# a-solutions A/S

Lyskær 8A, st. th., 2730 Herlev

CVR no. 27 04 79 47

## Annual report

for the year 1 January - 31 December 2020

Approved at the Company's annual general meeting on 31 May 2021

Chair of the meeting:

DocuSigned by:

Jesper Jarlbæk

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Jesper Jarlbæk

Building a better working world

# Contents

## 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 2020.

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 2020 and of the results of the Group's and the Company's operations for the financial year 1 January - 31 December 2020.

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, 17 May 2021
Executive Board:

DocuSigned by:
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Peter Nicolai Weiss

Board of Directors:

| | | |
|---|---|---|
| DocuSigned by: Jesper Jarlbæk C1E0B3BF81F14A9... | DocuSigned by: Fadi Nasser 8FBD6DA871674A0... | DocuSigned by: Turid Ann Debes A5C8D8A84A7D480... |
| Jesper Jarlbæk<br>Chair | Fadi Nasser | Turid Ann Debes |

# 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 2020, 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 2020, and of the results of the Group's and Parent Company's operations for the financial year 1 January - 31 December 2020 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" (herinafter 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, 17 May 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Martin Alsbæk
State Authorised Public Accountant
mne28627

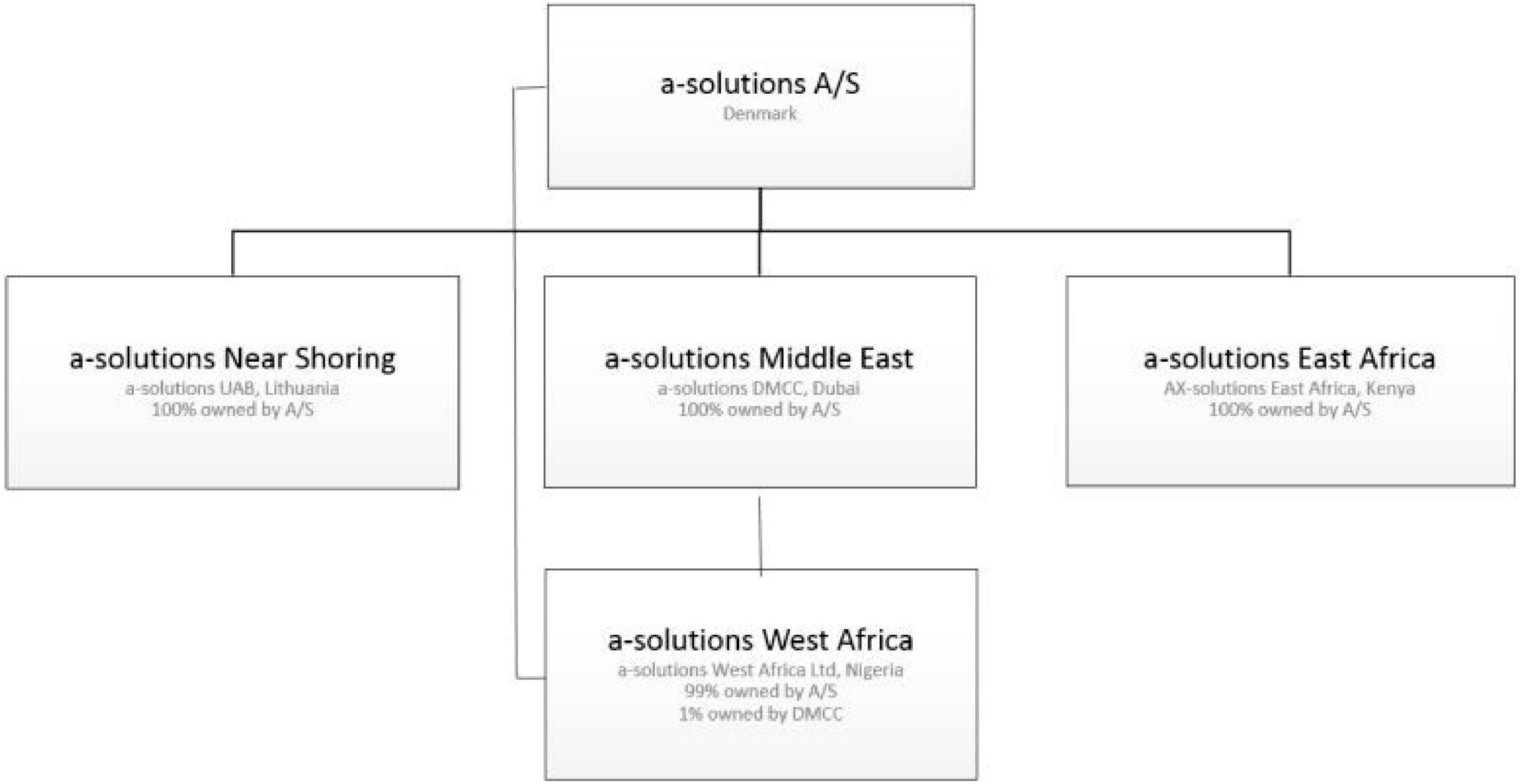
# Management's review

## Company details

| | |
|---|---|
| Name | a-solutions A/S |
| Address, Postal code, City | Lyskær 8A, st. th., 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, Chair<br>Fadi Nasser<br>Turid Ann Debes |
| Executive Board | Peter Nicolai Weiss |
| Auditors | EY Godkendt Revisionspartnerselskab<br>Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark |

# Management's review

## Group chart



# Management's review

## Financial highlights for the Group

| USD | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| **Key figures** | | | | | |
| Revenue | 2,514,149 | 2,878,717 | 4,290,668 | 4,625,579 | 5,463,580 |
| Gross profit | 1,904,399 | 2,141,184 | 2,461,410 | 2,910,572 | 3,076,961 |
| Operating profit/loss | -199,203 | -67,789 | -234,428 | 48,679 | 309,444 |
| Profit/loss for the year | -279,412 | -89,173 | -245,397 | 3,019 | 322,466 |
| | | | | | |
| Non-current assets | 119,200 | 173,065 | 182,589 | 191,848 | 123,782 |
| Current assets | 1,178,303 | 1,221,584 | 1,330,112 | 1,130,054 | 1,033,729 |
| Total assets | 1,297,503 | 1,394,649 | 1,512,701 | 1,321,902 | 1,157,511 |
| Investments in property, plant and equipment | 0 | 0 | 0 | 0 | 90,976 |
| Equity | -51,107 | 228,305 | 324,879 | 570,276 | 685,198 |
| | | | | | |
| **Financial ratios** | | | | | |
| Operating margin | -7.1% | -2.4% | -4.5% | 1.1 % | 5.7 % |
| Gross margin | 75.7% | 74.4% | 57.4% | 62.9% | 56.3% |
| Return on assets | -14.8% | -4.7% | -16.5% | 3.9% | 24.3% |
| Current ratio | 89.1% | 106.2% | 112.0% | 150.3% | 218.5% |
| Equity ratio | -3.9% | 16.4% | 21.5% | 43.1% | 59.2% |
| Return on equity | -315.4% | -32.2% | -54.8% | 0.5% | 44.0% |
| | | | | | |
| Average number of employees | 30 | 34 | 42 | 44 | 43 |

For terms and definitions, please see the accounting policies.

# Management's review

## Business review

The Company is principally engaged in delivering technology consulting and services regarding Microsoft Dynamics 365 worldwide.

In the past years, a-solutions' strategy has focused on a few selected industries and on building strong competencies around these. The strategy has not changed, but the focus on a-solutions own IP related to the focus Industries has increased.

a-solutions own software, a-Pay – a payroll solution localized for GCC and West Africa - and a-Finteg - an integration framework - were certified by Microsoft and both Apps are available at Microsoft AppStore.

During 2020, the a-Finteg framework, which extends the use of core applications into Dynamics 365, has been further developed and includes now an Accounting Rules Engine. It is the first of its kind purpose-built accounting hub for Dynamics 365 Finance, transforming business transactions/events or financial transactions from source systems into accounting transactions.

a-solutions sees a continuous growing interest in this solution and also outside the EMEA and GCC regions where a-solutions mainly operates.

## Financial review

The income statement for 2020 shows a loss of USD 279,412 against a loss of USD 89,173 last year, and the group's balance sheet at 31 December 2020 shows a negative equity of USD 51,107.

This is unsatisfactory.

During most of 2020, the world has been heavily affected of the COVID-19 outbreak. a-solutions made in 2019 significant investments in the Danish as well as the African organization. Although a-solutions took necessary precautions internally in the early spring to adjust to the situation, the investments in 2019 did impact the result in 2020 negative with total USD 350k.

Write-down of a total of USD 99k related to two older implementations where scoped has been changed is included in the result for 2020.

The last 6 month of the year the business generated profit. Adjusted for Covid impact and the write-down, the results of operations (EBIT) were USD 271k.

Management has put forward a plan for reestablishing the share capital, and as pr. April 30, 2021, this is achieved.

## 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 sustainable growth, keeping the focus on the current strategy. 2021 is expected to be profitable.

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

## Income statement

| | | Group | | Parent company | |
|---|---|---|---|---|---|
| Note | USD | 2020 | 2019 | 2020 | 2019 |
| | Revenue | 2,514,149 | 2,878,717 | 178,772 | 472,040 |
| | Cost of sales | -322,028 | -436,724 | -15,062 | -167,835 |
| | Other operating income | 20,632 | 0 | 78,795 | 39,242 |
| | Other external expenses | -308,354 | -300,809 | -84,734 | -112,197 |
| | Gross profit | 1,904,399 | 2,141,184 | 157,771 | 231,250 |
| 3 | Staff costs | -2,009,630 | -2,145,770 | -370,056 | -342,267 |
| 4 | Amortisation/depreciation of intangible assets and property, plant and equipment | -73,340 | -63,203 | 0 | 0 |
| | Other operating expenses | 0 | -1,309 | 0 | -1,309 |
| | Profit/loss before net financials | -178,571 | -69,098 | -212,285 | -112,326 |
| | Income from investments in group entities | 0 | 0 | 25,450 | 17,273 |
| 5 | Financial income | 40,795 | 85,809 | 35,518 | 66,774 |
| 6 | Financial expenses | -141,286 | -108,985 | -128,095 | -77,901 |
| | Profit/loss before tax | -279,062 | -92,274 | -279,412 | -106,180 |
| 7 | Tax for the year | -350 | 3,101 | 0 | 17,007 |
| | Profit/loss for the year | -279,412 | -89,173 | -279,412 | -89,173 |
| | Recommended appropriation of profit/loss | | | | |
| | Retained earnings/accumulated loss | | | -279,412 | -89,173 |
| | | | | -279,412 | -89,173 |

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

## Balance sheet

| Note | USD | Group 2020 | Group 2019 | Parent company 2020 | Parent company 2019 |
|---|---|---|---|---|---|
| | ASSETS | | | | |
| | Non-current assets | | | | |
| 8 | Intangible assets | | | | |
| | Completed development projects | 56,600 | 76,801 | 0 | 0 |
| | | 56,600 | 76,801 | 0 | 0 |
| 9 | Property, plant and equipment | | | | |
| | Fixtures and fittings, other plant and equipment | 31,698 | 47,546 | 0 | 0 |
| | | 31,698 | 47,546 | 0 | 0 |
| 10 | Financial assets | | | | |
| | Investments in group entities | 0 | 0 | 0 | 116,822 |
| | Deposits, investments | 1,362 | 5,856 | 0 | 4,494 |
| 14 | Deferred tax assets | 29,540 | 42,862 | 0 | 0 |
| | | 30,902 | 48,718 | 0 | 121,316 |
| | Total non-current assets | 119,200 | 173,065 | 0 | 121,316 |
| | Current assets | | | | |
| | Receivables | | | | |
| | Trade receivables | 388,566 | 461,949 | 4,318 | 26,213 |
| | Construction contracts | 544,396 | 521,041 | 0 | 7,216 |
| | Receivables from group entities | 0 | 0 | 1,329,651 | 1,365,752 |
| | Other receivables | 129,395 | 75,002 | 0 | 0 |
| | Prepayments | 10,878 | 16,480 | 0 | 7,553 |
| | | 1,073,235 | 1,074,472 | 1,333,969 | 1,406,734 |
| | Cash | 105,068 | 147,112 | 435 | 1,039 |
| | Total current assets | 1,178,303 | 1,221,584 | 1,334,404 | 1,407,773 |
| | TOTAL ASSETS | 1,297,503 | 1,394,649 | 1,334,404 | 1,529,089 |

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

## Balance sheet

| Note | USD | Group 2020 | Group 2019 | Parent company 2020 | Parent company 2019 |
|---|---|---|---|---|---|
| | EQUITY AND LIABILITIES | | | | |
| | Equity | | | | |
| 11 | Share capital | 88,600 | 88,600 | 88,600 | 88,600 |
| | Retained earnings | -139,707 | 139,705 | -139,707 | 139,705 |
| | Total equity | -51,107 | 228,305 | -51,107 | 228,305 |
| | Liabilities | | | | |
| 13 | Non-current liabilities | | | | |
| | Provision, investments in group enterprises | 0 | 0 | 5,708 | 0 |
| | Other payables | 26,857 | 15,754 | 26,857 | 15,754 |
| | Total non-current liabilities | 26,857 | 15,754 | 32,565 | 15,754 |
| | Current liabilities | | | | |
| | Bank debt | 696,591 | 593,059 | 696,591 | 593,059 |
| | Construction contracts | 260,097 | 130,215 | 0 | 0 |
| | Trade payables | 118,859 | 125,379 | 33,037 | 118,502 |
| | Payables to group entities | 0 | 0 | 553,493 | 504,811 |
| | Corporation tax payable | 0 | 15,364 | 0 | 0 |
| | Other payables | 246,206 | 286,573 | 69,825 | 68,658 |
| | Total current liabilities | 1,321,753 | 1,150,590 | 1,352,946 | 1,285,030 |
| | | 1,348,610 | 1,166,344 | 1,385,511 | 1,300,784 |
| | TOTAL EQUITY AND LIABILITIES | 1,297,503 | 1,394,649 | 1,334,404 | 1,529,089 |

1 Accounting policies
2 Special items
12 Treasury shares
15 Contractual obligations and contingencies, etc.
16 Collateral

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

## Statement of changes in equity

| USD | Group | | |
|---|---|---|---|
| | Share capital | Retained earnings | Total |
| Equity at 1 January 2019 | 88,600 | 236,279 | 324,879 |
| Transfer through appropriation of loss | 0 | -89,173 | -89,173 |
| Purchase of treasury shares | 0 | -7,401 | -7,401 |
| Equity at 1 January 2020 | 88,600 | 139,705 | 228,305 |
| Transfer through appropriation of loss | 0 | -279,412 | -279,412 |
| Equity at 31 December 2020 | 88,600 | -139,707 | -51,107 |

| USD | Parent company | | |
|---|---|---|---|
| | Share capital | Retained earnings | Total |
| Equity at 1 January 2019 | 88,600 | 236,279 | 324,879 |
| Transfer through appropriation of loss | 0 | -89,173 | -89,173 |
| Purchase of treasury shares | 0 | -7,401 | -7,401 |
| Equity at 1 January 2020 | 88,600 | 139,705 | 228,305 |
| Transfer through appropriation of loss | 0 | -279,412 | -279,412 |
| Equity at 31 December 2020 | 88,600 | -139,707 | -51,107 |

Treasury shares are specified in note 12.

# 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 2020 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.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Adjustments of comparative figures
Other receivables for 2019 have been reduced by 42,8 thousand USD, which have been moved to Corporation tax receivable. The adjustment of comparative figures have not affected profit for the year, balance sheet or equity for 2019.

Reporting currency

The financial statements are presented in USD as the Company's most significant transactions are settled in USD. At the balance sheet date, the DKK/USD exchange rate was 6.0675.

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.

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

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

## Notes to the financial statements

### 1 Accounting policies (continued)

#### 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.

### Income statement

#### Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

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.

#### 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.

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

## Notes to the financial statements

1 Accounting policies (continued)

### 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.

### Amortisation/depreciation

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:

| | |
|---|---|
| Completed development projects | 3-5 years |
| Fixtures and fittings, other plant and equipment | 3-5 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.

### Profit 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.

### 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).

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

## Notes to the financial statements

1 Accounting policies (continued)

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 areidentifiable 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.

#### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of 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".

#### Investments in subsidiaries

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

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

### Notes to the financial statements

1 Accounting policies (continued)

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 and 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.

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.

#### 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.

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.

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

## Notes to the financial statements

1 Accounting policies (continued)

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.

### 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)

### Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

| | |
|---|---|
| Operating profit/loss | Profit/loss before financial items adjusted for other operating income and other operating expenses |
| Operating margin | $\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$ |
| Gross margin | $\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$ |
| Return on assets | $\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$ |
| Current ratio | $\frac{\text{Current assets x 100}}{\text{Current liabilities}}$ |
| Equity ratio | $\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$ |
| Return on equity | $\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$ |

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

## Notes to the financial statements

2 Special items

Parent company

The gross profit/-loss includes in 2020 income from the governmental compensation scheme in regards to COVID-19. The income is recognised under other income and amounts to T.USD 21.

| | | Group | | Parent company | |
|---|---|---|---|---|---|
| | USD | 2020 | 2019 | 2020 | 2019 |
| 3 | Staff costs | | | | |
| | Wages/salaries | 1,984,614 | 2,120,000 | 345,040 | 316,497 |
| | Pensions | 22,752 | 22,735 | 22,752 | 22,735 |
| | Other social security costs | 2,264 | 3,035 | 2,264 | 3,035 |
| | | 2,009,630 | 2,145,770 | 370,056 | 342,267 |
| | Average number of full-time employees | 30 | 34 | 3 | 3 |
| 4 | Amortisation/depreciation of intangible assets and property, plant and equipment | | | | |
| | Amortisation of intangible assets | 57,492 | 47,354 | 0 | 0 |
| | Depreciation of property, plant and equipment | 15,848 | 15,849 | 0 | 0 |
| | | 73,340 | 63,203 | 0 | 0 |
| 5 | Financial income | | | | |
| | Exchange gains | 40,795 | 85,202 | 35,518 | 66,167 |
| | Other financial income | 0 | 607 | 0 | 607 |
| | | 40,795 | 85,809 | 35,518 | 66,774 |
| 6 | Financial expenses | | | | |
| | Exchange losses | 123,104 | 97,460 | 110,162 | 66,376 |
| | Other financial expenses | 18,182 | 11,525 | 17,933 | 11,525 |
| | | 141,286 | 108,985 | 128,095 | 77,901 |

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

## Notes to the financial statements

| | | Group | | Parent company | |
|---|---|---|---|---|---|
| | USD | 2020 | 2019 | 2020 | 2019 |
| 7 | Tax for the year | | | | |
| | Estimated tax charge for the year | 0 | 15,364 | 0 | 0 |
| | Deferred tax adjustments in the year | 0 | 12,341 | 0 | 12,341 |
| | Tax adjustments, prior years | 350 | -30,806 | 0 | -29,348 |
| | | 350 | -3,101 | 0 | -17,007 |

8 Intangible assets

| USD | Group<br>Completed development projects |
|---|---|
| Cost at 1 January 2020 | 164,701 |
| Additions | 37,291 |
| Cost at 31 December 2020 | 201,992 |
| Impairment losses and amortisation at 1 January 2020 | 87,900 |
| Amortisation for the year | 57,492 |
| Impairment losses and amortisation at 31 December 2020 | 145,392 |
| Carrying amount at 31 December 2020 | 56,600 |

Completed development projects

Completed development projects includes the software developed by the Company with a carrying amount of USD 56,600.

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

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

## Notes to the financial statements

### 9 Property, plant and equipment

| USD | Group<br>Fixtures and fittings, other plant and equipment |
|---|---|
| Cost at 1 January 2020 | 103,361 |
| Cost at 31 December 2020 | 103,361 |
| Impairment losses and depreciation at 1 January 2020 | 55,815 |
| Depreciation | 15,848 |
| Impairment losses and depreciation at 31 December 2020 | 71,663 |
| Carrying amount at 31 December 2020 | 31,698 |

### 10 Financial assets

| USD | Group<br>Deposits, investments |
|---|---|
| Cost at 1 January 2020 | 5,856 |
| Disposals | -4,494 |
| Cost at 31 December 2020 | 1,362 |
| Carrying amount at 31 December 2020 | 1,362 |

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

## Notes to the financial statements

### 10 Investments (continued)

| | Parent company | | |
|---|---|---|---|
| USD | Investments in group entities | Deposits, investments | Total |
| Cost at 1 January 2020 | 201,105 | 4,494 | 205,599 |
| Disposals | 0 | -4,494 | -4,494 |
| Cost at 31 December 2020 | 201,105 | 0 | 201,105 |
| Value adjustments at 1 January 2020 | -84,283 | 0 | -84,283 |
| Profit/loss for the year | 25,450 | 0 | 25,450 |
| Reveral of revaluations of assets disposed | -142,272 | 0 | -142,272 |
| Value adjustments at 31 December 2020 | -201,105 | 0 | -201,105 |
| Carrying amount at 31 December 2020 | 0 | 0 | 0 |

Parent company

| Name | Legal form | Domicile | Interest |
|---|---|---|---|
| **Subsidiaries** | | | |
| a-solutions DMCC | Limited liability | United Arab Emirates | 100.00% |
| a-solutions UAB | Limited liability | Lithuania | 100.00% |
| a-solutions East Africa | Limited liability | Kenya | 100.00% |
| a-solutions West Africa | Limited liability | Nigeria | 100.00% |

| | Parent company | |
|---|---|---|
| USD | 2020 | 2019 |

### 11 Share capital

Analysis of the share capital:

| | | |
|---|---|---|
| 550 shares of USD 161.09 nominal value each | 88,600 | 88,600 |
| | 88,600 | 88,600 |

Analysis of changes in the share capital over the past 5 years:

| USD | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| Opening balance | 88,600 | 88,600 | 80,545 | 80,545 | 80,545 |
| Capital reduction | 0 | 0 | 8,055 | 0 | 0 |
| | 88,600 | 88,600 | 88,600 | 80,545 | 80,545 |

# 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 | Share of capital |
|---|---|---|---|
| | | USD | |
| Treasury shares at 31 December 2020 | 22,000 | 3,295 | 4.00% |

Parent company

| | Number | Nominal value | Share of capital |
|---|---|---|---|
| | | USD | |
| Balance at 1 January 2020 | 22,000 | 3,295 | 4.00% |
| Balance at 31 December 2020 | 22,000 | 3,295 | 4.00% |

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 Non-current liabilities

Group

Long term debt is holiday allowance which fall due for payment when the employees retire which is expected to be more than 5 years from year-end.

Parent company

Long term debt is holiday allowance which fall due for payment when the employees retire which is expected to be more than 5 years from year-end.

| | Group | | Parent company | |
|---|---|---|---|---|
| USD | 2020 | 2019 | 2020 | 2019 |
| **14 Deferred tax** | | | | |
| Deferred tax at 1 January | -42,862 | -12,341 | 0 | -12,341 |
| Additions | 13,322 | -30,521 | 0 | 12,341 |
| Deferred tax at 31 December | -29,540 | -42,862 | 0 | 0 |

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

## Notes to the financial statements

### 15 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

| | Group | | Parent company | |
|---|---|---|---|---|
| USD | 2020 | 2019 | 2020 | 2019 |
| Rent and lease liabilities | 15,525 | 4,494 | 0 | 4,494 |

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 is jointly and severally liable with other Danish 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.

### 16 Collateral

Group

A company charge of USD 659,250, 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.

Parent company

A company charge of USD 659,250, 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.