



GAVDI A/S

Lyngbyvej 2, 1.
2100 København Ø
CVR No. 25057732

Annual report 2024

The Annual General Meeting adopted the
annual report on 12.06.2025

Jeffrey Bruun

Chairman of the General Meeting

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Entity details

Entity

GAVDI A/S

Lyngbyvej 2, 1.

2100 København Ø

Business Registration No.: 25057732

Registered office: København

Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Lars Steffen Knudsen, chairman

Lise Hedegaard Koppelhus

Søren Koppelhus

Executive Board

Søren Koppelhus

Jeffrey Bruun

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of GAVDI A/S for the financial year 01.01.2024 - 31.12.2024.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

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, 12.06.2025

Executive Board

Søren Koppelhus

Jeffrey Bruun

Board of Directors

Lars Steffen Knudsen
chairman

Lise Hedegaard Koppelhus

Søren Koppelhus

Independent auditor's report

To the shareholders of GAVDI A/S

Opinion

We have audited the financial statements of GAVDI A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 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 financial statements" section of this auditor's report. We are independent of the Entity 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 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 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 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 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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, 12.06.2025

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

	2024	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	109,383	99,448	97,184	98,065	91,466
Gross profit/loss	65,412	58,766	60,223	58,835	45,149
Operating profit/loss	1,168	2,362	5,658	9,933	3,201
Net financials	607	1,915	1,431	1,380	991,651
Profit/loss for the year	1,372	3,316	5,523	8,821	3,773
Total assets	52,914	59,385	86,796	85,116	79,332
Equity	26,481	25,110	63,720	58,198	49,377
Average number of employees	68	61	64	60	46
Ratios					
Gross margin (%)	59.80	59.09	61.97	60.00	49.36
EBIT margin (%)	1.07	2.38	5.82	10.13	3.50
Net margin (%)	1.25	3.33	5.68	9.00	4.13
Return on equity (%)	5.32	7.47	9.06	16.40	7.94
Equity ratio (%)	50.05	42.28	73.41	68.37	62.24

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

Gross margin (%):

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

Revenue

EBIT margin (%):

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

Revenue

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Revenue

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):Equity * 100

Total assets

Primary activities

The company provide advisory, implementation, technology, and support services within SAP People Solutions, including SAP HCM, SuccessFactors, and SAP Concur.

Gavdi A/S is a subsidiary of Gavdi Group A/S, the European leader in SAP People Solutions and a highly recognized consultancy specializing in SAP's cloud-based offerings.

As of May 2024, Gavdi A/S has been delivering services to many of Denmark's largest private and public organizations for over 25 years.

Development in activities and finances

With market conditions stabilizing throughout most of 2024—driven by steady inflation and fewer macroeconomic disruptions—the company achieved a 10% increase in revenue compared to 2023. This growth was primarily fuelled by license sales.

However, anticipated growth in professional services did not fully materialize, resulting in underutilized capacity and increased associated costs. Consequently, the company recorded an EBIT margin of 1.1% for 2024.

Management finds this performance unsatisfactory.

Despite the financial outcome, customer satisfaction remains high. The company continues to deliver strong value across advisory, implementation, support, and development services for IT people solutions.

Profit/loss for the year in relation to expected developments

Gavdi A/S exceeded its revenue growth target by 5%. However, profitability fell short of expectations, primarily due to the previously mentioned imbalances between service demand and operational costs.

Outlook

Market conditions have once again become more uncertain, influenced by proposed policy changes from U.S. leadership, including increased tariffs and broader impacts on global trade. These factors appear to be lengthening customer decision-making timelines for new investments.

Despite these challenges, management anticipates revenue growth of 10–15% and projects an EBIT margin above 5% for the coming year.

Use of financial instruments

Management continues to assess the company's risk exposure as moderate in the current environment. Geopolitical instability, especially the ongoing war in Europe and trade-related uncertainties, remain key concerns. Potential escalations in the war in Ukraine or shifts in global tariff regimes could negatively affect inflation, customer operations, and overall investment willingness.

Management is closely monitoring these developments and remains prepared to respond swiftly if conditions deteriorate. Other than these external risks, Gavdi A/S is not exposed to unusual sector-specific risks. The company maintains moderate foreign exchange exposure, primarily to currencies pegged to the euro, and management does not consider additional hedging necessary at this time.

Knowledge resources

Employees are regarded as the company's most valuable resource. Continuous investment in skill development and career progression remains a strategic priority to ensure Gavdi A/S sustains its position as a forward-thinking and inclusive employer with high levels of expertise.

In response to evolving work expectations, particularly following the COVID-19 pandemic, the company has implemented flexible work arrangements supported by a robust IT infrastructure that facilitates effective remote working.

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.

Income statement for 2024

	Notes	2024 DKK	2023 DKK
Revenue		109,382,711	99,448,425
Other operating income	2	518,964	1,330,743
Other external expenses		(44,490,063)	(42,299,841)
Gross profit/loss		65,411,612	58,479,327
Staff costs	3	(63,743,187)	(55,617,363)
Depreciation, amortisation and impairment losses	4	(500,000)	(500,000)
Operating profit/loss		1,168,425	2,361,964
Other financial income	5	1,494,449	2,438,282
Other financial expenses	6	(887,506)	(523,124)
Profit/loss before tax		1,775,368	4,277,122
Tax on profit/loss for the year	7	(403,573)	(960,845)
Profit/loss for the year	8	1,371,795	3,316,277

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Acquired intangible assets		500,000	1,000,000
Intangible assets	9	500,000	1,000,000
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	10	0	0
Deposits		807,901	729,168
Financial assets	11	807,901	729,168
Fixed assets		1,307,901	1,729,168
Trade receivables		25,375,451	30,332,674
Contract work in progress		5,840,690	1,817,744
Receivables from group enterprises	12	18,721,804	22,477,933
Deferred tax	13	125,715	62,857
Other receivables		6,046	181,400
Prepayments	14	929,322	775,448
Receivables		50,999,028	55,648,056
Cash		607,564	2,008,153
Current assets		51,606,592	57,656,209
Assets		52,914,493	59,385,377

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital	15	500,000	500,000
Retained earnings		25,981,419	24,609,624
Equity		26,481,419	25,109,624
Holiday pay obligation		3,237,662	3,663,094
Non-current liabilities other than provisions	16	3,237,662	3,663,094
Current portion of non-current liabilities other than provisions	16	233,181	0
Bank loans		2,700,002	3,590,441
Contract work in progress		500,590	5,390,959
Trade payables		2,498,354	2,068,339
Payables to group enterprises		5,537,236	7,484,208
Payables to shareholders and management		114,993	106,405
Joint taxation contribution payable		466,431	1,018,661
Other payables	17	7,537,396	8,695,708
Deferred income	18	3,607,229	2,257,938
Current liabilities other than provisions		23,195,412	30,612,659
Liabilities other than provisions		26,433,074	34,275,753
Equity and liabilities		52,914,493	59,385,377
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	19		
Contingent liabilities	20		
Assets charged and collateral	21		
Related parties with controlling interest	22		
Transactions with related parties	23		
Group relations	24		

Statement of changes in equity for 2024

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	24,609,624	25,109,624
Profit/loss for the year	0	1,371,795	1,371,795
Equity end of year	500,000	25,981,419	26,481,419

Notes

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 salary compensation.

3 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	58,912,658	51,454,190
Pension costs	4,325,046	3,712,343
Other social security costs	505,483	450,830
	63,743,187	55,617,363
Average number of full-time employees	68	61

Remuneration to the executive board has not been disclosed in accordance with section 98b (3) of the Danish Financial Statements Act. The board of directors does not receive salary for their management positions, and only one member of the executive board receives salary in the company.

4 Depreciation, amortisation and impairment losses

	2024 DKK	2023 DKK
Amortisation of intangible assets	500,000	500,000
	500,000	500,000

5 Other financial income

	2024 DKK	2023 DKK
Financial income from group enterprises	1,120,713	2,371,177
Other interest income	12,520	0
Exchange rate adjustments	361,216	67,105
	1,494,449	2,438,282

6 Other financial expenses

	2024 DKK	2023 DKK
Financial expenses from group enterprises	242,055	169,000
Other interest expenses	182,159	222,081
Exchange rate adjustments	396,892	71,303
Other financial expenses	66,400	60,740
	887,506	523,124

7 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	466,431	1,018,661
Change in deferred tax	(62,858)	(57,816)
	403,573	960,845

8 Proposed distribution of profit and loss

	2024 DKK	2023 DKK
Extraordinary dividend distributed in the financial year	0	41,926,924
Retained earnings	1,371,795	(38,610,647)
	1,371,795	3,316,277

9 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	1,500,000
Cost end of year	1,500,000
Amortisation and impairment losses beginning of year	(500,000)
Amortisation for the year	(500,000)
Amortisation and impairment losses end of year	(1,000,000)
Carrying amount end of year	500,000

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	2,084,785
Cost end of year	2,084,785
Depreciation and impairment losses beginning of year	(2,084,785)
Depreciation and impairment losses end of year	(2,084,785)
Carrying amount end of year	0

11 Financial assets

	Deposits DKK
Cost beginning of year	729,168
Additions	127,549
Disposals	(48,816)
Cost end of year	807,901
Carrying amount end of year	807,901

12 Receivables from group enterprises

Receivables from group enterprises in all material respects fall due after more than 12 months from the balance sheet date. It is management's expectation that the receivables are repaid over a period of 1-2 years.

13 Deferred tax

	2024 DKK	2023 DKK
Intangible assets	125,715	62,857
Deferred tax	125,715	62,857

	2024 DKK	2023 DKK
Changes during the year		
Beginning of year	62,857	5,041
Recognised in the income statement	62,858	57,816
End of year	125,715	62,857

Deferred tax assets

As per 31 December 2024 the company has recognized a deferred tax asset with a carrying amount of DKK 125.715. 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.

14 Prepayments

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

15 Share capital

	Number	Par value DKK	Nominal value DKK
A-shares	300	1000	300,000
B-shares	200	1000	200,000
	500		500,000

16 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK	Due after more than 12 months 2024 DKK	Outstanding after 5 years 2024 DKK
Holiday pay obligation	233,181	3,237,662	2,800,053
	233,181	3,237,662	2,800,053

17 Other payables

	2024 DKK	2023 DKK
VAT and duties	2,389,858	2,729,602
Wages and salaries, personal income taxes, social security costs, etc payable	2,008,520	3,563,896
Holiday pay obligation	2,259,587	1,883,242
Other costs payable	879,431	518,968
	7,537,396	8,695,708

18 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.

19 Unrecognised rental and lease commitments

	2024 DKK	2023 DKK
Liabilities under rental or lease agreements until maturity in total	2,603,049	1,341,689

20 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Famkop Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend 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.

21 Assets charged and collateral

As collateral for bank debt of 2,700,002 DKK, the Company has granted a charge on assets representing a nominal value of DKK 12,000,000. The charge comprises trade receivables at a carrying amount of 25,375,451 DKK.

22 Related parties with controlling interest

Gavdi Group A/S owns the majority of the shares in the Entity, thus exercising control.

23 Transactions with related parties

	Other related parties DKK
Revenue	7,858,102
Sub contractors, paid to group enterprises	14,126,598
Service fee paid to other group enterprises	9,403,193

In addition receivables and payables to other group enterprises and management is presented in the balance sheet and the related interest is presented in note 5 and 6. The combined fees to the executive board and the board of directors amounts to 7.782 T.DKK., which is related to both employee and management positions.

24 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Famkop Holding ApS, Frederiksberg

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Gavdi Group A/S, Copenhagen

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 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.

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

Omission of a cash flow statement

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

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. 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 cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise salaries and wages, 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.

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

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

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

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

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

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

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

Tax on profit/loss for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

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

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

Balance sheet

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.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

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

Receivables

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

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

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 project 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.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at

cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred income

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

Other financial liabilities

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

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Deferred income

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

Cash flow statement

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