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

ALFAPEOPLE APS

GAMMEL STRANDVEJ 209, 3060 ESPERGÆRDE

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2017

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 31 May 2018

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

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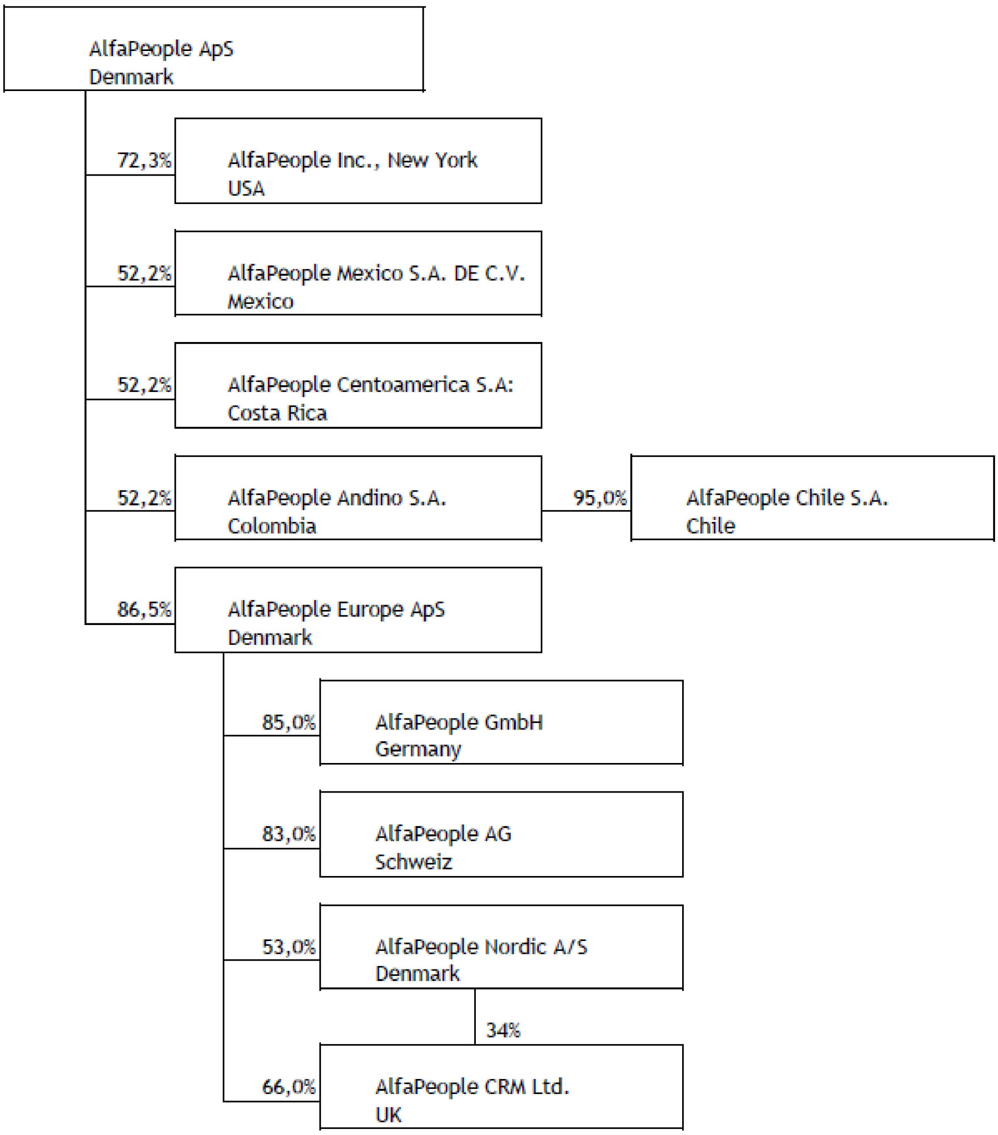
COMPANY DETAILS

Company	AlfaPeople ApS Gammel Strandvej 209 3060 Espergærde	
	CVR no.:	28 86 92 74
	Established:	1 June 2005
	Registered Office:	Elsinore
	Financial Year:	1 January - 31 December
Board of Executives	Michael Gaardboe	
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V	
Bank	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 2017.

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 2017 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2017.

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, 31 May 2018

Board of Executives

Michael Gaardboe

INDEPENDENT AUDITOR'S REPORT

To the Shareholders 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 2017, 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 and the Parent Company at 31 December 2017 and of the results of the Group and the Parent Company operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Responsibility for 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:

- *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.

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.

INDEPENDENT AUDITOR'S REPORT

Copenhagen, 31 May 2018

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jens Haugbyrd	Kim K. Sørensen
State Authorised Public Accountant	State Authorised Public Accountant
MNE no. mne6161	MNE no. mne34483

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FINANCIAL HIGHLIGHTS OF THE GROUP

	2017 DKK '000	2016 DKK '000	2015 DKK '000	2014 DKK '000	2013 DKK '000
Income statement					
Net revenue	326.655	287.809	236.068	193.182	153.454
Operating profit/loss before depreciation/EBITDA	43.180	31.545	11.847	16.398	-856
Operating profit/loss	40.425	28.900	9.230	14.184	-1.346
Financial income and expenses, net	-951	674	4.085	2.293	1.431
Profit/loss for the year	26.049	14.285	3.810	7.708	468
Balance sheet					
Balance sheet total	143.776	202.882	181.439	157.010	149.339
Equity	72.615	133.710	115.465	108.439	96.613
Cash flows					
Investment in tangible fixed assets	-905	-1.086	-2.133	-1.135	-896
Ratios					
Profit margin	12,4	10,4	3,9	7,3	-0,9
Return on equity	25,3	12,7	3,6	7,8	0,0

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

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

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

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
Besides significantly improving our financial performance, we also achieved significant progress with our strategic projects and business development. Our focused strategy providing front office ERP and CRM solutions to larger, mostly international, enterprise clients works well. The increased recognition from the market as well as Microsoft, allows for expectations of future international growth in both revenue and earnings for 2018.

Europe
AlfaPeople Nordic A/S maintained high revenue and earnings in Denmark and achieved its business objectives. On top of that, Denmark contributed significantly to the rest of Europe in both operations and business development.

Germany is well through the changes applied previous year and profitability has improved significantly and we will see above average growth in the German activities
AlfaPeople Switzerland had a difficult 1H 2017, but managed break-even after a disappointing 1H and following change of management. New management is in place and 2018 will continue previous years profitability

AlfaPeople UK was in controlled investment mode in 2017 and we applied a significant larger sales and Marketing organization as well as made significant investments in upgrading our internal procedures and compliance, Incl. ISO 9001 and 27001 certifications, to meet requirements for future enterprise clients as we move up in the market and engage with larger clients than previously. Our revenue is now from engagements we sell, as opposed to previous years where we depended too much on subcontracting work from larger System Integrators.

USA
In 2017, AlfaPeople USA had the highest growth in the group and significant earnings mainly from a one significant engagement. The organization have seen significant growth but also significant growth in our use of subcontractors. The USA market is over heated and recruiting and retention was the main challenge in 2017 and will be in 2018. Orderbook for 2018 is almost full even with scaled down and limited sales activity.

Latin America
AlfaPeople Chile is the largest Microsoft Dynamics Partner in Chile and this year again recognized by Microsoft with the "Latam Partner of the Year" award. Chile had the second highest growth in the group and it will continue in 2018, while maintaining high earnings. AlfaPeople also manage AlfaPeople Mexico, which will a focus area for business development in 2018.

AlfaPeople Colombia is the largest Microsoft Dynamics Partner in Colombia. Contiued solid earnings was focus and objectives have been achieved as usual.

AlfaPeople Central America performed well in 2017 and at the end of the year a planed management succession was implemented together with a new growth and expansion strategy. 2018 will maintain profitability but the growth strategy has priority.

AlfaPeople Brazil is an associated entity with AlfaPeople ApS holding 20% of the shares. AlfaPeople Brazil has not only maintained the position as the largest Microsoft Dynamics Partner in Brazil. It also achieved some growth but focused on creating the record positive result while doing significant business development and expanding the service offering to cover the full Dynamics 365, including now an ERP practice

MANAGEMENT'S REVIEW

Profit/loss for the year compared to future expectations
2017 was another good year for AlfaPeople ApS with high activity. Revenue increased from t.DKK 287.807 in 2016 to t.DKK 326.655 , an increase of 13% organic growth. All 3 markets, Europe, USA and LATAM were profitable and the consolidated EBITDA of t.DKK 40.425 was according to our budget expectations.

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

	2017 DKK '000	**2016** DKK '000
The amount of own shares comprise of:		
AlfaPeople Europe, 68 stk. a nom. 1.000 kr.	67.500	67.500
AlfaPeople Nordic, 206 stk. a nom. 1.000 kr.	206.036	206.036
AlfaPeople Switzerland, 80 stk. a nom. 100 CHF	8.000	4.000
	281.536	**277.536**
Own shares in % of share capital:		
AlfaPeople Europe	13,5	13,5
AlfaPeople Nordic	23,0	23,0
AlfaPeople Switzerland	8,0	4,0
	44,5	**40,5**

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

		Group		Parent company	
	Note	**2017** DKK '000	**2016** DKK '000	**2017** DKK '000	**2016** DKK '000
NET REVENUE		**326.655**	**287.809**	**5.623**	**4.498**
Other operating income		955	1.198	0	50
Other external expenses		-74.294	-63.140	-631	-403
GROSS PROFIT/LOSS		**253.316**	**225.867**	**4.992**	**4.145**
Staff costs	1	-173.517	-154.213	0	-1.200
Depreciation, amortisation and impairment losses		-2.757	-2.650	-3	-2
Other operating expenses		-36.617	-40.104	0	0
OPERATING PROFIT		**40.425**	**28.900**	**4.989**	**2.943**
Result of equity investments in group and associates	2	0	-355	13.617	9.814
Other financial income	3	2.334	3.492	1.537	3.313
Other financial expenses	4	-3.285	-3.812	-1.543	-503
PROFIT BEFORE TAX		**39.474**	**28.225**	**18.600**	**15.567**
Tax on profit/loss for the year	5	-13.425	-7.299	-1.158	-1.281
PROFIT FOR THE YEAR	6	**26.049**	**20.926**	**17.442**	**14.286**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group 2017 DKK '000	Group 2016 DKK '000	Parent company 2017 DKK '000	Parent company 2016 DKK '000
Goodwill		4.816	6.082	0	0
Intangible fixed assets	7	**4.816**	**6.082**	**0**	**0**
Other plant, machinery, tools and equipment		1.850	2.361	11	14
Tangible fixed assets	8	**1.850**	**2.361**	**11**	**14**
Equity investments in group enterprises		0	0	49.349	38.749
Equity investments in associated enterprises		0	4.234	0	4.234
Rent deposit and other receivables		1.379	1.046	0	0
Fixed asset investments	9	**1.379**	**5.280**	**49.349**	**42.983**
FIXED ASSETS		**8.045**	**13.723**	**49.360**	**42.997**
Trade receivables		83.080	70.676	657	298
Contract work in progress		19.741	13.461	0	0
Receivables from parent company		2.263	78.634	11.075	85.279
Provision for deferred tax	10	168	356	0	0
Other receivables		2.285	2.090	0	0
Corporation tax receivable		1.760	2.667	0	0
Prepayments and accrued income	11	1.338	1.503	0	0
Receivables		**110.635**	**169.387**	**11.732**	**85.577**
Cash and cash equivalents		**25.096**	**19.772**	**691**	**1.609**
CURRENT ASSETS		**135.731**	**189.159**	**12.423**	**87.186**
ASSETS		**143.776**	**202.882**	**61.783**	**130.183**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2017 DKK '000	Group 2016 DKK '000	Parent company 2017 DKK '000	Parent company 2016 DKK '000
Share capital		225	225	225	225
Revaluation reserve, equity method		0	0	36.199	24.832
Retained earnings		43.773	43.933	7.575	19.102
Proposed dividend		10.000	75.000	10.000	75.000
Minority interests		18.617	14.552	0	0
EQUITY		**72.615**	**133.710**	**53.999**	**119.159**
Provision for deferred tax	10	1.281	1.263	0	0
PROVISION FOR LIABILITIES		**1.281**	**1.263**	**0**	**0**
Bank debt		2.549	1.184	0	0
Trade payables		30.095	21.343	260	228
Payables to parent company		0	3.867	5.248	2.133
Corporation tax		11.697	4.587	1.157	0
Other liabilities		17.356	29.053	1.119	8.663
Accruals and deferred income		8.183	7.875	0	0
Current liabilities		**69.880**	**67.909**	**7.784**	**11.024**
LIABILITIES		**69.880**	**67.909**	**7.784**	**11.024**
EQUITY AND LIABILITIES		**143.776**	**202.882**	**61.783**	**130.183**

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EQUITY

	Group				
	Share capital	Retained profit	Proposed dividend	Minority shareholders	Total
Equity at 1 January 2017	225	43.931	75.000	14.552	133.708
Change of equity due to correction of errors		-5.717			-5.717
Purchase of own equity investments		-159			-159
Dividend paid			-75.000		-75.000
Foreign exchange adjustments		-1.724			-1.724
Disposals				-4.542	-4.542
Proposed distribution of profit		7.442	10.000	8.607	26.049
Equity at 31 December 2017	**225**	**43.773**	**10.000**	**18.617**	**72.615**

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EQUITY

	Parent company				
	Share capital	Reserve for net revaluation according to equity va	Retained profit	Proposed dividend	Total
Equity at 1 January 2017	225	24.833	19.101	75.000	119.159
Change of equity due to correction of errors			-5.545		-5.545
Adjusted equity at 1 January 2017	**225**	**24.833**	**13.556**	**75.000**	**113.614**
Dividend paid				-75.000	-75.000
Foreign exchange adjustments		-1.724			-1.724
Value adjustments of equity		-174			-174
Purchase of own equity investments		-159			-159
Proposed distribution of profit		13.423	-5.981	10.000	17.442
Equity at 31 December 2017	**225**	**36.199**	**7.575**	**10.000**	**53.999**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2017 DKK '000	**2016** DKK '000
Profit/loss for the year	26.049	20.926
Other liabilities	-21.283	-6.928
Adjustment of other financial income	611	3.917
Adjustment of other financial expenses	-3.284	-3.811
Other adjustments	17.132	10.621
Corporation tax paid	-5.201	-7.687
Account payables	8.752	-71
Contract work in progress	-5.973	231
Account receivables	63.939	-15.627
CASH FLOWS FROM OPERATING ACTIVITY	**80.742**	**1.571**
Purchase of intangible fixed assets	-75	-1.015
Purchase of tangible fixed assets	-905	-671
Change in financial assets	-333	915
CASH FLOWS FROM INVESTING ACTIVITY	**-1.313**	**-771**
Purschase of own shares	-159	-242
Minority interest	-4.542	-1.697
Sale of interests in associates	4.231	0
Dividend paid in the financial year	-75.000	0
CASH FLOWS FROM FINANCING ACTIVITY	**-75.470**	**-1.939**
CHANGE IN CASH AND CASH EQUIVALENTS	**3.959**	**-1.139**
Cash and cash equivalents at 1. januar	18.588	19.727
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**22.547**	**18.588**
Specification of cash and cash equivalents at 31 December:		
Cash and cash equivalents	25.096	19.772
Bank debt	-2.549	-1.184
CASH AND CASH EQUIVALENTS, NET DEBT	**22.547**	**18.588**

NOTES

	Group 2017 DKK '000	Group 2016 DKK '000	Parent company 2017 DKK '000	Parent company 2016 DKK '000	Note
Staff costs					1
Average number of employees Group: 294 (2016: 246)					
Parent company: 1 (2016: 1)					
Wages and salaries	145.187	132.716	0	1.200	
Pensions	4.306	3.754	0	0	
Social security costs	11.309	8.352	0	0	
Other staff costs	12.715	9.391	0	0	
	173.517	**154.213**	**0**	**1.200**	
Remuneration of management of the parent company	0	1.200	0	1.200	
	0	**1.200**	**0**	**1.200**	
Result of equity investments in group and associates					2
Result of equity investments in group enterprises	0	0	13.617	10.169	
Result of equity investments in associated enterprises	0	-355	0	-355	
	0	**-355**	**13.617**	**9.814**	
Other financial income					3
Group enterprises	1.583	3.107	0	0	
Other interest income	751	385	1.537	3.313	
	2.334	**3.492**	**1.537**	**3.313**	
Other financial expenses					4
Other interest expenses	3.285	3.812	1.543	503	
	3.285	**3.812**	**1.543**	**503**	
Tax on profit/loss for the year					5
Calculated tax on taxable income of the year	13.218	6.424	1.157	1.281	
Adjustment of tax in previous years	0	0	1	0	
Adjustment of deferred tax	207	875	0	0	
	13.425	**7.299**	**1.158**	**1.281**	

NOTES

	Group 2017 DKK '000	Group 2016 DKK '000	Parent company 2017 DKK '000	Parent company 2016 DKK '000	Note
Proposed distribution of profit					6
Proposed dividend for the year.......	10.000	75.000	10.000	75.000	
Allocation to reserve for net revaluation under the equity method.....	0	0	13.423	9.814	
Retained earnings......................	7.442	-60.716	-5.981	-70.528	
Minority interest	8.607	6.642	0	0	
	26.049	**20.926**	**17.442**	**14.286**	

Intangible fixed assets 7

	Group Goodwill
Cost at 1 January 2017..........	13.870
Additions..........	75
Cost at 31 December 2017..........	**13.945**
Amortisation at 1 January 2017..........	7.788
Depreciation for the year..........	1.341
Depreciation at 31 December 2017..........	**9.129**
Carrying amount at 31 December 2017..........	**4.816**

Tangible fixed assets 8

	Group Other plant, machinery, tools and equipment
Cost at 1 January 2017..........	5.352
Additions..........	1.018
Disposals..........	-14
Cost at 31 December 2017..........	**6.356**
Exchange adjustment..........	21
Revaluation at 31 December 2017..........	**21**
Depreciation and impairment losses at 1 January 2017..........	2.996
Reversal of depreciation of assets disposed of..........	-6
Depreciation for the year..........	1.537
Depreciation and impairment losses at 31 December 2017..........	**4.527**
Carrying amount at 31 December 2017..........	**1.850**

NOTES

Note

	Parent company
	Other plant, machinery, tools and equipment
Cost at 1 January 2017	16
Cost at 31 December 2017	**16**
Depreciation and impairment losses at 1 January 2017	2
Depreciation for the year	3
Depreciation and impairment losses at 31 December 2017	**5**
Carrying amount at 31 December 2017	**11**

Fixed asset investments 9

	Group	
	Equity investments in associated enterprises	Rent deposit and other receivables
Cost at 1 January 2017	5.000	1.046
Additions	0	948
Disposals	-5.000	-615
Cost at 31 December 2017	**0**	**1.379**
Revaluation at 1 January 2017	-766	
Disposals	766	
Revaluation at 31 December 2017	**0**	
Carrying amount at 31 December 2017	**0**	**1.379**

NOTES

Note

	Parent company	
	Equity investments in group enterprises	Equity investments in associated enterprises
Cost at 1 January 2017	13.152	5.000
Disposals	0	-5.000
Cost at 31 December 2017	**13.152**	**0**
Revaluation at 1 January 2017	25.599	-766
Exchange adjustment	-1.724	0
Dividend	-961	0
Profit/loss for the year	13.617	0
Disposals	0	766
Equity movements	-175	0
Purchase own shares	-159	0
Revaluation at 31 December 2017	**36.197**	**0**
Carrying amount at 31 December 2017	**49.349**	**0**

Investments in subsidiaries

Name and registered office	Ownership
AlfaPeople Europe ApS, Denmark, Elsinore	86,5 %
AlfaPeople Andino S.A., Colombia	52,21 %
AlfaPeople Centroamerica S.A., Costa Rica	52,21 %
AlfaPeople Mexico S.As DE. C.V., Mexico	52,21 %
AlfaPeople Inc. USA, USA	72,3 %
Subsidiarys in AlfaPeople Europe, Denmark	
AlfaPeople GmbH, Germany	85 %
AlfaPeople AG, Switzerland	83 %
AlfaPeople Nordic, Denmark	53 %
AlfaPeople CRM Ltd., UK	66 %
Subistiarys in AlfaPeople Andino S.A., Colombia	
AlfaPeople Chile S.A., Chile	95 %

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Note

Provision for deferred tax 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	
	2017 DKK '000	**2016** DKK '000	**2017** DKK '000	**2016** DKK '000
Deferred tax, begin....................	1.281	1.263	0	0
Deferred tax for the year, P&L.......	-168	-356	0	0
Provision for deferred tax, end.....	**1.113**	**907**	**0**	**0**

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Costs......................................	1.338	1.503	0	0
	1.338	**1.503**	**0**	**0**

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Group:
The group has no contingent assets.

The individual group companies have issued warranties to the groups' largest supplier for the groups' total ongoing commitments.

The group has entered into operating rent agreements etc. for which the total future liability totals approx. TDKK 10.724.

The group has entered into lease agreements etc. for which the total future liability totals approx. TDKK 328.

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.

Joint liabilities
Group:
The company is jointly and severally liable together with the parent company and the other group companies in the jointly taxed group for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income is stated in the annual report of Gaardboe ApS, which serves as management company for the joint taxation.

Parent:
The parent company has issued warranties in respect of associates' and subsidiaries' commitments with the groups' largest supplier.

The company is jointly taxed with the Danish group companies 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.

The parent company has no rent or leasing obligations.

Charges and securities 13
The group has provided floating charge amounting to TDKK 1.000 for an outstanding credit of t.DKK 8.353. The charging amount og the assets provided as security is total t.DKK 21.001.

NOTES

Note

Related parties 14

*The **Controlling interest***

Gaarboe ApS as owner of the capital. Ultimate shareholder is Michael Gaardboe, managing director, Gammel Strandvej 209A, 3060 Espergærde.

The annual accounts of AlfaPeople ApS is part of the group accounts of Gaardboe ApS, CVR-No. 30 08 28 85, Helsingoer, Denmark.

Transactions with related parties

The company did not carry out any substantial transactions that were not concluded on market conditions.

Consolidated financial statements 15

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.

ACCOUNTING POLICIES

The annual report of AlfaPeople ApS for 2017 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 used last year.

Change of equity due to correction of errors
Changes in equity at the beginning of the year are significantly due to restructuring of capital and the write-down of balances relating to subsidiaries in Latin America in previous years, which are reported with delay.

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.

Investments in associates are measured in the balance sheet at the proportional share of the value of the enterprises, calculated under the accounting policies of the parent company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the income statement after elimination of the proportional share of internal gains and losses.

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.

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.

ACCOUNTING POLICIES

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 in general
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 on profit for the year
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
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.

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:

	Useful life	Residual value
Other plants, 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.

Dividend
The expected payment of dividend for the year is recognised as a separate item under equity capital.

ACCOUNTING POLICIES

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.

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 whcich include debt to suppliers, subsidairies and assoiciates and other debt are measured at amortied cost which usually correspondes to the nominal value.

Accruals, liabilities

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

ACCOUNTING POLICIES

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.

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.

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