
Yavica ApS

Jægersborg Allé 4, 4th floor, DK-2920
Charlottenlund

Annual Report for 1 January - 31 December 2019

CVR No 38 67 96 19

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
5 /10 2020

Mads Pihl Sørensen
Chairman of the General
Meeting



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Yavica ApS for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Charlottenlund, 5 October 2020

Executive Board

Mads Pihl Sørensen
CEO

Independent Auditor's Report

To the Shareholders of Yavica ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Yavica ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 5 October 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen

statsautoriseret revisor

mne16675

Company Information

The Company

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CVR No: 38 67 96 19
Financial period: 1 January - 31 December
Municipality of reg. office: Gentofte

Executive Board

Mads Pihl Sørensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of Yavica ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

Key activities

The company's main activity is the delivery of business systems and related consulting services

Development in the year

The income statement of the Company for 2019 shows a profit of DKK 815,733, and at 31 December 2019 the balance sheet of the Company shows equity of DKK 8,290,353.

The profit for the year 2019 has been impacted by significant investments in the Yavica organization, including a dedicated development team in India, a subsidiary in Sweden, and a strengthened back-office and sales organization. In addition 2019 has seen the implementation of a new centralized IT platform based on Microsoft Dynamics 365 in preparation for further growth and globalization of the business.

Further to this, costs for the prestudy for additional Yavica IP & software was incurred in 2019, preparing for the build of new products to be released in 2020 (Yavica Data Management and D365 Preconfig) and 2021 (Yavica Loan Management).

Subsequent events

For the year of 2020 and beyond, it is the expectation of Management, that the business will continue to grow, both in terms of customers, staff, revenue and earnings. Covid-19 has had some impact on the business with some clients putting investments on hold, however, expectations of a profitable 2020 remain.

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Revenue		35,351,639	30,313,256
Cost of sales		-25,676,052	-20,440,128
Gross profit/loss		9,675,587	9,873,128
Distribution expenses	1	-4,418,826	-2,313,830
Administrative expenses	1	-3,735,361	-2,060,058
Operating profit/loss		1,521,400	5,499,240
Profit/loss before financial income and expenses		1,521,400	5,499,240
Income from investments in subsidiaries		-171,447	0
Financial income		215,355	98,903
Financial expenses		-462,484	-342,957
Profit/loss before tax		1,102,824	5,255,186
Tax on profit/loss for the year	2	-287,091	-1,201,124
Net profit/loss for the year		815,733	4,054,062

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	0	450,000
Retained earnings	815,733	3,604,062
	815,733	4,054,062

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Completed development projects		1,439,605	0
Acquired intangible assets		4,154,667	5,466,667
Development projects in progress		55,960	0
Intangible assets	3	5,650,232	5,466,667
Other fixtures and fittings, tools and equipment		746,968	459,379
Property, plant and equipment	4	746,968	459,379
Investments in subsidiaries	5	0	0
Deposits		519,184	642,041
Fixed asset investments		519,184	642,041
Fixed assets		6,916,384	6,568,087
Trade receivables		4,470,318	9,578,924
Contract work in progress		2,242,681	458,969
Other receivables		766,077	446,107
Corporation tax		50,136	0
Prepayments		149,586	310,979
Receivables		7,678,798	10,794,979
Cash at bank and in hand		2,309,072	2,943,768
Currents assets		9,987,870	13,738,747
Assets		16,904,254	20,306,834

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		50,000	50,000
Reserve for development costs		1,495,565	0
Retained earnings		6,744,788	7,424,620
Proposed dividend for the year		0	450,000
Equity		8,290,353	7,924,620
Provision for deferred tax		1,423,712	1,424,535
Provisions relating to investments in group enterprises		56,897	0
Provisions		1,480,609	1,424,535
Credit institutions		229,816	0
Other payables		520,589	0
Long-term debt	6	750,405	0
Credit institutions	6	75,313	0
Prepayments received from customers		1,247,060	2,656,402
Trade payables		2,036,041	2,510,642
Payables to group enterprises		268,465	0
Corporation tax		0	177,399
Other payables	6	2,756,008	5,613,236
Short-term debt		6,382,887	10,957,679
Debt		7,133,292	10,957,679
Liabilities and equity		16,904,254	20,306,834
Contingent assets, liabilities and other financial obligations	7		
Accounting Policies	8		

Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	50,000	0	7,424,620	450,000	7,924,620
Ordinary dividend paid	0	0	0	-450,000	-450,000
Development costs for the year	0	1,495,565	-1,495,565	0	0
Net profit/loss for the year	0	0	815,733	0	815,733
Equity at 31 December	50,000	1,495,565	6,744,788	0	8,290,353

Notes to the Financial Statements

	2019 DKK	2018 DKK
1 Staff		
Wages and Salaries	15,815,198	12,829,859
Pensions	936,278	725,985
Other social security expenses	98,691	83,443
Other staff expenses	32,880	38,382
	16,883,047	13,677,669
 Average number of employees	 21	 16
 2 Tax on profit/loss for the year		
Current tax for the year	287,914	177,399
Deferred tax for the year	-823	1,023,725
	287,091	1,201,124

Notes to the Financial Statements

3 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Development projects in progress DKK
Cost at 1 January	0	6,560,000	0
Additions for the year	0	0	1,495,565
Transfers for the year	1,439,605	0	-1,439,605
Cost at 31 December	1,439,605	6,560,000	55,960
Impairment losses and amortisation at 1 January	0	1,093,333	0
Amortisation for the year	0	1,312,000	0
Impairment losses and amortisation at 31 December	0	2,405,333	0
Carrying amount at 31 December	1,439,605	4,154,667	55,960
Amortised over	5 years	5 years	

The Company's development projects relate to development of new products, as well as continued development, improvements and upgrading of the Company's existing products.

The development, improvement and upgrading is completed on an ongoing basis and the projects are ready for use upon completion. The products form the basis of a large part of the Company's existing business, hence, there are markets and customers for the products. Projects in progress, consist of supplementary products; hence, there is a market herefore.

Notes to the Financial Statements

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost at 1 January	547,000
Additions for the year	400,000
Cost at 31 December	947,000
Impairment losses and depreciation at 1 January	87,621
Depreciation for the year	112,411
Impairment losses and depreciation at 31 December	200,032
Carrying amount at 31 December	746,968
Depreciated over	5 years

5 Investments in subsidiaries

	2019 DKK	2018 DKK
Cost at 1 January	0	0
Additions for the year	114,550	0
Cost at 31 December	114,550	0
Value adjustments at 1 January	0	0
Net profit/loss for the year	-171,447	0
Value adjustments at 31 December	-171,447	0
Equity investments with negative net asset value transferred to provisions	56,897	0
Carrying amount at 31 December	0	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
	Segeltorp,				
Yavica Sweden AB	Sweden	50.000 SEK	100%	-56,897	-171,447

Notes to the Financial Statements

6 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2019 DKK	2018 DKK
Credit institutions		
Between 1 and 5 years	229,816	0
Long-term part	229,816	0
Other short-term debt to credit institutions	75,313	0
	305,129	0
Other payables		
Between 1 and 5 years	520,589	0
Long-term part	520,589	0
Other short-term payables	2,756,008	5,613,236
	3,276,597	5,613,236

7 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

Ownership mortgage deeds totaling TDKK 224, which provide a mortgage on other property, plant and equipment to a total carrying amount of	400,000	0
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Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	872,116	931,680
Between 1 and 5 years	953,737	1,794,695
	1,825,853	2,726,375

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Yavica ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in

Notes to the Financial Statements

8 Accounting Policies (continued)

the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Notes to the Financial Statements

8 Accounting Policies (continued)

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as, depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Intangible assets are measured at the lower of cost less accumulated amortisation and recoverable amount. Intangible assets are amortised over the expected useful lives of the assets; however not exceeding 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Notes to the Financial Statements

8 Accounting Policies (continued)

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5	years
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Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,800 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in

Other fixed asset investments

Other fixed asset investments consist of deposits regarding lease agreements.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Notes to the Financial Statements

8 Accounting Policies (continued)

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Notes to the Financial Statements

8 Accounting Policies (continued)

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.