

a-solutions A/S

Lyskær 8A, 2730 Herlev

CVR no. 27 04 79 47

Annual report

for the year 1 January - 31 December 2017

Approved at the Company's annual general meeting on 22 May 2018

Chairman:



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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of a-solutions A/S for the financial year 1 January - 31 December 2017.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2017 and of the results of the Group's and the Company's operations for the financial year 1 January - 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Herlev, 22 May 2018
Executive Board:



Peter Nicolai Weiss

Board of Directors:



Jesper Jarlbæk
Chairman



Lars Ankjer Jensen



Johnny Laursen

Independent auditor's report

To the shareholders of a-solutions A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of a-solutions A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2017, and of the results of the Group's and Parent Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

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 Group's and the Parent Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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



Independent auditor's report

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

Copenhagen, 22 May 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised Public Accountant
MNE no.: mne33717

A large, stylized handwritten signature in blue ink, written over the printed name and title of Jan C. Olsen.



Management's review

Company details

Name	a-solutions A/S
Address, Postal code, City	Lyskær 8A, 2730 Herlev
CVR no.	27 04 79 47
Established	26 February 2003
Registered office	Herlev
Financial year	1 January - 31 December

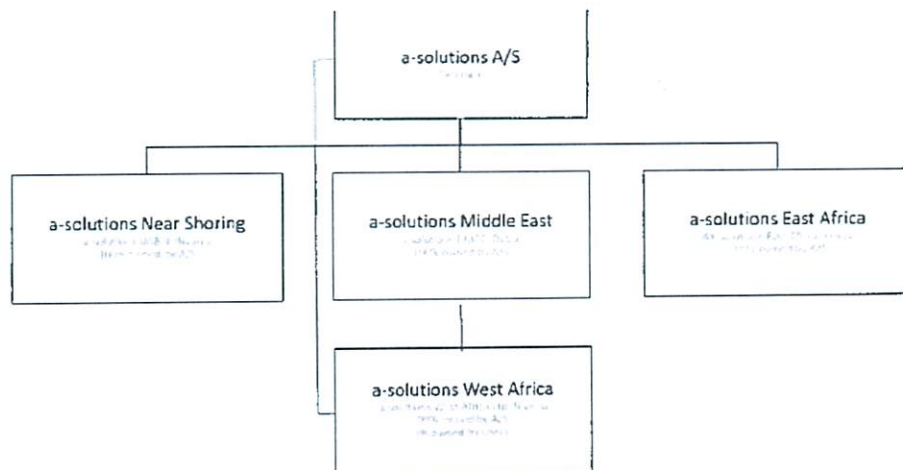
Board of Directors	Jesper Jarlbæk, Chairman Lars Ankjer Jensen Johnny Laursen
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Executive Board	Peter Nicolai Weiss
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Auditors	Ernst & Young Godkendt Revisionspartnersekskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark
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Management's review

Group chart



Financial highlights for the Group

DKK	2017	2016	2015
Key figures			
Gross margin	18,043,586	21,701,190	20,941,030
Operating profit/loss	338,977	2,182,449	3,148,603
Profit/loss for the year	18,738	2,274,291	3,121,696
Non-current assets	1,190,937	873,012	609,627
Current assets	6,978,458	7,290,682	8,852,592
Total assets	8,169,395	8,163,694	9,462,219
Investment in property, plant and equipment	0	641,637	342,042
Equity	3,541,605	4,832,567	5,329,276
Financial ratios			
Current ratio	150.8%	218.9%	214.2%
Equity ratio	43.4%	59.2%	56.3%
Return on equity	0.4%	44.8%	71.2%
Average number of employees	44	43	34

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios. For terms and definitions, please see the accounting policies.

The financial statements for 2015 reflected the consolidated operations in the Group for the first time.

Financial highlights for 2016 and 2015 has been corrected due to material misstatement for 2016 and prior years.

Management's review

Business review

The Company is principally engaged in delivery of technology consulting and services within Microsoft Dynamics 365 worldwide.

Financial review

In 2017, a-solutions maintained its strategy focus. The year saw growth particularly in the West African market.

However, during late summer 2017 it became apparent that the GCC business had entered agreements into five projects that never should have been signed. These five projects alone have resulted in a loss of around DKK 3,6 m, where DKK 2,5m is related to 2016 and previous years. The projects have all been finalized or written down and have been treated as a material error in the financial statement.

Reference is made to note 1 for more details.

The general trend we see in the market place is that business is stable in Middle East and with an upgoing trend in Africa.

The financial statements for 2017 reflect the consolidated operations in the Group.

Management considers the financial development of the Company very unsatisfactory in 2017.

Events after the balance sheet date

From the date of the balance sheet and until today, no subsequent events as such have arisen which have had an impact on the annual report.

Outlook

a-solutions will continue to invest in a sustainable healthy growth, keeping the focus on the current strategy. It is expected that 2018 will be profitable.



Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

Note	DKK	Group		Parent company	
		2017	2016	2017	2016
	Gross margin	18,043,586	21,701,190	2,369,472	6,197,286
2	Staff costs	-17,551,906	-19,346,010	-3,470,236	-6,361,515
3	Depreciation and impairment of property, plant and equipment	-152,703	-110,898	-24,375	-32,500
	Other operating expenses	0	-61,833	0	0
	Profit/loss before net financials	338,977	2,182,449	-1,125,139	-196,729
	Income from investments in group entities	0	0	1,323,523	2,413,019
4	Financial income	68,899	961,345	66,341	271,633
5	Financial expenses	-230,659	-908,306	-219,691	-252,440
	Profit before tax	177,217	2,235,488	45,034	2,235,483
6	Tax for the year	-158,479	38,803	-26,296	38,808
	Profit for the year	18,738	2,274,291	18,738	2,274,291
	Recommended appropriation of profit				
	Proposed dividend recognised under equity			0	1,400,000
	Net revaluation reserve according to the equity method			0	-1,479,501
	Retained earnings			18,738	2,353,792
				18,738	2,274,291



Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK	Group		Parent company	
		2017	2016	2017	2016
		ASSETS			
		Non-current assets			
7	Intangible assets				
	Development projects in progress and prepayments for intangible assets	468,076	0	0	0
		<u>468,076</u>	<u>0</u>	<u>0</u>	<u>0</u>
8	Property, plant and equipment				
	Fixtures and fittings, other plant and equipment	557,211	709,914	65,289	89,664
		<u>557,211</u>	<u>709,914</u>	<u>65,289</u>	<u>89,664</u>
9	Financial assets				
	Investments in group entities	0	0	592,983	5,225,641
	Deposits, investments	114,865	86,017	74,955	44,955
	Deferred tax assets	50,785	77,081	50,785	77,081
		<u>165,650</u>	<u>163,098</u>	<u>718,723</u>	<u>5,347,677</u>
	Total non-current assets	<u>1,190,937</u>	<u>873,012</u>	<u>784,012</u>	<u>5,437,341</u>
	Current assets				
10	Receivables				
	Trade receivables	2,856,311	3,392,552	688,910	2,526,736
	Construction contracts	2,290,893	0	183,600	0
	Receivables from group entities	0	0	5,886,493	658,058
	Dividend receivable from group entities	0	0	0	2,000,000
	Corporation tax receivable	0	329,658	0	329,658
	Other receivables	494,825	222,801	29,352	27,551
	Prepayments	50,089	1,020,238	32,080	85,710
		<u>5,692,118</u>	<u>4,965,249</u>	<u>6,820,435</u>	<u>5,627,713</u>
	Cash	<u>1,286,340</u>	<u>2,325,433</u>	<u>333,148</u>	<u>1,750,562</u>
	Total current assets	<u>6,978,458</u>	<u>7,290,682</u>	<u>7,153,583</u>	<u>7,378,275</u>
	TOTAL ASSETS	<u>8,169,395</u>	<u>8,163,694</u>	<u>7,937,595</u>	<u>12,815,616</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

DKK	Group			
	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2016	500,000	-1,345,724	6,175,000	5,329,276
Transfer through appropriation of profit	0	874,291	1,400,000	2,274,291
Purchase of treasury shares	0	-880,000	0	-880,000
Sale of treasury shares	0	4,175,000	0	4,175,000
Dividend	0	0	-6,175,000	-6,175,000
Dividend, treasury shares	0	109,000	0	109,000
Equity at 1 January 2017	500,000	2,932,567	1,400,000	4,832,567
Transfer through appropriation of profit	0	18,738	0	18,738
Dividend distributed	0	0	-1,400,000	-1,400,000
Dividend, treasury shares	0	90,300	0	90,300
Equity at 31 December 2017	500,000	3,041,605	0	3,541,605

DKK	Parent company				
	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Dividend proposed	Total
Equity at 1 January 2016	500,000	2,377,236	-3,722,960	6,175,000	5,329,276
Transfer through appropriation of profit	0	-1,479,501	2,353,792	1,400,000	2,274,291
Other value adjustments of equity	0	-897,735	897,735	0	0
Purchase of treasury shares	0	0	-880,000	0	-880,000
Sale of treasury shares	0	0	4,175,000	0	4,175,000
Dividend	0	0	0	-6,175,000	-6,175,000
Dividend, treasury shares	0	0	109,000	0	109,000
Equity at 1 January 2017	500,000	0	2,932,567	1,400,000	4,832,567
Transfer through appropriation of profit	0	0	18,738	0	18,738
Dividend distributed	0	0	0	-1,400,000	-1,400,000
Dividend, treasury shares	0	0	90,300	0	90,300
Equity at 31 December 2017	500,000	0	3,041,605	0	3,541,605

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of a-solutions A/S for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Material misstatements

During late summer 2017 it became apparent that the GCC business had entered agreements into five projects that never should have been signed. This has resulted in incorrectly recognised revenue and trade receivables, which impacts the Group's previous annual reports. As a result, the Group's revenue and trade receivables in prior financial years are recognised at too high amounts, and the financial statements for 2016 and 2015 did not give a true and fair view. Therefore, the error has been corrected as a material misstatement by restating comparatives and opening equity figures in the current year financial statements.

As a consequence of the restatement in the Group, revenue and trade receivables for 2015 decreased by DKK 642,226 after tax. In total, the balance sheet at 31 December 2015 decreased by DKK 642,226 after tax, and equity was adversely affected by DKK 642,226 after tax. The opening equity at 1 January 2016 decreased by DKK 642,226 after tax.

As a consequence of the restatement in the Group, revenue and trade receivables for 2016 decreased by DKK 1,942,477 after tax. In total, the balance sheet at 31 December 2016 decreased by DKK 2,584,703 after tax, and equity was adversely affected by DKK 2,584,703 after tax. The opening equity at 1 January 2017 decreased by DKK 2,584,703 after tax.

As a consequence of the restatement in the parent company, income from investments in group entities and investments in group entities 2015 decreased by DKK 642,226 after tax. In total, the balance sheet at 31 December 2015 decreased by DKK 642,226 after tax, and equity was adversely affected by DKK 642,226 after tax. The opening equity at 1 January 2016 decreased by DKK 642,226 after tax.

As a consequence of the restatement in the parent company, income from investments in group entities and investments in group entities for 2016 decreased by DKK 1,942,477 after tax. In total, the balance sheet at 31 December 2016 decreased by DKK 2,584,703 after tax, and equity was adversely affected by DKK 2,584,703 after tax. The opening equity at 1 January 2017 decreased by DKK 2,584,703 after tax.

The key figures for 2015 and 2016 were restated with the effect of the correction of material misstatements.

Reference is also made to the managements review.

Consolidated financial statements

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are disclosed separately.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign group entities

Foreign subsidiaries are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Income statement

Revenue

Income from the sale of licences is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Income from contract work is recognised as revenue at the time of delivery and the transfer of the risk to the buyer.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross margin

The items revenue, change in work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of non-current assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

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

Fixtures and fittings, other plant and equipment	3-5 years
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The residual value is determined at the time of acquisition and is reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Income from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that concern the financial year. Net financials include interest income and expenses, exchange gains and losses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Consolidated financial statements and parent company financial statements 1 January -
31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

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

The Company and its Danish group entities are jointly taxed. 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

Intangible assets

Development projects

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3-5 years.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Gains or losses on disposal of subsidiaries are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

Impairment of non-current assets

The carrying amount of intangible assets, investments in subsidiaries, property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

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.

Construction contracts

Contract work in progress for third parties is measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Consolidated financial statements and parent company financial statements 1 January -
31 December

Notes to the financial statements

1 Accounting policies (continued)

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity*Treasury shares*

Purchases and sales of treasury shares are taken directly to equity under "Retained earnings".

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deferred income

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

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios.

	Group		Parent company	
	2017	2016	2017	2016
DKK				
2 Staff costs				
Wages/salaries	17,784,647	18,924,450	3,234,901	5,939,955
Pensions	185,538	342,334	185,538	342,334
Other social security costs	49,797	79,226	49,797	79,226
Staff costs transferred to development projects	-468,076	0	0	0
	<u>17,551,906</u>	<u>19,346,010</u>	<u>3,470,236</u>	<u>6,361,515</u>
Average number of full-time employees	<u>44</u>	<u>43</u>	<u>6</u>	<u>12</u>
3 Depreciation of property, plant and equipment				
Depreciation of property, plant and equipment	152,703	110,898	24,375	32,500
	<u>152,703</u>	<u>110,898</u>	<u>24,375</u>	<u>32,500</u>
4 Financial income				
Other interest income	0	21	0	0
Exchange gains	4,244	961,324	65,815	271,633
Other financial income	64,655	0	526	0
	<u>68,899</u>	<u>961,345</u>	<u>66,341</u>	<u>271,633</u>
DKK				
5 Financial expenses				
Other interest expenses	0	6,030	0	6,030
Exchange losses	126,252	902,276	181,851	246,410
Interest surcharges and tax recognised under net financials	6,398	0	6,398	0
Other financial expenses	<u>98,009</u>	<u>0</u>	<u>31,442</u>	<u>0</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	<u>230,659</u>	<u>908,306</u>	<u>219,691</u>	<u>252,440</u>
6 Tax for the year				
Estimated tax charge for the year	132,183	-31,653	0	-31,658
Deferred tax adjustments in the year	26,296	-7,150	26,296	-7,150
	<u>158,479</u>	<u>-38,803</u>	<u>26,296</u>	<u>-38,808</u>

7 Intangible assets

	<u>Group</u>
	Development projects in progress and prepayments for intangible assets
DKK	
Cost at 1 January 2017	0
Additions	<u>468,076</u>
Cost at 31 December 2017	<u>468,076</u>
Carrying amount at 31 December 2017	<u>468,076</u>

Development projects in progress

Development projects in progress include development and test of new software and products. The relating expenses primarily consist of internal expenses in the form of payroll costs and production overheads, which are recorded through the Company's internal project module.

The carrying amount totalled DKK 468 thousand at 31 December 2017. The development projects is expected to be complete in 2018 after which time marketing and selling efforts will be made.

Management has not identified any evidence of impairment relative to the carrying amount of development projects in progress.



Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

8 Property, plant and equipment

	<u>Group</u>
	<u>Fixtures and fittings, other plant and equipment</u>
DKK	
Cost at 1 January 2017	1,352,388
Cost at 31 December 2017	1,352,388
Impairment losses and depreciation at 1 January 2017	642,474
Depreciation	152,703
Impairment losses and depreciation at 31 December 2017	795,177
Carrying amount at 31 December 2017	<u>557,211</u>
	<u>Parent company</u>
	<u>Fixtures and fittings, other plant and equipment</u>
DKK	
Cost at 1 January 2017	710,750
Cost at 31 December 2017	710,750
Impairment losses and depreciation at 1 January 2017	621,086
Depreciation	24,375
Impairment losses and depreciation at 31 December 2017	645,461
Carrying amount at 31 December 2017	<u>65,289</u>

9 Investments

	<u>Group</u>
	<u>Deposits, investments</u>
DKK	
Cost at 1 January 2017	86,017
Additions	30,000
Disposals	-1,152
Cost at 31 December 2017	114,865
Carrying amount at 31 December 2017	<u>114,865</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

9 Investments (continued)

DKK	Parent company		
	Investments in group entities	Deposits, investments	Total
Cost at 1 January 2017	1,373,404	44,955	1,418,359
Additions	0	30,000	30,000
Disposals	-125,000	0	-125,000
Cost at 31 December 2017	1,248,404	74,955	1,323,359
Value adjustments at 1 January 2017	3,852,237	0	3,852,237
Dividend received	-6,000,000	0	-6,000,000
Profit/loss for the year	1,323,523	0	1,323,523
Value adjustments for the year	168,819	0	168,819
Value adjustments at 31 December 2017	-655,421	0	-655,421
Carrying amount at 31 December 2017	592,983	74,955	667,938

Parent company

Name	Legal form	Domicile	Interest
Subsidiaries			
A-Solutions DMCC	DMCC	United Arab Emirates	100.00%
A-Solutions UAB	UAB	Lithuania	100.00%
AX Solutions East Africa Limited	Limited	Kenya	100.00%
a-solutions West Africa Limited	Limited	Nigeria	99.00%

10 Receivables

Group

Of the Group's total receivables, other receivables totalling DKK 88 thousand fall due for payment after more than one year after the balance sheet date.

DKK	Parent company	
	2017	2016
11 Share capital		
Analysis of the share capital:		
500 shares of DKK 1,000.00 nominal value each	500,000	500,000
	500,000	500,000

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

12 Treasury shares

Group

Treasury shares in the group

	Number	Nominal value DKK	Share of capital
Treasury shares at 31 December 2017	27	27,255	5.45%

Parent company

	Number	Nominal value DKK	Share of capital
Balance at 1 January 2017	27	27,255	5.45%
Balance at 31 December 2017	27	27,255	5.45%

In accordance with a resolution passed at the general meeting of shareholders on 19 April 2016, the Company can acquire treasury shares at a maximum nominal value of 10% of the share capital until 18 April 2021. Treasury shares are acquired, among other reasons, to be used in the incentive plan intended for members of the Executive Board and other executive officers.

13 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
DKK	2017	2016	2017	2016
Rent and lease liabilities	30,000	56,625	30,000	56,625

Parent company

The Company is jointly taxed with its parent, Al Mahra Holding ApS, which acts as management company, and other Danish group entities. The Company has limited and alternative liability together with other jointly taxed group entities for payment of Danish income taxes and withholding taxes on dividends, interests and royalties in the group of jointly taxed entities.



Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

14 Collateral

Group

A company charge of DKK 4,000,000, secured on Group trade receivables, inventories, fixtures and fittings, other plant and equipment and intangible assets, has been provided in respect of a-solutions A/S' debt to Danske Bank A/S.

A performance bond have been provided of DKK 500,000, which expires in February 2018.

Parent company

A company charge of DKK 4,000,000, secured on the Company's trade receivables, inventories, fixtures and fittings, other plant and equipment and intangible assets, has been provided in respect of the Company's debt to Danske Bank A/S.

A performance bond have been provided of DKK 500,000, which expires in February 2018.