

# **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 2019

Approved at the Company's annual general meeting on 28 May 2020

Chairman:

  
.....  
Jesper Jarlbæk





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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 2019.

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 2019 and of the results of the Group's and the Company's operations for the financial year 1 January - 31 December 2019.

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

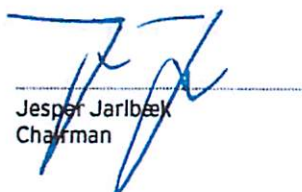
We recommend that the annual report be approved at the annual general meeting.

Herlev, 28 May 2020  
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 2019, 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 2019, and of the results of the Group's and Parent Company's operations for the financial year 1 January - 31 December 2019 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, 28 May 2020  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Martin Alsbæk  
State Authorised Public Accountant  
mne28627



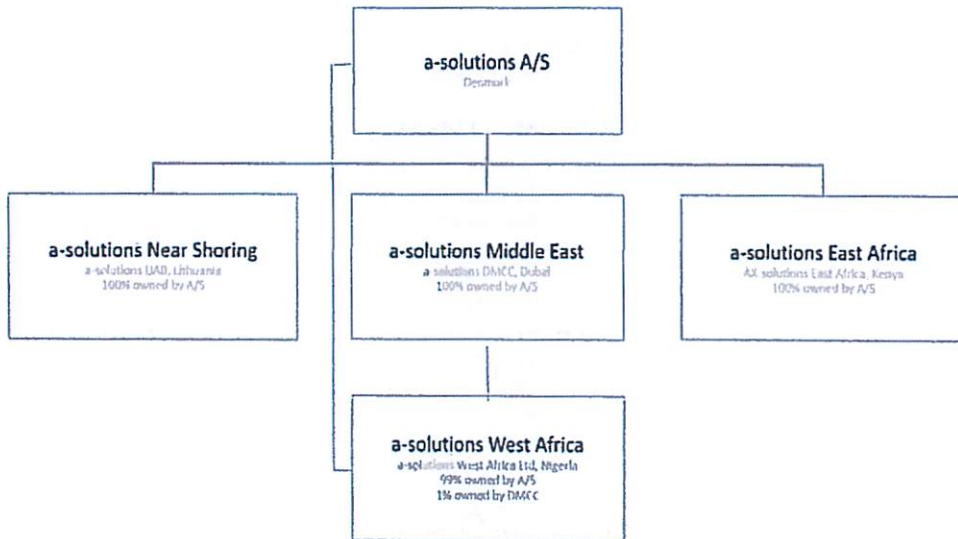
## Management's review

### 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, Chairman Lars Ankjer Jensen Johnny Laursen
Executive Board	Peter Nicolai Weiss
Auditors	Ernst & Young Godkendt Revisionspartnerselskab 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	2019	2018	2017	2016	2015
<b>Key figures</b>					
Revenue	2,878,717	4,290,668	4,625,579	5,463,580	5,151,290
Gross profit	2,141,184	2,461,410	2,910,572	3,076,961	3,066,037
Operating profit/loss	-107,032	-234,428	48,679	309,444	460,996
Profit/loss for the year	-89,173	-245,397	3,019	322,466	457,057
<b>Assets</b>					
Non-current assets	130,203	182,589	191,848	123,782	89,257
Current assets	1,264,446	1,330,112	1,130,054	1,033,729	1,296,134
Total assets	1,394,649	1,512,701	1,321,902	1,157,511	1,385,391
Investment in property, plant and equipment	0	0	0	90,976	50,079
Equity	228,305	324,879	570,276	685,198	780,275
<b>Financial ratios</b>					
Operating margin	-2.4%	-4.5%	1.1%	5.7%	8.9%
Gross margin	74.4%	57.4%	62.9%	56.3%	59.5%
Return on assets	-7.4%	-16.5%	3.9%	24.3%	32.3%
Current ratio	109.9%	112.0%	150.3%	218.5%	214.2%
Equity ratio	16.4%	21.5%	43.1%	59.2%	56.3%
Return on equity	-32.2%	-54.8%	0.5%	44.0%	71.2%
<b>Average number of employees</b>					
Average number of employees	34	42	44	43	34

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations. 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 competencies strong around these. There has been no change in the strategy, but investments in the organisation at management level increased in the second half year to secure future growth.

In the past years, a-solutions has developed the framework a-Finteg for the FSI industry, which extends the use of the core applications in FSI into the Dynamics 365 when it comes to Finance Management, Procurement Management as well as HR. During 2019, a-Finteg was certified by Microsoft and went live on Microsoft AppStore. Compared to similar ERP solutions, the Dynamics 365 FSI ERP solution - based on a-Finteg - has relatively low Total Cost of Ownership and is also relatively fast to implement, while providing customers with access to the full Microsoft stack of products.

a-solutions sees a continuous growing interest in this solution within the FSI segment in the EMEA region and new customer wins with this solution were achieved in beginning of 2020. Also, a-solutions signed the first re-seller agreement for the solution in EMEA at the beginning of 2020.

### Financial review

The income statement for 2019 shows a loss of USD 89,173 against a loss of USD 245,397 last year, and the group's balance sheet at 31 December 2019 shows equity of USD 228,305.

This is unsatisfactory.

### 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.

With the current status of ongoing projects, the COVID-19 outbreak in early 2020 will not have any impact on the annual report for 2019.

### Outlook

a-solutions will continue to invest in sustainable growth, keeping the focus on the current strategy. The worldwide consequences of the COVID-19 outbreak were of course not foreseen, and this will naturally leave its mark on 2020 in general. a-solutions has taken necessary precautions in respect of this. 2020 is expected to be profitable.

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

**Income statement**

Note	USD	Group		Parent company	
		2019	2018	2019	2018
	Revenue	2,878,717	4,290,668	472,040	983,525
	Cost of sales	-436,724	-613,816	-167,835	-445,244
	Other operating income	39,242	43,044	39,242	43,044
	Other external expenses	-340,051	-1,258,486	-112,197	-139,983
	<b>Gross profit</b>	<b>2,141,184</b>	<b>2,461,410</b>	<b>231,250</b>	<b>441,342</b>
3	Staff costs	-2,145,770	-2,596,397	-342,267	-430,566
4	Amortisation/depreciation of intangible assets and property, plant and equipment	-63,203	-56,394	0	0
	Other operating expenses	-1,309	0	-1,309	0
	<b>Profit/loss before net financials</b>	<b>-69,098</b>	<b>-191,381</b>	<b>-112,326</b>	<b>10,776</b>
	Income from investments in group entities	0	0	17,273	-268,256
5	Financial income	85,809	130,218	66,774	93,734
6	Financial expenses	-108,985	-125,369	-77,901	-85,811
	<b>Profit/loss before tax</b>	<b>-92,274</b>	<b>-186,532</b>	<b>-106,180</b>	<b>-249,557</b>
7	Tax for the year	3,101	-58,865	17,007	4,160
	<b>Profit/loss for the year</b>	<b>-89,173</b>	<b>-245,397</b>	<b>-89,173</b>	<b>-245,397</b>
	<b>Recommended appropriation of profit/loss</b>				
	Retained earnings/accumulated loss			-89,173	-245,397
				-89,173	-245,397

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

### Balance sheet

Note	USD	Group		Parent company	
		2019	2018	2019	2018
		<b>ASSETS</b>			
		<b>Non-current assets</b>			
8	<b>Intangible assets</b>				
	Completed development projects	76,801	90,198	0	0
		<u>76,801</u>	<u>90,198</u>	<u>0</u>	<u>0</u>
9	<b>Property, plant and equipment</b>				
	Fixtures and fittings, other plant and equipment	47,546	73,913	0	10,518
		<u>47,546</u>	<u>73,913</u>	<u>0</u>	<u>10,518</u>
10	<b>Financial assets</b>				
	Investments in group entities	0	0	116,824	235,884
	Deposits, investments	5,856	6,137	4,494	4,497
14	Deferred tax assets	0	12,341	0	12,341
		<u>5,856</u>	<u>18,478</u>	<u>121,318</u>	<u>252,722</u>
	<b>Total non-current assets</b>	<u>130,203</u>	<u>182,589</u>	<u>121,318</u>	<u>263,240</u>
	<b>Current assets</b>				
	<b>Receivables</b>				
	Trade receivables	461,949	578,871	26,213	248,086
	Construction contracts	521,041	541,206	7,216	128,230
	Receivables from group entities	0	0	1,365,752	845,534
	Other receivables	117,864	96,175	0	4,284
	Prepayments	16,480	14,030	7,553	5,577
		<u>1,117,334</u>	<u>1,230,282</u>	<u>1,406,734</u>	<u>1,231,711</u>
	<b>Cash</b>	<u>147,112</u>	<u>99,830</u>	<u>1,039</u>	<u>454</u>
	<b>Total current assets</b>	<u>1,264,446</u>	<u>1,330,112</u>	<u>1,407,773</u>	<u>1,232,165</u>
	<b>TOTAL ASSETS</b>	<u>1,394,649</u>	<u>1,512,701</u>	<u>1,529,091</u>	<u>1,495,405</u>

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

### Balance sheet

Note	USD	Group		Parent company	
		2019	2018	2019	2018
		<b>EQUITY AND LIABILITIES</b>			
		<b>Equity</b>			
11	Share capital	88,600	88,600	88,600	88,600
	Retained earnings	139,705	236,279	139,705	236,279
	<b>Total equity</b>	<b>228,305</b>	<b>324,879</b>	<b>228,305</b>	<b>324,879</b>
13	<b>Non-current liabilities</b>				
	Other payables	15,754	0	15,754	0
	<b>Total non-current liabilities</b>	<b>15,754</b>	<b>0</b>	<b>15,754</b>	<b>0</b>
	<b>Current liabilities</b>				
	Bank debt	593,059	532,019	593,059	532,019
	Construction contracts	130,215	0	0	0
	Trade payables	66,644	43,133	59,769	27,126
	Payables to group entities	0	29,790	504,811	337,386
	Corporation tax payable	15,364	43,203	0	0
	Payables to shareholders and Management	0	11,241	0	11,004
	Other payables	345,308	528,436	127,393	262,991
	<b>Total current liabilities</b>	<b>1,150,590</b>	<b>1,187,822</b>	<b>1,285,032</b>	<b>1,170,526</b>
	<b>Total liabilities</b>	<b>1,166,344</b>	<b>1,187,822</b>	<b>1,300,786</b>	<b>1,170,526</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,394,649</b>	<b>1,512,701</b>	<b>1,529,091</b>	<b>1,495,405</b>

- 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
<b>Equity at 31 December 2019</b>	<b>88,600</b>	<b>139,705</b>	<b>228,305</b>

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
<b>Equity at 31 December 2019</b>	<b>88,600</b>	<b>139,705</b>	<b>228,305</b>

## 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 2019 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.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### 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 6.6759.

#### 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.

#### 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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### 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



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

### Notes to the financial statements

#### 1 Accounting policies (continued)

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/loss 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).

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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

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.

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 deducted 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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

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.

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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### 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	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Gross margin ratio	$\frac{\text{Gross margin} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

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

### Notes to the financial statements

#### 2 Special items

USD	Group		Parent company	
	2019	2018	2019	2018
<b>Expenses</b>				
Provision for bad debt	0	-579,000	0	0
Provision for bad debt in group entities	0	0	0	-579,000
	0	-579,000	0	-579,000
<b>Special items are recognised in the below items of the financial statements</b>				
Other external expenses	0	-579,000	0	0
Income from Investments in group entities	0	0	0	-579,000
<b>Net profit/loss on special items</b>	<b>0</b>	<b>-579,000</b>	<b>0</b>	<b>-579,000</b>

#### 3 Staff costs

Wages/salaries	2,120,000	2,566,208	316,497	400,377
Pensions	22,735	26,292	22,735	26,292
Other social security costs	3,035	3,897	3,035	3,897
	2,145,770	2,596,397	342,267	430,566

Average number of full-time employees

	34	42	3	4
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#### 4 Amortisation/depreciation of intangible assets and property, plant and equipment

Amortisation of intangible assets	47,354	40,545	0	0
Depreciation of property, plant and equipment	15,849	15,849	0	0
	63,203	56,394	0	0

#### 5 Financial income

Exchange gains	85,202	130,218	66,167	93,734
Other financial income	607	0	607	0
	85,809	130,218	66,774	93,734

#### 6 Financial expenses

Exchange losses	97,460	113,447	66,376	73,889
Other financial expenses	11,525	11,922	11,525	11,922
	108,985	125,369	77,901	85,811

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

**Notes to the financial statements**

	Group		Parent company	
	2019	2018	2019	2018
USD				
<b>7 Tax for the year</b>				
Estimated tax charge for the year	15,364	63,025	0	0
Deferred tax adjustments in the year	12,341	-4,160	12,341	-4,160
Tax adjustments, prior years	-30,806	0	-29,348	0
	<u>-3,101</u>	<u>58,865</u>	<u>-17,007</u>	<u>-4,160</u>

**8 Intangible assets**

	Group
	Completed development projects
USD	
Cost at 1 January 2019	130,744
Additions	33,957
Cost at 31 December 2019	<u>164,701</u>
Impairment losses and amortisation at 1 January 2019	40,546
Amortisation for the year	47,354
Impairment losses and amortisation at 31 December 2019	<u>87,900</u>
Carrying amount at 31 December 2019	<u>76,801</u>

**Completed development projects**

Completed development projects include the Company's software system with a carrying amount of USD 76,801.

Further, 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

	<u>Group</u>
	<u>Fixtures and fittings, other plant and equipment</u>
USD	
Cost at 1 January 2019	217,856
Disposals	-114,495
Cost at 31 December 2019	<u>103,361</u>
Impairment losses and depreciation at 1 January 2019	143,943
Depreciation	15,849
Reversal of accumulated depreciation and impairment of assets disposed	-103,977
Impairment losses and depreciation at 31 December 2019	<u>55,815</u>
Carrying amount at 31 December 2019	<u>47,546</u>
	<u>Parent company</u>
	<u>Fixtures and fittings, other plant and equipment</u>
USD	
Cost at 1 January 2019	114,495
Disposals	-114,495
Cost at 31 December 2019	<u>0</u>
Impairment losses and depreciation at 1 January 2019	103,977
Reversal of accumulated depreciation and impairment of assets disposed	-103,977
Impairment losses and depreciation at 31 December 2019	<u>0</u>
Carrying amount at 31 December 2019	<u>0</u>

#### 10 Investments

	<u>Group</u>
	<u>Deposits, Investments</u>
USD	
Cost at 1 January 2019	6,137
Disposals	-281
Cost at 31 December 2019	<u>5,856</u>
Carrying amount at 31 December 2019	<u>5,856</u>

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

### Notes to the financial statements

#### 10 Investments (continued)

USD	Parent company		
	Investments in group entities	Deposits, Investments	Total
Cost at 1 January 2019	201,105	4,497	205,602
Disposals	0	-3	-3
Cost at 31 December 2019	201,105	4,494	205,599
Value adjustments at 1 January 2019	34,779	0	34,779
Profit/loss for the year	17,270	0	17,270
Reversal of prior year revaluations	-136,330	0	-136,330
Value adjustments at 31 December 2019	-84,281	0	-84,281
Carrying amount at 31 December 2019	116,824	4,494	121,318

#### Parent company

Name	Legal form	Domicile	Interest
<b>Subsidiaries</b>			
a-solutions DMCC	Limited	United Arab Emirates	100.00%
a-solutions UAB	Limited	Lithuania	100.00%
a-solutions East Africa	Limited	Kenya	100.00%
a-solutions West Africa	Limited	Nigeria	100.00%

USD	Parent company	
	2019	2018

#### 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	2019	2018	2017	2016	2015
Opening balance	88,600	88,600	80,545	80,545	80,545
Capital increase	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

	<u>Number</u>	<u>Nominal value</u>	<u>Share of capital</u>
		USD	
Treasury shares at 31 December 2019	22,000	3,295	4.00%

##### Parent company

	<u>Number</u>	<u>Nominal value</u>	<u>Share of capital</u>
		USD	
Balance at 1 January 2019	35,480	5,314	6.45%
Purchased in the year	5,500	824	1.00%
Sold in the year	-18,980	-2,843	-3.45%
Balance at 31 December 2019	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

Of the long-term liabilities, USD 0 falls due for payment after more than 5 years after the balance sheet date.

##### Parent company

Of the long-term liabilities, USD 0 falls due for payment after more than 5 years after the balance sheet date.

USD	<u>Group</u>		<u>Parent company</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>14 Deferred tax</b>				
Deferred tax at 1 January	-12,341	-8,181	-12,341	-8,181
Additions	12,341	-4,160	12,341	-4,160
Deferred tax at 31 December	0	-12,341	0	-12,341

**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	
	2019	2018	2019	2018
USD				
Rent and lease liabilities	4,494	4,832	4,494	4,832

**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 599,170, 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 bank guarantee of USD 34,717 has been provided, which expired in March 2020.

**Parent company**

A company charge of USD 599,170, 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.