating activities** | **-2.497.254** | **43.260.284** |
| | Purchase of intangible fixed assets | -249.751 | 0 |
| | Purchase of tangible fixed assets | -11.809.761 | -16.834.703 |
| | **Cash flow from investment activities** | **-12.059.512** | **-16.834.703** |
| | Raising of long-term debts | 26.345.606 | 3.136.525 |
| | Repayments of long-term debt | -12.009.747 | -3.375.018 |
| | Purchase of own shares | -3.372.882 | 0 |
| | Dividend paid | -1.052.635 | -631.580 |
| | **Cash flow from financing activities** | **9.910.342** | **-870.073** |
| | **Changes in available funds** | **-4.646.424** | **25.555.508** |
| | Available funds 1 January 2018 | 31.579.277 | 6.023.769 |
| | **Available funds 31 December 2018** | **26.932.853** | **31.579.277** |
| | | | |
| | **Available funds** | | |
| | Cash and cash equivalents | 27.383.702 | 31.676.237 |
| | Short-term bank debts | -450.849 | -96.960 |
| | **Available funds 31 December 2018** | **26.932.853** | **31.579.277** |

# Notes

All amounts in DKK.

| | | 2018 | 2017 |
|---|---|---|---|
| **1.** | **Staff costs** | | |
| | Salaries and wages | 66.154.924 | 46.075.720 |
| | Pension costs | 8.453.836 | 5.894.055 |
| | Other costs for social security | 958.038 | 610.346 |
| | Other staff costs | 740.722 | 618.572 |
| | | **76.307.520** | **53.198.693** |
| | Average number of employees | 130 | 87 |

The company's current incentive programme concerns the possibility to acquire shares free of charge of maximum 6% of the current share capital in the period 2018-2022. The acquisition is maximized to 1/4 per year. In the period up to 2022, a maximum of 7.956 shares can be received free of charge.

It is a precondition for receiving the shares, that the employees in question are employed at the times of the granting of shares.

| | | 2018 | 2017 |
|---|---|---|---|
| **2.** | **Tax on ordinary results** | | |
| | Tax of the results for the year | 3.819.112 | 3.575.946 |
| | Adjustment for the year of deferred tax | 267.919 | 412.278 |
| | | **4.087.031** | **3.988.224** |
| **3.** | **Proposed distribution of the results** | | |
| | Dividend for the financial year | 1.326.320 | 1.052.635 |
| | Allocated to results brought forward | 15.074.703 | 13.008.351 |
| | **Distribution in total** | **16.401.023** | **14.060.986** |

# Notes

All amounts in DKK.

| | | 31/12 2018 | 31/12 2017 |
|---|---|---|---|
| **4.** | **Acquired concessions, patents, licenses, trademarks and similar rights** | | |
| | Additions during the year | 249.751 | 0 |
| | **Cost 31 December 2018** | **249.751** | **0** |
| | Amortisation for the year | -8.325 | 0 |
| | **Amortisation and writedown 31 December 2018** | **-8.325** | **0** |
| | **Book value 31 December 2018** | **241.426** | **0** |
| **5.** | **Land and property** | | |
| | Cost 1 January 2018 | 51.725.164 | 41.207.122 |
| | Additions during the year | 871.524 | 10.518.042 |
| | **Cost 31 December 2018** | **52.596.688** | **51.725.164** |
| | Depreciation and writedown 1 January 2018 | -3.225.855 | -1.325.758 |
| | Depreciation for the year | -2.469.037 | -1.900.097 |
| | **Depreciation and writedown 31 December 2018** | **-5.694.892** | **-3.225.855** |
| | **Book value 31 December 2018** | **46.901.796** | **48.499.309** |

## Notes

All amounts in DKK.

| | | 31/12 2018 | 31/12 2017 |
|---|---|---|---|
| **6.** | **Other plants, operating assets, and fixtures and furniture** | | |
| | Cost 1 January 2018 | 22.856.901 | 18.025.357 |
| | Additions during the year | 10.938.237 | 6.316.661 |
| | Disposals during the year | 0 | -1.485.117 |
| | **Cost 31 December 2018** | **33.795.138** | **22.856.901** |
| | Depreciation and writedown 1 January 2018 | -11.006.146 | -9.289.719 |
| | Depreciation for the year | -4.499.534 | -2.889.691 |
| | Depreciation, amortisation and writedown for the year, assets disposed of | 0 | -60.000 |
| | Reversal of depreciation, amortisation and writedown, assets disposed of | 0 | 1.233.264 |
| | **Depreciation and writedown 31 December 2018** | **-15.505.680** | **-11.006.146** |
| | **Book value 31 December 2018** | **18.289.458** | **11.850.755** |
| | Book value excluding revaluations | 18.289.458 | 11.850.755 |
| | Leased assets are included with a book value of | 11.945.955 | 8.735.639 |
| **7.** | **Deposits** | | |
| | Cost 1 January 2018 | 222.291 | 216.869 |
| | Additions during the year | 5.557 | 5.422 |
| | **Cost 31 December 2018** | **227.848** | **222.291** |
| | **Book value 31 December 2018** | **227.848** | **222.291** |
| **8.** | **Work in progress for the account of others** | | |
| | Sales value of the production of the period | 51.318.247 | 18.059.579 |
| | Payments on account received | -48.028.772 | -17.230.605 |
| | **Work in progress for the account of others, net** | **3.289.475** | **828.974** |

# Notes

All amounts in DKK.

| | | 31/12 2018 | 31/12 2017 |
|---|---|---|---|
| **9.** | **Receivable corporate tax** | | |
| | Receivable corporate tax 1 January 2018 | 1.687.740 | -689.144 |
| | Adjustment of previous years' tax | -366.577 | 0 |
| | Paid corporate tax concerning last year | -1.687.740 | 689.144 |
| | Calculated corporate tax for the present year | -3.819.112 | -3.575.946 |
| | Tax paid on account for the present year | 4.418.000 | 5.262.000 |
| | Interest | 599 | 1.686 |
| | | **232.910** | **1.687.740** |
| **10.** | **Accrued income and deferred expenses** | | |
| | Prepaid travelling costs | 26.370 | 0 |
| | Prepaid security service | 32.512 | 29.106 |
| | Prepaid insurance | 153.947 | 134.566 |
| | Prepaid heating costs | 101.078 | 0 |
| | Prepaid conferences | 16.963 | 0 |
| | Prepaid subscriptions | 193.484 | 154.600 |
| | Prepaid property tax | 0 | 153.336 |
| | Other prepayments | 70.945 | 0 |
| | | **595.299** | **471.608** |
| **11.** | **Contributed capital** | | |
| | Contributed capital 1 January 2018 | 132.632 | 132.632 |
| | | **132.632** | **132.632** |

## Notes

All amounts in DKK.

| | | 31/12 2018 | 31/12 2017 |
|---|---|---|---|
| **12.** | **Results brought forward** | | |
| | Results brought forward 1 January 2018 | 33.977.453 | 20.969.102 |
| | Profit or loss for the year brought forward | 15.074.703 | 13.008.351 |
| | Purchase of own shares | -3.372.882 | 0 |
| | | **45.679.274** | **33.977.453** |

The company holds per 31 December 2018 nom. 1.350 own shares corresponding to 1,02 % of the total contributed capital.

In the financial year 2018 the company has acquired nom. 3.980 own shares for DKK 3.372.882 (corresponding to 3,00% of the total contributed capital) and sold nom. 2.630 own shares for DKK 0 (corresponding to 1,98% of the total contributed capital).

Own shares are acquired in connection with an employee incentive programme.

| | | 31/12 2018 | 31/12 2017 |
|---|---|---|---|
| **13.** | **Proposed dividend for the financial year** | | |
| | Dividend 1 January 2018 | 1.052.635 | 631.580 |
| | Distributed dividend | -1.052.635 | -631.580 |
| | Dividend for the financial year | 1.326.320 | 1.052.635 |
| | | **1.326.320** | **1.052.635** |
| **14.** | **Provisions for deferred tax** | | |
| | Provisions for deferred tax 1 January 2018 | 620.794 | 208.520 |
| | Adjustment at the beginning of the year | -321.647 | 0 |
| | Deferred tax of the results for the year | 267.919 | 412.274 |
| | | **567.066** | **620.794** |
| | The following items are subject to deferred tax: | | |
| | Tangible fixed assets | 3.079.354 | 2.264.950 |
| | Current assets | 361.842 | 91.187 |
| | Liabilities | -2.839.838 | -1.735.343 |
| | Borrowing costs | -34.292 | 0 |
| | | **567.066** | **620.794** |

All amounts in DKK.

**15. Liabilities**

| | Instalments first year | Outstanding debt after 5 years | Debt in total 31 Dec 2018 | Debt in total 31 Dec 2017 |
|---|---|---|---|---|
| Mortgage debt | 1.859.535 | 30.109.467 | 39.746.989 | 30.431.558 |
| Leasing liabilities | 3.209.748 | 0 | 12.908.356 | 7.887.927 |
| | **5.069.283** | **30.109.467** | **52.655.345** | **38.319.485** |

**16. Mortgage and securities**

As security for mortgage debts, DKK 39.746.989, mortgage has been granted on land and buildings representing a book value of DKK 46.901.796 at 31 December 2018

For parts of the bank debts, representing a book value of DKK 251.065 at 31 December 2018, the company has provided a letter of indemnity in company assets representing a nominal value of DKK 6.000.000. This security comprises the below assets, stating the book values:

| | |
|---|---|
| Inventories | DKK 0 |
| Receivable from sales and services | DKK 32.824.767 |
| Other plants, operation assets, fixtures and furniture | DKK 18.289.458 |

**17. Contingencies**

**Contingent liabilities**

Leasing liabilities

In addition to financial leasing contracts, the company has entered into operational leasing contracts with an average annual leasing payment of DKK 63.456. The leasing contracts have 1-11 months left to run, and the total outstanding leasing payment is DKK 137.539.

Leasehold liabilities:

The company has entered into a leasehold contract with annual payment of DKK 501.797. The contract can be terminated with 6 months notice.

## Notes

All amounts in DKK.

| | | 2018 | 2017 |
|---|---|---|---|
| **18.** | **Adjustments** | | |
| | Depreciation and amortisation | 6.976.896 | 4.849.790 |
| | Loss from sale of fixed assets | 0 | 251.853 |
| | Other financial income | -187.993 | -1.659 |
| | Other financial costs | 1.829.106 | 1.328.728 |
| | Tax on ordinary results | 4.087.031 | 3.988.224 |
| | | **12.705.040** | **10.416.936** |

| | | 2018 | 2017 |
|---|---|---|---|
| **19.** | **Change in working capital** | | |
| | Change in debtors | -19.273.536 | 5.000.702 |
| | Change in trade creditors and other liabilities | 7.353.887 | 3.335.741 |
| | Other changes in working capital | -15.356.626 | 17.725.820 |
| | | **-27.276.275** | **26.062.263** |