



Tel.: +45 39 15 52 00  
koebenhavn@bdo.dk  
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab  
Havneholmen 29  
DK-1561 Copenhagen V  
CVR no. 20 22 26 70

**ALFAPEOPLE APS**  
**C/O MICHAEL GAARDBOE, GAMMEL STRANDVEJ 209, 3060 ESPERGÆRDE**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2018**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 11 July 2019**

---

**Michael Gaardboe**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 28 86 92 74**

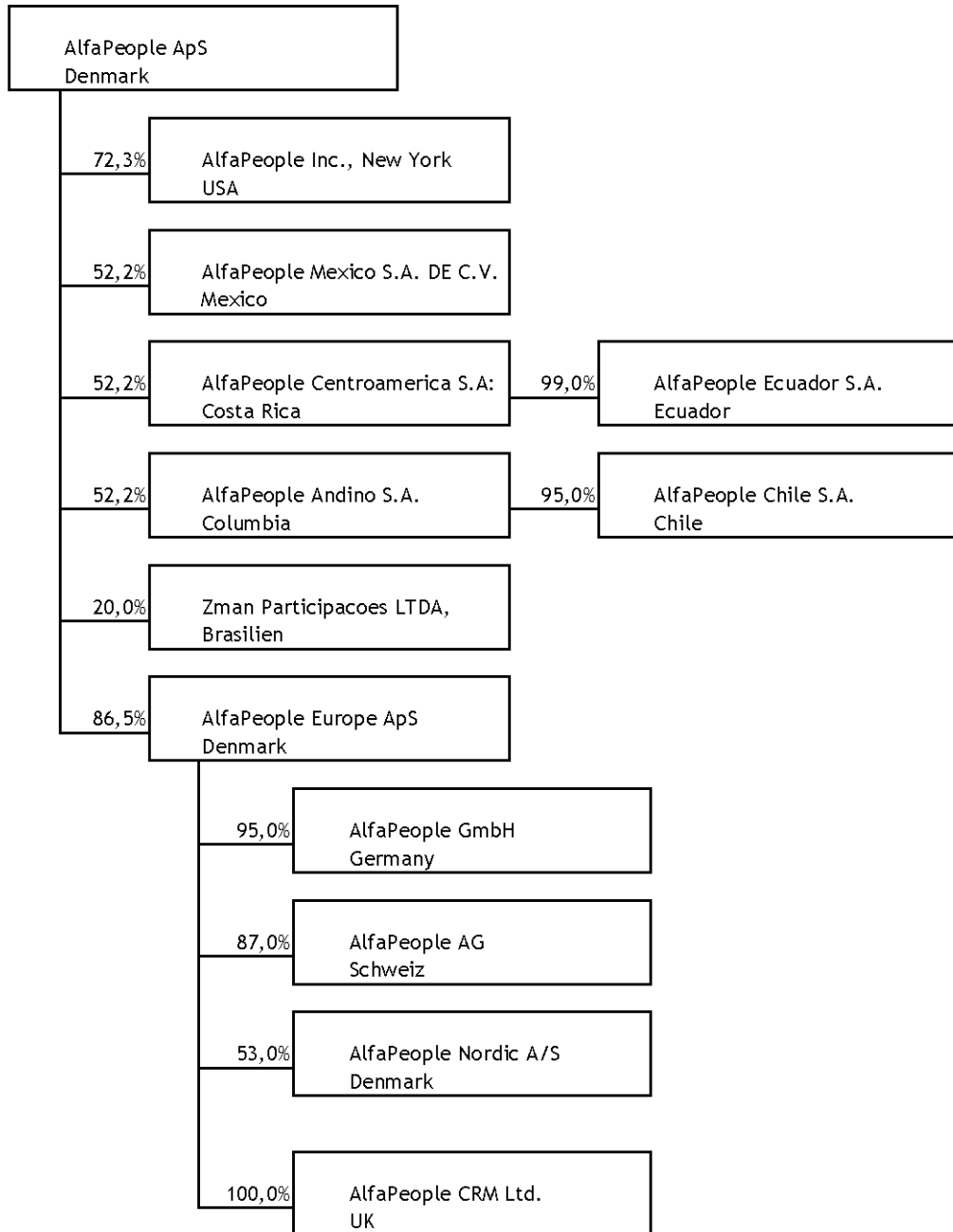
**CONTENTS**

	<b>Page</b>
<b>Company Details</b>	
Company Details.....	3
Group Structure.....	4
<b>Statement and Report</b>	
Statement by Board of Executives.....	5
Independent Auditor's Report.....	6-8
<b>Management's Review</b>	
Financial Highlights of the Group.....	9
Management's Review.....	10-11
<b>Consolidated and Parent Company Financial Statements 1 January - 31 December</b>	
Income Statement.....	12
Balance Sheet.....	13-14
Equity.....	15-16
Cash Flow Statement.....	17
Notes.....	18-22
Accounting Policies.....	23-29

**COMPANY DETAILS**

<b>Company</b>	AlfaPeople ApS c/o Michael Gaardboe Gammel Strandvej 209 3060 Espergærde  CVR No.: 28 86 92 74 Established: 1 July 2005 Registered Office: Elsinore Financial Year: 1 January - 31 December
<b>Board of Executives</b>	Michael Rasmussen
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
<b>Bank</b>	Nordea

## GROUP STRUCTURE



## STATEMENT BY BOARD OF EXECUTIVES

*Today the Board of Executives have discussed and approved the Annual Report of AlfaPeople ApS for the financial year 1 January - 31 December 2018.*

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

*In my opinion the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of Group's and the Company's financial position at 31 December 2018 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2018.*

*The Management's Review includes in my opinion a fair presentation of the matters dealt with in the Review.*

*I recommend the Annual Report be approved at the Annual General Meeting.*

Copenhagen, 11 July 2019

Board of Executives

---

Michael Rasmussen

## INDEPENDENT AUDITOR'S REPORT

*To the Shareholder of AlfaPeople ApS*

### **Opinion**

*We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of AlfaPeople ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. 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 assets, liabilities and financial position of the Group or the Company at 31 December 2018 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2018 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" section of our report. 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 requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.*

### **Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements**

*Management is responsible for the preparation of Consolidated Financial Statements and the 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 Consolidated Financial Statements and the Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.*

*In preparing the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.*

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements**

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

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

## INDEPENDENT AUDITOR'S REPORT

- *Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company 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.*

## INDEPENDENT AUDITOR'S REPORT

### **Statement on Management's Review**

*Management is responsible for Management's Review.*

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

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

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

*Based on the work we have performed, we conclude that Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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 Management's Review.*

Copenhagen, 11 July 2019

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Kim K. Sørensen  
State Authorised Public Accountant  
MNE no. mne34483



**FINANCIAL HIGHLIGHTS OF THE GROUP**

	2018 DKK '000	2017 DKK '000	2016 DKK '000	2015 DKK '000	2014 DKK '000
<b>Income statement</b>					
Net revenue.....	288.484	326.655	287.809	236.068	193.182
Operating profit/loss before depreciation/EBITDA.....	-6.671	43.180	31.545	11.847	16.398
Operating profit/loss.....	-7.189	40.425	28.900	9.230	14.184
Financial income and expenses, net.....	-115	-951	674	4.085	2.293
Profit/loss for the year.....	-8.443	26.049	14.285	3.810	7.708
<b>Balance sheet</b>					
Balance sheet total.....	135.934	141.848	202.882	181.439	157.010
Equity.....	49.392	71.700	133.710	115.465	108.439
<b>Cash flows</b>					
Investment in tangible fixed assets.....	-1.727	-905	-1.086	-2.133	-1.135
<b>Ratios</b>					
Profit margin.....	-2,5	12,4	10,4	3,9	7,3
Return on equity.....	-13,9	25,4	12,7	3,6	7,8

*The ratios stated in the list of key figures and ratios have been calculated as follows:*

*Profit margin:* 
$$\frac{\text{Operating profit/loss} \times 100}{\text{Net revenue}}$$

*Return on equity:* 
$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

*The ratios follow in all material respects the recommendations of the Danish Finance Society.*

## MANAGEMENT'S REVIEW

### **Principal activities**

The groups' main activities consist primarily of consulting services, software development and sales of standard Microsoft ERP and CRM software to a customer base consisting predominantly of enterprise or international organizations.

### **Development in activities and financial position**

After record activity and earnings in 2017, 2018 disappointed. A number of factors impacted the performance of the company. The single largest client engagement in 2018 did not progress as projected, four larger clients in Europe unexpectedly scaled down or stopped their engagements for non-related reasons and AlfaPeople participated in, but did not conclude, a larger M&A project that took management capacities away from operations for an extended period and generated significant non-recurring costs in 2018. In the last part of 2018, the company initiated a number of activities including changes to management and demand creation.

### **Europe**

AlfaPeople Nordic A/S experienced a disappointing drop in revenue and earnings due too high dependency on a few larger engagements with less than expected activities in 2018 and internal lack of focus on new business.

AlfaPeople Germany performed positively as expected and is developing well.

AlfaPeople Switzerland had a lossmaking and difficult 2018. Local management hired in 2017 didn't succeed with the business objectives in 2018 and was dismissed and replaced in March 2019. 1H 2019 is negatively impacted by decisions made 2H 2018. The change in local management has been positively received.

AlfaPeople UK has matured and is now able to compete for and prime enterprise engagements after we made the needed investments in 2017. AlfaPeople UK had a 2018 as expected and 2019 looks promising.

### **USA**

AlfaPeople USA had a disappointing lossmaking year due to lack of sufficient progress on a single, large engagement. A significant number of activities and a significant amount of non-charged work has been performed to secure the objectives and the long-term engagement after the client decided to expand the scope of the project and at the same time postpone milestones. The expected AlfaPeople USA earnings for 2019 depends on the progress of this project. The USA market is still over-heated and recruiting and retention is still a main challenge.

### **Latin America**

AlfaPeople Chile is the largest Microsoft Dynamics Partner in Chile and 2018 was profitable as expected.

AlfaPeople Colombia is the largest Microsoft Dynamics Partner in Colombia. Earnings and revenue were down compared to record 2017, but most objectives have been achieved as usual.

AlfaPeople Central America performed well in 2018 under new local management. In 2018, the increasing activities and positive earnings in Ecuador justified setting up a local office and new legal entity in the group from 2018.

## MANAGEMENT'S REVIEW

### **Profit/loss for the year compared to future expectations**

2018 was a disappointing year for AlfaPeople ApS after record revenue and earnings in 2017. Revenue decreased from t.DKK 326.655 in 2017 to t.DKK 288.484 , an decrease of 11.7% . Since 2018 was impacted severely by a number of rare events, the non-recurring nature of M&A efforts, 2019 is expected to show positive earning and growth.

### **Significant events after the end of the financial year**

No events have occurred after the end of the financial year of material importance for the company's financial position.

### **Special risks**

It is essential to monitor and manage risks relating to the current estimated earnings, liquidity and to adjust to activity and market.

### **Environmental situation**

It is the aim and policy of the group to protect the external environment. The group's area of activity does not result in any significant environmental impact.

### **Financial risks**

The Group's international operations in Europe and South America cause an impact on income and equity by various financial risks of both a cyclical and a monetary character. It is the group's policy to reduce such risks as necessary. The monetary risks are mainly related to the markets in England, Switzerland and South America.

There are no significant interest risks.

### **Research and development activities**

The group's knowledge resources are essential for growth and future earnings. We invest regularly in staff resources with specialized knowledge and ensure development through strategic conferences and courses.

There is an ongoing development of the group's product areas with a view to being in front in relation to demand, as well as being a popular and qualified partner.

### **Future expectations**

AlfaPeople have focus on using the technology to improve the turnover, which is a strong base the improve the future growth.

### **Treasury shares**

	2018 DKK '000	2017 DKK '000
The amount of own shares comprise of:		
AlfaPeople Europe, 68 stk. a nom. 1.000 kr.....	68	68
AlfaPeople Nordic, 206 stk. a nom. 1.000 kr.....	206	206
AlfaPeople Switzerland, 80 stk. a nom. 100 CHF.....	8	8
	<b>282</b>	<b>282</b>
Own shares in % of share capital:		
AlfaPeople Europe.....	13,5	13,5
AlfaPeople Nordic.....	23,0	23,0
AlfaPeople Switzerland.....	8,0	8,0
	<b>44,5</b>	<b>44,5</b>

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent company	
		2018 DKK '000	2017 DKK '000	2018 DKK '000	2017 DKK '000
<b>NET REVENUE</b> .....		<b>288.484</b>	<b>326.655</b>	<b>4.627</b>	<b>5.623</b>
Other operating income.....		1.042	955	0	0
Other external expenses.....		-77.792	-74.294	-883	-631
<b>GROSS PROFIT/LOSS</b> .....		<b>211.734</b>	<b>253.316</b>	<b>3.744</b>	<b>4.992</b>
Staff costs.....	1	-172.572	-173.517	0	0
Depreciation, amortisation and impairment losses.....		-2.890	-2.757	-3	-3
Other operating expenses.....		-43.461	-36.617	0	0
<b>OPERATING LOSS</b> .....		<b>-7.189</b>	<b>40.425</b>	<b>3.741</b>	<b>4.989</b>
Result of equity investments in group and associates.....	2	-214	0	-10.067	13.617
Other financial income.....	3	1.976	2.334	1.299	1.537
Other financial expenses.....	4	-2.091	-3.285	-736	-1.543
<b>LOSS BEFORE TAX</b> .....		<b>-7.518</b>	<b>39.474</b>	<b>-5.763</b>	<b>18.600</b>
Tax on profit/loss for the year.....	5	-925	-13.425	-988	-1.158
<b>LOSS FOR THE YEAR</b> .....	6	<b>-8.443</b>	<b>26.049</b>	<b>-6.751</b>	<b>17.442</b>

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent company	
		2018 DKK '000	2017 DKK '000	2018 DKK '000	2017 DKK '000
Goodwill.....		3.508	4.816	0	0
Development projects in progress and prepayments.....		4.921	0	0	0
<b>Intangible fixed assets.....</b>	<b>7</b>	<b>8.429</b>	<b>4.816</b>	<b>0</b>	<b>0</b>
Other plant, machinery, tools and equipment.....		2.028	1.850	8	11
<b>Tangible fixed assets.....</b>	<b>8</b>	<b>2.028</b>	<b>1.850</b>	<b>8</b>	<b>11</b>
Equity investments in group enterprises.....		0	1	37.625	48.872
Equity investments in associated enterprises.....		4.035	0	4.035	0
Rent deposit and other receivables.....		1.470	1.379	0	0
<b>Fixed asset investments.....</b>	<b>9</b>	<b>5.505</b>	<b>1.380</b>	<b>41.660</b>	<b>48.872</b>
<b>FIXED ASSETS.....</b>		<b>15.962</b>	<b>8.046</b>	<b>41.668</b>	<b>48.883</b>
Trade receivables.....		74.871	83.080	18	657
Contract work in progress.....		24.615	19.741	0	0
Receivables from parent company		0	2.263	18.229	11.075
Deferred tax assets.....	10	1.225	0	0	0
Other receivables.....		7.836	2.285	4.732	0
Prepayments and accrued income..		1.215	1.338	0	0
<b>Receivables.....</b>		<b>109.762</b>	<b>108.707</b>	<b>22.979</b>	<b>11.732</b>
<b>Cash and cash equivalents.....</b>		<b>10.210</b>	<b>25.095</b>	<b>3.246</b>	<b>690</b>
<b>CURRENT ASSETS.....</b>		<b>119.972</b>	<b>133.802</b>	<b>26.225</b>	<b>12.422</b>
<b>ASSETS.....</b>		<b>135.934</b>	<b>141.848</b>	<b>67.893</b>	<b>61.305</b>

## BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent company	
		2018 DKK '000	2017 DKK '000	2018 DKK '000	2017 DKK '000
Share capital.....		225	225	225	225
Revaluation reserve, equity method.....		0	0	26.406	35.721
Reserve for development costs.....		3.838	0	0	0
Retained earnings.....		31.204	43.295	8.635	7.575
Proposed dividend.....		0	10.000	0	10.000
Minority interests.....		14.125	18.180	0	0
<b>EQUITY.....</b>		<b>49.392</b>	<b>71.700</b>	<b>35.266</b>	<b>53.521</b>
Deferred tax assets.....	10	0	1.113	0	0
<b>PROVISION FOR LIABILITIES.....</b>		<b>0</b>	<b>1.113</b>	<b>0</b>	<b>0</b>
Bank debt.....		15.000	2.549	15.000	0
Trade payables.....		28.791	30.095	307	260
Payables to group enterprises.....		0	0	10.689	5.248
Corporation tax.....		6.986	9.937	2.149	1.157
Other liabilities.....		30.722	18.271	4.482	1.119
Accruals and deferred income.....		5.043	8.183	0	0
<b>Current liabilities.....</b>		<b>86.542</b>	<b>69.035</b>	<b>32.627</b>	<b>7.784</b>
<b>LIABILITIES.....</b>		<b>86.542</b>	<b>69.035</b>	<b>32.627</b>	<b>7.784</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>135.934</b>	<b>141.848</b>	<b>67.893</b>	<b>61.305</b>
Contingencies etc.	11				
Charges and securities	12				
Related parties	13				
Consolidated financial statements	14				

## EQUITY

	Group					Total
	Share capital	Reserve for development costs	Retained profit	Proposed dividend	Minority shareholders	
Equity at 1 January 2018.....	225	0	43.773	10.000	18.617	72.615
Change of equity due to correction of errors.....			-478		-437	-915
<b>Adjusted equity at 1 January 2018.....</b>	<b>225</b>	<b>0</b>	<b>43.295</b>	<b>10.000</b>	<b>18.180</b>	<b>71.700</b>
Dividend paid.....				-10.000		-10.000
Foreign exchange adjustments.....			-842			-842
Value adjustments of equity.....			-3.023			-3.023
Proposed distribution of profit.....			-4.388		-4.055	-8.443
Transferred to reserve for development costs.....		3.838	-3.838			
<b>Equity at 31 December 2018.....</b>	<b>225</b>	<b>3.838</b>	<b>31.204</b>	<b>0</b>	<b>14.125</b>	<b>49.392</b>

## EQUITY

	Parent company				Total
	Share capital	Revaluation reserve, equity method	Retained profit	Proposed dividend	
Equity at 1 January 2018.....	225	36.198	7.577	10.000	54.000
Change of equity due to correction of errors.....		-478			-478
<b>Adjusted equity at 1 January 2018.....</b>	<b>225</b>	<b>35.720</b>	<b>7.577</b>	<b>10.000</b>	<b>53.522</b>
Dividend paid.....				-10.000	-10.000
Foreign exchange adjustments.....		-839			-839
Value adjustments of equity.....			-666		-666
Proposed distribution of profit.....		-8.475	1.724		-6.751
<b>Equity at 31 December 2018.....</b>	<b>225</b>	<b>26.406</b>	<b>8.635</b>	<b>0</b>	<b>35.266</b>



**CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER**

	<b>Group</b>	
	<b>2018</b> DKK '000	<b>2017</b> DKK '000
Profit/loss for the year.....	-8.443	26.049
Reversed depreciation of the year .....	2.890	2.757
Change liabilities.....	8.922	-21.283
Foreign exchange adjustments.....	-836	-2.673
Profit/loss from associates.....	214	0
Other adjustments.....	0	14.375
Corporation tax paid.....	-5.289	-5.202
Change in receivables.....	5.044	72.691
Contract work in progress.....	-4.874	-5.973
<b>CASH FLOWS FROM OPERATING ACTIVITY.....</b>	<b>-2.372</b>	<b>80.741</b>
Purchase of intangible fixed assets.....	-4.953	-75
Purchase of tangible fixed assets.....	-1.731	-905
Changes in financial assets .....	0	-333
Purchase of financial assets.....	-4.644	0
Sale of financial assets.....	0	4.231
<b>CASH FLOWS FROM INVESTING ACTIVITY .....</b>	<b>-11.328</b>	<b>2.918</b>
Purchase of own shares.....	0	-159
Minority interest .....	-3.636	-4.542
Dividend paid in the financial year.....	-10.000	-75.000
<b>CASH FLOWS FROM FINANCING ACTIVITY.....</b>	<b>-13.636</b>	<b>-79.701</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>-27.336</b>	<b>3.958</b>
Cash and cash equivalents at 1. januar.....	22.546	18.588
<b>CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....</b>	<b>-4.790</b>	<b>22.546</b>
Specification of cash and cash equivalents at 31 December:		
Cash and cash equivalents.....	10.210	25.095
Bank debt.....	-15.000	-2.549
<b>CASH AND CASH EQUIVALENTS, NET DEBT.....</b>	<b>-4.790</b>	<b>22.546</b>

## NOTES

	Group		Parent company		Note
	2018 DKK '000	2017 DKK '000	2018 DKK '000	2017 DKK '000	
<b>Staff costs</b>					<b>1</b>
Average number of employees Group: 338 (2017: 294) Parent company: 1 (2017: 1)					
Wages and salaries.....	141.818	145.187	0	0	
Pensions.....	4.317	4.306	0	0	
Social security costs.....	11.596	11.309	0	0	
Other staff costs.....	14.841	12.715	0	0	
	<b>172.572</b>	<b>173.517</b>	<b>0</b>	<b>0</b>	
<b>Result of equity investments in group and associates</b>					<b>2</b>
Result of equity investments in group enterprises.....	0	0	-9.853	13.617	
Result of equity investments in associated enterprises.....	-214	0	-214	0	
	<b>-214</b>	<b>0</b>	<b>-10.067</b>	<b>13.617</b>	
<b>Other financial income</b>					<b>3</b>
Group enterprises.....	409	1.583	208	0	
Other interest income.....	1.567	751	1.091	1.537	
	<b>1.976</b>	<b>2.334</b>	<b>1.299</b>	<b>1.537</b>	
<b>Other financial expenses</b>					<b>4</b>
Other interest expenses.....	2.091	3.285	736	1.543	
	<b>2.091</b>	<b>3.285</b>	<b>736</b>	<b>1.543</b>	
<b>Tax on profit/loss for the year</b>					<b>5</b>
Calculated tax on taxable income of the year.....	719	15.813	988	1.157	
Adjustment of tax in previous years..	0	0	0	1	
Adjustment of deferred tax.....	206	-2.388	0	0	
	<b>925</b>	<b>13.425</b>	<b>988</b>	<b>1.158</b>	

## NOTES

	Group		Parent company		Note
	2018 DKK '000	2017 DKK '000	2018 DKK '000	2017 DKK '000	
<b>Proposed distribution of profit</b>					<b>6</b>
Proposed dividend for the year.....	0	10.000	0	10.000	
Allocation to reserve for net revaluation under the equity method....	0	0	-8.475	13.423	
Retained earnings.....	-4.388	7.442	1.724	-5.981	
Minority interest .....	-4.055	8.607	0	0	
	<b>-8.443</b>	<b>26.049</b>	<b>-6.751</b>	<b>17.442</b>	
 <b>Intangible fixed assets</b>					<b>7</b>
			Group		
			Goodwill	Development projects in progress and prepayments	
Cost at 1 January 2018.....			13.946	0	
Additions.....			32	4.921	
<b>Cost at 31 December 2018.....</b>			<b>13.978</b>	<b>4.921</b>	
Amortisation at 1 January 2018.....			9.129	0	
Amortisation for the year.....			1.341	0	
<b>Amortisation at 31 December 2018.....</b>			<b>10.470</b>	<b>0</b>	
<b>Carrying amount at 31 December 2018.....</b>			<b>3.508</b>	<b>4.921</b>	
 <b>Tangible fixed assets</b>					<b>8</b>
			Group		
			Other plant, machinery, tools and equipment		
Cost at 1 January 2018.....			6.356		
Additions.....			1.731		
<b>Cost at 31 December 2018.....</b>			<b>8.087</b>		
Revaluation at 1 January 2018.....			21		
<b>Revaluation at 31 December 2018.....</b>			<b>21</b>		
Depreciation and impairment losses at 1 January 2018.....			4.527		
Depreciation for the year.....			1.553		
<b>Depreciation and impairment losses at 31 December 2018.....</b>			<b>6.080</b>		
<b>Carrying amount at 31 December 2018.....</b>			<b>2.028</b>		

## NOTES

Note

	<u>Parent company</u>
	Other plant, machinery, tools and equipment
Cost at 1 January 2018.....	16
<b>Cost at 31 December 2018.....</b>	<b>16</b>
Depreciation and impairment losses at 1 January 2018.....	5
Depreciation for the year.....	3
<b>Depreciation and impairment losses at 31 December 2018.....</b>	<b>8</b>
<b>Carrying amount at 31 December 2018.....</b>	<b>8</b>

## Fixed asset investments

9

	<u>Group</u>		
	Equity investments in group enterprises	Equity investments in associated enterprises	Rent deposit and other receivables
Cost at 1 January 2018.....	-27.497	0	1.470
Additions.....	0	4.644	0
<b>Cost at 31 December 2018.....</b>	<b>-27.497</b>	<b>4.644</b>	<b>1.470</b>
Revaluation at 1 January 2018.....	36.197	0	0
Revaluation for the year.....	-8.700	-609	0
<b>Revaluation at 31 December 2018.....</b>	<b>27.497</b>	<b>-609</b>	<b>0</b>
<b>Carrying amount at 31 December 2018.....</b>	<b>0</b>	<b>4.035</b>	<b>1.470</b>

	<u>Parent company</u>	
	Equity investments in group enterprises	Equity investments in associated enterprises
Cost at 1 January 2018.....	13.152	0
Additions.....	0	4.644
<b>Cost at 31 December 2018.....</b>	<b>13.152</b>	<b>4.644</b>
Revaluation at 1 January 2018.....	36.197	0
Revaluation for the year.....	-11.724	-609
<b>Revaluation at 31 December 2018.....</b>	<b>24.473</b>	<b>-609</b>
<b>Carrying amount at 31 December 2018.....</b>	<b>37.625</b>	<b>4.035</b>

**NOTES**

**Note**

**Investments in subsidiaries**

Name and registered office	Ownership
AlfaPeople Europe ApS, Denmark, Elsinore.....	86,5 %
AlfaPeople Andino S.A., Colombia.....	52,2 %
AlfaPeople Centroamerica S.A., Costa Rica.....	52,2 %
AlfaPeople Mexico S.As DE. C.V., Mexico.....	52,2 %
AlfaPeople Inc. USA, USA.....	72,3 %
 Subsidiarys in AlfaPeople Europe, Denmark	
AlfaPeople GmbH, Germany.....	95 %
AlfaPeople AG, Switzerland.....	87 %
AlfaPeople Nordic, Denmark.....	53 %
AlfaPeople CRM Ltd., UK.....	100 %
 Subsidiarys in AlfaPeople Andino S.A., Colombia	
AlfaPeople Andino S.A., Colombia, Chile.....	95 %
 Subsidiarys in AlfaPeople Centroamerica S.A. Costa Rica	
AlfaPeople Ecuador S.A. , Ecuador.....	99 %

**Investments in associates**

Name and registered office	Ownership
Alfapeople do Brasil S.A., Brazil.....	20 %

**Deferred tax assets**

**10**

Provision for deferred tax comprises deferred tax on contract work in progress, inventory, intangible and tangible fixed assets and provision for bad debts.

	Group		Parent company	
	2018	2017	2018	2017
	DKK '000	DKK '000	DKK '000	DKK '000
Deferred tax, beginning of year.....	-1.113	-907	0	0
Deferred tax of the year, income statement.....	2.338	-206	0	0
 <b>Deferred tax assets 31 December 2018.....</b>	 <b>1.225</b>	 <b>-1.113</b>	 <b>0</b>	 <b>0</b>

The company's deferred tax assets are included in the balance sheet by 1.225 t.kr. The deferred tax assets are based on the expectation of a positive fiscal profit in the next few years, whereby the deferred tax assets are expected to be fully utilized.

**NOTES**

	<b>Note</b>
<p><b>Contingencies etc.</b>  <b>Group:</b>                      The group has no contingent assets.</p> <p>The individual group companies have issued warranties to the groups' largest supplier for the groups' total ongoing commitments.</p> <p>The group has entered into operating rent agreements etc. for which the total future liability totals approx. TDKK 9.757.</p> <p>The group has entered into lease agreements etc. for which the total future liability totals approx. TDKK 1.049.</p> <p>The Danish group companies is jointly taxed, and is jointly and severally liable for tax on the group's jointly taxed income. The groups' joint taxation of tax payable on income is shown in the annual report for Gaarboe ApS which is the management company for the joint taxation. Further to this the group has issued usual warranties for work delivered.</p>	<p><b>11</b></p>
<p><b>Joint liabilities</b>                      The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.</p> <p>Tax payable on the Group's joint taxable income is stated in the annual report of Gaardboe ApS, which serves as management company for the joint taxation.</p>	
<p><b>Charges and securities</b>                      The group has provided floating charge amounting to TDKK 1.000 for an outstanding credit of t.DKK 8.353. The charging amount of the assets provided as security is total t.DKK 19.240.</p>	<p><b>12</b></p>
<p><b>Related parties</b>                      The Company's related parties include:</p>	<p><b>13</b></p>
<p><b>Controlling interest</b>                      Gaardboe ApS as owner of the capital. Ultimate shareholder is Michael Gaardboe, managing director, Gammel Strandvej 209A, 3060 Espergærde.</p> <p>The annual accounts of AlfaPeople ApS is part of the group accounts of Gaardboe ApS, CVR-No. 30 08 28 85, Helsingør, Denmark.</p>	
<p><b>Transactions with related parties</b>                      The company did not carry out any material transactions that were not concluded on market conditions.</p>	
<p><b>Consolidated financial statements</b>                      The company is included in the consolidated financial statement of Gaardboe ApS the parent company, Gammel Strandvej 209A 3060 Espergærde, CVR-no 30 08 28 85.</p>	<p><b>14</b></p>

## ACCOUNTING POLICIES

The Annual Report of AlfaPeople ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium enterprise.

The Annual Report is prepared consistently with the accounting principles applied last year.

### **Change of equity due to correction of errors**

Due to loss in legal proceedings in one of the groups subsidiaries regarding previous financial period, the groups retained profit has been corrected with -478 t.kr., minority share with -437 t.kr. and foreign exchange adjustment with -5 t.kr. offset by other liabilities.

The correction in the group income statement is 0 kr. And the correction is -920 t.kr. in the group equity, offset in the balance sheet by -920 t.kr.

Additionally the parent company revaluation reserve has been corrected with -478 t.kr and the foreign exchange rate adjustment of -2 t.kr. offset by Equity investments in group enterprises. The correction in the parent company income statement is 0 kr. And the correction is -480 t.kr. in the parent equity, offset in the balance sheet by -480 t.kr.

The correction includes comparative figures which has been corrected by the same amounts.

### **Consolidated financial statements**

The consolidated financial statements include the parent company AlfaPeople ApS and its subsidiaries in which AlfaPeople ApS directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group structure.

The consolidated financial statements consolidate the financial statements of the parent company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

New acquired or established enterprises are recognised in the consolidated financial statements from the time of acquisition. Sold or wound up enterprises are recognised in the consolidated income statement up to the time of disposal. Comparative figures are not adjusted for new acquired, sold or wound up enterprises.

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, built on an overall assessment of the production equipment.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' market value of net assets and liabilities at the acquisition date.

Positive differences between acquisition value and market value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the Income Statement under an individual assessment of the useful life. Negative differences are recognised in the Income Statement upon acquisition. Differences from acquired enterprises amounts to DKK ('000).

### **Minority interests**

The accounting items of the subsidiaries are recognised in full in the consolidated financial statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and in individual main items under equity.

## ACCOUNTING POLICIES

### INCOME STATEMENT

#### **Net revenue**

*Net revenue from sale of services ect. is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.*

#### **Other operating income**

*Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible fixed assets.*

#### **Other operating expenses**

*Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.*

#### **Other external expenses**

*Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.*

#### **Staff costs**

*Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.*

#### **Investments in subsidiaries**

*The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.*

#### **Financial income and expenses**

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

*Interest and other costs of borrowing for financing of manufacture of current assets and fixed assets are not recognised in the cost price.*

#### **Tax**

*The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.*

*The company is jointly taxed with Danish group companies. The current corporation tax is distributed between the jointly taxed companies in proportion to their taxable income, and with full distribution with refund regarding taxable losses. The jointly taxed companies are included in the tax-on-account scheme.*

### BALANCE SHEET

#### **Intangible fixed assets**



## ACCOUNTING POLICIES

*Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to between 5 to 10 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the segment-specific conditions.*

*Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.*

**ACCOUNTING POLICIES**

**Tangible fixed assets**

Other plants, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	<i>Useful life</i>	<i>Residual value</i>
Other plant, fixtures and equipment.....	3-5 years	0-30 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

**Fixed asset investments**

Investments in subsidiaries are measured in the company's balance sheet under the equity method.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated in accordance with the acquisition method.

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value. The acquisition method is used on purchase of subsidiaries, see description above under consolidated financial statements.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the parent company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds accounts receivable, the residual amount is recognised under provision for liabilities to the extent that the parent company's has a legal or actual liability to cover the subsidiary's negative balance.

## ACCOUNTING POLICIES

### **Impairment of fixed assets**

*The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.*

*In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.*

*The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.*

### **Group companies not recognized in the group annual report**

*The group companies, the subsidiaries AlfaPeople Do Brasis Consultoria De Informatica LTDA and Caps CRM Consultoria De Informatica LTDA are excluded from the consolidation as, by agreement, these companies constitute significant and sustained barriers to the exercise of rights over the companies' assets or management. In addition, the fact is that companies have negative equity.*

*Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.*

### **Receivables**

*Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.*

### **Contract work in progress**

*Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the balance sheet date and the total anticipated revenue related to the specific piece of work in progress.*

*The specific piece of work in progress is recognised in the Balance Sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.*

*Costs relating to sales work and obtaining of contracts are recognised in the Income Statement as and when they are incurred.*

### **Accruals, assets**

*Accruals recognised as assets include costs incurred relating to the subsequent financial year.*

### **Tax payable and deferred tax**

*Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.*

*Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.*

*Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.*

*Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.*

## ACCOUNTING POLICIES

### **Liabilities**

*Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.*

*Other liabilities which include debt to suppliers, subsidiaries and associates and other debt are measured at amortised cost which usually corresponds to the nominal value.*

### **Accruals, liabilities**

*Accruals recognised as liabilities include payments received regarding income in subsequent years.*

### **Foreign currency translation**

*Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.*

*If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.*

*Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.*

*Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.*

*On recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the balance sheet date. The items of the income statement are translated at the average rate for the year.*

*The income statements of foreign subsidiaries and associates fulfilling the criteria for being independent entities are translated at an average exchange rate for the month and balance sheet items are translated at the rate of exchange on the balance sheet date. Exchange differences arising from translation of the equity of foreign subsidiaries at the beginning of the year to the rates of the balance sheet date and from translation of income statements from average rate to the rates of the balance sheet date are recognised directly in the equity.*

*Exchange adjustment of intercompany accounts with foreign subsidiaries that are deemed to be an addition to or deduction from the equity of independent subsidiaries are recognised directly in the equity.*

## CASH FLOW STATEMENT

*With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.*

*The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.*

### **Cash flows from operating activities:**

*Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.*

## ACCOUNTING POLICIES

### *Cash flows from investing activities:*

*Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.*

### *Cash flows from financing activities:*

*Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.*

### *Cash and cash equivalents:*

*Cash and cash equivalents include bank overdraft and cash in hand.*

# PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registreret, og informationerne er listet herunder.

“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

## Michael Rasmussen

Direktør

Serienummer: PID:9208-2002-2-514219730957

IP: 212.27.xxx.xxx

2019-07-12 11:24:11Z

NEM ID 

## Kim K. Sørensen

Statsautoriseret revisor

Serienummer: CVR:20222670-RID:79510020

IP: 77.243.xxx.xxx

2019-07-12 11:25:09Z

NEM ID 

## Michael Gaardboe

Dirigent

Serienummer: PID:9208-2002-2-856145141732

IP: 77.241.xxx.xxx

2019-07-14 13:05:25Z

NEM ID 

Penneo dokumentnøgle: FAP77-VYB86-PL86T-GI70K-F2DAC-4XGF1

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstemplet med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

### Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service** <penneo@penneo.com>. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejret i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validate>