



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

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

**ALFAPEOPLE APS**  
**STØBERIGADE 14 2., 2450 KØBENHAVN SV**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2021**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 8 June 2022**

---

**Michael Gaardboe**

**CVR NO. 28 86 92 74**

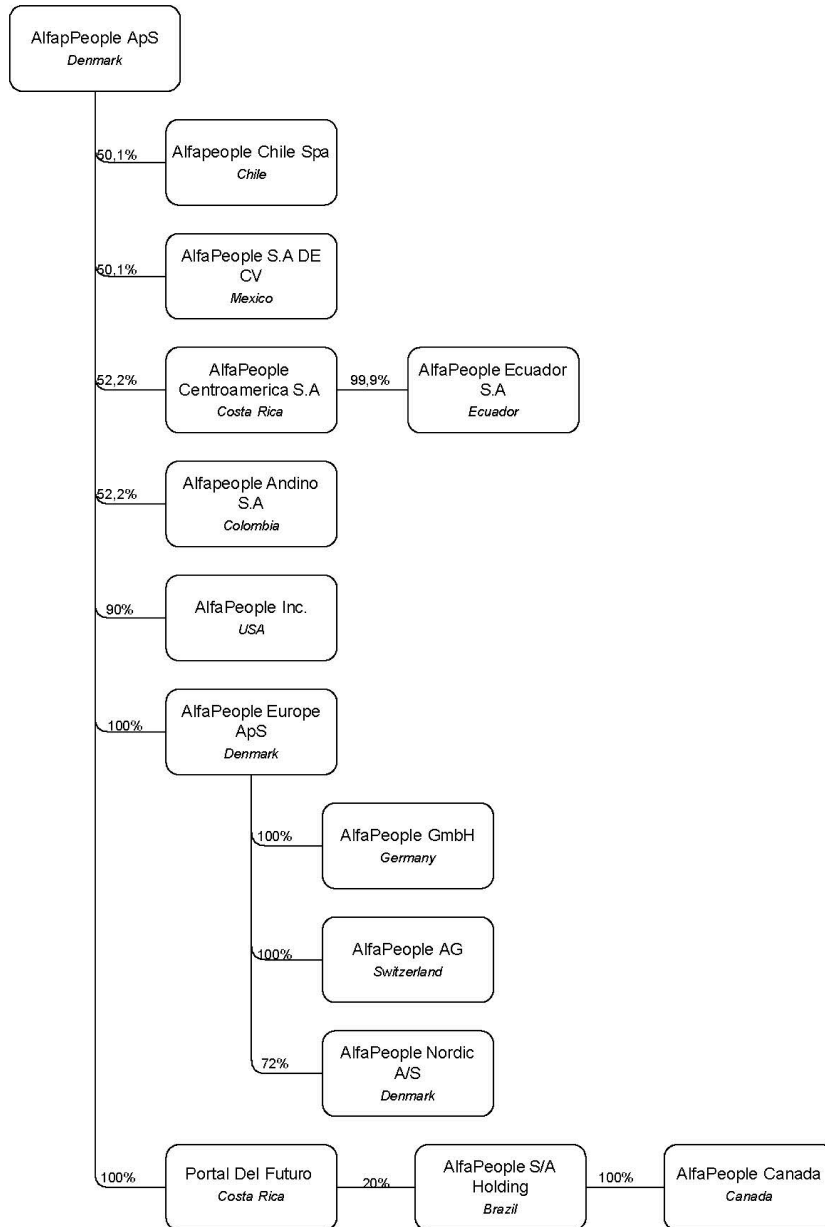
**CONTENTS**

	<b>Page</b>
<b>Company Details</b>	
Company Details.....	3
Group Structure.....	4
<b>Statement and Report</b>	
Management's Statement.....	5
Independent Auditor's Report.....	6-8
<b>Management Commentary</b>	
Financial Highlights of the Group.....	9
Management Commentary.....	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.....	18-24
Accounting Policies.....	25-31

**COMPANY DETAILS**

<b>Company</b>	AlfaPeople ApS Støberigade 14 2. 2450 Copenhagen S
	CVR No.: 28 86 92 74 Established: 1 July 2005 Municipality: Helsingør Financial Year: 1 January - 31 December
<b>Executive Board</b>	Michael Gaardboe
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
<b>Bank</b>	Nordea Vesterbrogade 8 1620 Copenhagen V

## GROUP STRUCTURE



## MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of AlfaPeople ApS for the financial year 1 January - 31 December 2021.

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

In my opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2021 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2021.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

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

Copenhagen, 7 June 2022

Executive Board

---

Michael Gaardboe

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholder of AlfaPeople ApS

#### Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of AlfaPeople ApS for the financial year 1 January - 31 December 2021, 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 Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2021 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 2021 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 Annual Financial Statements of the Company" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company

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

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Annual Financial Statements of the Company 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 Annual Financial Statements of the Company 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 Annual Financial Statements of the Company.

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 Annual Financial Statements of the Company, 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 Annual Financial Statements of the Company 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 Annual Financial Statements of the Company 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 Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Copenhagen, 7 June 2022

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Morten Christensen  
State Authorised Public Accountant  
MNE no. mne35626



**FINANCIAL HIGHLIGHTS OF THE GROUP**

	2021 DKK '000	2020 DKK '000	2019 DKK '000	2018 DKK '000	2017 DKK '000
<b>Income statement</b>					
Net revenue.....	212.888	203.103	252.861	279.926	326.655
Operating profit/loss before depreciation and amortisation (EBITDA)..	20.276	7.925	-10.897	-14.279	43.180
Operating profit/loss of main activities...	15.235	4.340	-13.743	-15.747	40.425
Financial income and expenses, net.....	-1.216	-2.980	-4.223	-115	-951
Profit/loss for the year.....	10.969	-911	-18.140	-15.154	26.049
<b>Balance sheet</b>					
Total assets.....	109.843	111.514	95.322	129.223	141.848
Equity.....	31.762	13.136	17.950	42.681	71.700
<b>Cash flows</b>					
Investment in property, plant and equipment.....	-1.885	-1.050	-2.925	-1.727	-905
<b>Key ratios</b>					
Operating margin.....	7,2	2,1	-5,4	-5,6	12,4
Return on equity.....	48,9	-5,9	-59,8	-26,5	25,4

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

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

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

## MANAGEMENT COMMENTARY

### Principal activities

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

### Unusual matters

The company's management has identified an error in the annual report for 2020 related to incorrectly recognized other liabilities. Reference, including a description of the financial impact on the annual report, is made to the description under accounting policies.

### Profit/loss for the year compared to the expected development

Overall and considering the COVID situation during 2021, the activity level and revenue development in 2021 was satisfying. 2021 Group revenues ended at DKK 212.9m, 5% up on 2020, however +12% if adjusting for discontinued operations.

EBITDA for the Group improved from a profit of DKK 7.9m in 2020 to a profit of DKK 20.3m in 2021 driven by solid performance in AlfaPeople Latam, who delivered two-digit growth in both revenues and profits, and a strong turnaround in Europe.

### Europe

AlfaPeople Europe realized a 13% growth in revenues from continued activities compared to 2020, and EBITDA from continuing activities improved from a loss of DKK 7.3m in 2020 to a loss of DKK 2.2m in 2021.

Hence, actions taken in both 2020 and 2021 to improve the results in the region have mainly materialized, and management is confident that positive results will occur in the region in 2022.

The pipeline and the UK market situation did not allow for positive expectation in near future and following that Group management decided in April 2021 to cease the operations in AlfaPeople UK.

Group results are impacted from this decision, but as accruals supporting this decision were already accounted for in 2020, the net impact from closing the UK operation is a net EBITDA profit of DKK 2.2m (operating result to close down plus one-off items) in 2021 compared to a loss of DKK 5.7m in 2020.

### USA

AlfaPeople US experienced a decline in revenues of 19% compared to 2020, which was mainly related to a larger client who following a successful go live implementation decided to switch to internal operation, hence impacting the company's revenue. Profits (EBITDA) went from DKK 4.0m in 2020 to DKK 0.8m in 2021 with both years positively impacted from US Government Covid funding.

Management is still confident that US is the right place to be, and has during 2022 initiated initiatives, amongst other with the Latam operation, that will hopefully both boost sales and the organization, and build a strong platform for profitable growth.

## MANAGEMENT COMMENTARY

### Latin America

AlfaPeople Latin America continued, despite the pandemic situation, to deliver strong results in 2021 and with increasing market shares. Revenues in the region grew 24% compared to 2020 while EBITDA went up by impressive 33% and reached almost DKK 18m.

AlfaPeople Colombia and Chile maintained a strong footprint in their respective markets with revenues growing in total 12% compared to 2020 equal to 70% of total revenues generated in the region. EBITDA went up by 23% and surpassed DKK 15m for the two countries equal to 85% of the total profit (EBITDA) contribution in the region.

AlfaPeople Mexico, Ecuador and Costa Rica experienced a combined 65% growth in revenues relative to 2020 with EBITDA profit growing from DKK 1.1m in 2020 to DKK 2.6m in 2021.

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

No events materially affecting the Group's and the Parent Company's financial position have occurred after the financial year end.

### Future expectations

Management expects it can continue the promising 2021 development in 2022, and hence that 2022 will show even stronger profits for the AlfaPeople Group.

### Treasury shares

	2021 DKK '000	2020 DKK '000
The amount of own shares comprise of:		
AlfaPeople Europe, 68 stk. a nom. 1.000 kr.....	68	68
AlfaPeople Nordic, 237.975 stk. a nom. 1 kr.....	238	206
AlfaPeople Switzerland, 80 stk. a nom. 100 CHF.....	8	8
	<b>314</b>	<b>282</b>
Own shares in % of share capital:		
AlfaPeople Europe.....	13,5	13,5
AlfaPeople Nordic.....	26,6	23,0
AlfaPeople Switzerland.....	8,0	8,0
	<b>48,1</b>	<b>44,5</b>

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

	Note	Group		Parent Company	
		2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
<b>NET REVENUE</b> .....		<b>212.888</b>	<b>203.103</b>	<b>3.900</b>	<b>4.535</b>
Cost of sales.....		-49.445	-48.930	0	0
Other operating income.....	1	5.676	1.366	0	0
Other external expenses.....		-30.834	-28.558	-818	-1.100
<b>GROSS PROFIT/LOSS</b> .....		<b>138.285</b>	<b>126.981</b>	<b>3.082</b>	<b>3.435</b>
Staff costs.....	2	-117.163	-115.497	-1.271	-798
Depreciation, amortisation and impairment losses.....		-5.042	-3.585	-992	-291
Other operating expenses.....		-845	-3.559	-845	-7.588
<b>OPERATING PROFIT</b> .....		<b>15.235</b>	<b>4.340</b>	<b>-26</b>	<b>-5.242</b>
Income from investments in subsidiaries and associates.....	3	988	-87	4.390	-1.647
Other financial income.....	4	2.386	2.036	1.196	243
Other financial expenses.....	5	-3.602	-5.016	-2.855	-3.615
<b>PROFIT BEFORE TAX</b> .....		<b>15.007</b>	<b>1.273</b>	<b>2.705</b>	<b>-10.261</b>
Tax on profit/loss for the year.....	6	-4.038	-2.184	-109	109
<b>PROFIT FOR THE YEAR</b> .....	7	<b>10.969</b>	<b>-911</b>	<b>2.596</b>	<b>-10.152</b>

**BALANCE SHEET AT 31 DECEMBER**

ASSETS	Note	Group		Parent Company	
		2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
Development projects completed..		4.582	3.934	0	0
Goodwill.....		563	2.000	0	0
<b>Intangible assets.....</b>	<b>8</b>	<b>5.145</b>	<b>5.934</b>	<b>0</b>	<b>0</b>
Other plant, machinery, tools and equipment.....		2.757	2.752	0	0
<b>Property, plant and equipment...</b>	<b>9</b>	<b>2.757</b>	<b>2.752</b>	<b>0</b>	<b>0</b>
Equity investments in group enterprises.....		0	0	32.326	32.172
Equity investments in associated enterprises.....		4.128	3.790	4.128	3.790
Rent deposit and other receivables.....		2.302	2.746	0	0
<b>Financial non-current assets.....</b>	<b>10</b>	<b>6.430</b>	<b>6.536</b>	<b>36.454</b>	<b>35.962</b>
<b>NON-CURRENT ASSETS.....</b>		<b>14.332</b>	<b>15.222</b>	<b>36.454</b>	<b>35.962</b>
Trade receivables.....		35.940	40.642	612	408
Contract work in progress.....		18.223	19.387	0	536
Receivables from group enterprises.....		6.995	7.272	19.339	9.291
Provision for deferred tax.....	11	3.451	3.164	0	109
Other receivables.....		3.064	1.252	128	0
Corporation tax receivable.....		3.295	3.457	34	0
Prepayments and accrued income..	12	1.608	3.557	0	435
<b>Receivables.....</b>	<b>13</b>	<b>72.576</b>	<b>78.731</b>	<b>20.113</b>	<b>10.779</b>
<b>Cash and cash equivalents.....</b>		<b>22.935</b>	<b>17.561</b>	<b>4.062</b>	<b>1.230</b>
<b>CURRENT ASSETS.....</b>		<b>95.511</b>	<b>96.292</b>	<b>24.175</b>	<b>12.009</b>
<b>ASSETS.....</b>		<b>109.843</b>	<b>111.514</b>	<b>60.629</b>	<b>47.971</b>

## BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
Share capital.....		225	225	225	225
Revaluation reserve, equity method.....		0	0	12.803	13.101
Reserve for development costs.....		4.582	3.934	0	0
Retained profit.....		9.577	-6.516	9.921	2.272
Minority shareholders.....		17.378	15.493	0	0
<b>EQUITY.....</b>		<b>31.762</b>	<b>13.136</b>	<b>22.949</b>	<b>15.598</b>
Provision for deferred tax.....	11	1.857	3.190	0	0
<b>PROVISIONS.....</b>		<b>1.857</b>	<b>3.190</b>	<b>0</b>	<b>0</b>
Covid-19 Loan.....		7.169	6.798	0	434
Bank loan.....		6.667	0	6.667	0
Other liabilities.....		2.054	5.675	2.054	3.731
Holiday pay frozen.....		1.237	1.379	0	0
<b>Non-current liabilities.....</b>	14	<b>17.127</b>	<b>13.852</b>	<b>8.721</b>	<b>4.165</b>
Bank debt.....		18.351	25.000	16.667	25.000
Prepayments received concerning work in progress.....		1.009	392	0	0
Trade payables.....		14.232	23.511	125	371
Payables to associated enterprises.....		75	0	0	0
Payables to owners and management.....		0	3.064	9.335	0
Corporation tax.....		224	2.351	0	75
Other liabilities.....		25.206	27.018	2.832	2.762
<b>Current liabilities.....</b>		<b>59.097</b>	<b>81.336</b>	<b>28.959</b>	<b>28.208</b>
<b>LIABILITIES.....</b>		<b>76.224</b>	<b>95.188</b>	<b>37.680</b>	<b>32.373</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>109.843</b>	<b>111.514</b>	<b>60.629</b>	<b>47.971</b>
Contingencies etc.	15				
Charges and securities	16				
Related parties	17				
Consolidated Financial Statements	18				

## EQUITY

	Group				Total
	Share capital	Other reserves	Retained profit	Minority shareholders	
Equity at 1 January 2021.....	225	3.934	-6.516	15.493	13.136
Change of equity due to correction of errors.....			4.532		4.532
<b>Adjusted equity at 1 January 2021.....</b>	<b>225</b>	<b>3.934</b>	<b>-1.984</b>	<b>15.493</b>	<b>17.668</b>
Proposed profit allocation according to note 7.....		648	4.450	5.871	10.969
<b>Transactions with owners</b>					
Dividend paid.....				-607	-607
Capital increase.....			7.000		7.000
Sale of own equity investments.....				-718	-718
Purchase of own equity investments.....			-250		-250
<b>Other legal bindings</b>					
Foreign exchange adjustments.....			361		361
Foreign exchange adjustments.....				-2.661	-2.661
<b>Equity at 31 December 2021.....</b>	<b>225</b>	<b>4.582</b>	<b>9.577</b>	<b>17.378</b>	<b>31.762</b>

	Group			Total
	Reserve for net revaluation according to equity va	Reserve for development costs	Other reserves	
Equity at 1 January 2021.....	0	3.934	0	3.934
Proposed profit allocation, jf. note 7.....		648		648
<b>Equity at 31 December 2021.....</b>	<b>0</b>	<b>4.582</b>	<b>0</b>	<b>4.582</b>

## EQUITY

	Parent Company			Total
	Share capital	Revaluation reserve, equity method	Retained profit	
Equity at 1 January 2021.....	225	13.101	2.270	15.596
Proposed profit allocation, according note 7.....		4.390	-1.794	2.596
<b>Transactions with owners</b>				
Capital increase.....			7.000	7.000
<b>Foreign exchange and other adjustments</b>				
Foreign exchange adjustments.....		-2.192	253	-1.939
<b>Transfers</b>				
Allowed equalization.....		-2.496	2.192	-304
<b>Equity at 31 December 2021.....</b>	<b>225</b>	<b>12.803</b>	<b>9.921</b>	<b>22.949</b>



## CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2021 DKK '000	2020 DKK '000
Profit/loss for the year.....	10.969	-911
Depreciation and amortisation, reversed.....	4.444	3.585
Profit/loss from associates.....	-988	87
Adjustment of other financial expenses.....	0	3.487
Tax on profit/loss, reversed.....	-3.585	-4.905
Other adjustments.....	0	-2.188
Change in receivables (ex tax).....	6.285	-4.060
Change in other provisions.....	0	7.033
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	-13.624	0
<b>CASH FLOWS FROM OPERATING ACTIVITY.....</b>	<b>3.501</b>	<b>2.128</b>
Purchase of intangible assets.....	-1.852	0
Sale of intangible fixed assets.....	0	-1.592
Purchase of property, plant and equipment.....	-1.885	1.050
Sale of property, plant and equipment.....	1.870	0
Purchase of financial assets.....	-902	-270
Sale of financial assets.....	1.346	0
Other cash flows from investing activities.....	-330	0
<b>CASH FLOWS FROM INVESTING ACTIVITY.....</b>	<b>-1.753</b>	<b>-812</b>
Changes in subordinated loan capital.....	3.275	7.735
capital increase.....	7.000	0
<b>CASH FLOWS FROM FINANCING ACTIVITY.....</b>	<b>10.275</b>	<b>7.735</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>12.023</b>	<b>9.051</b>
Cash and cash equivalents at 1. januar.....	-7.439	-16.490
<b>CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....</b>	<b>4.584</b>	<b>-7.439</b>
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	22.935	17.561
Bank debt.....	-18.351	-25.000
<b>CASH AND CASH EQUIVALENTS, NET DEBT.....</b>	<b>4.584</b>	<b>-7.439</b>

## NOTES

Note

**Other operating income**

1

The Group have during spring 2021 closed down their activities in UK. The one-off impact from closing the operation in UK is a profit of DKK4.6m and is reflected under Operating income, while the operating result, including loss provisioning, to close down show an EBITDA loss of DKK 2.4m which is included on a line by line basis in the Group result.

	Group		Parent Company	
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
<b>Staff costs</b>				
Average number of employees	301	249	1	1
Wages and salaries.....	93.979	96.609	1.144	761
Pensions.....	8.532	2.538	120	36
Social security costs.....	13.493	8.465	7	1
Other staff costs.....	1.159	7.885	0	0
	<b>117.163</b>	<b>115.497</b>	<b>1.271</b>	<b>798</b>

2

Oplysninger om ledelsesvederlag er udeladt i henhold til undtagelsesbestemmelsen i årsregnskabsloven § 98 b, stk. 3 nr. 2.

**Income from investments in subsidiaries and associates**

3

Income from investments in subsidiaries.....	0	0	3.403	-1.560
Result of equity investments in associated enterprises.....	988	-87	987	-87
	<b>988</b>	<b>-87</b>	<b>4.390</b>	<b>-1.647</b>

**Other financial income**

4

Group enterprises.....	159	194	158	194
Other interest income.....	2.227	1.842	1.038	49
	<b>2.386</b>	<b>2.036</b>	<b>1.196</b>	<b>243</b>

**Other financial expenses**

5

Group enterprises.....	0	0	480	0
Other interest expenses.....	3.602	5.016	2.375	3.615
	<b>3.602</b>	<b>5.016</b>	<b>2.855</b>	<b>3.615</b>

## NOTES

	Group		Parent Company		Note
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000	
<b>Tax on profit/loss for the year</b>					<b>6</b>
Calculated tax on taxable income of the year.....	3.751	4.077	0	0	
Adjustment of deferred tax.....	287	-1.893	109	-109	
	<b>4.038</b>	<b>2.184</b>	<b>109</b>	<b>-109</b>	
<b>Proposed distribution of profit</b>					<b>7</b>
Allocation to reserve for net revaluation under the equity method....	0	0	4.390	-1.647	
Allocation to other reserves.....	648	0	0	0	
Retained earnings.....	4.450	-3.827	-1.794	-8.505	
Minority interest .....	5.871	2.916	0	0	
	<b>10.969</b>	<b>-911</b>	<b>2.596</b>	<b>-10.152</b>	

## Intangible assets

	Group	
	Development projects completed	Goodwill
Cost at 1 January 2021.....	6.720	13.970
Exchange adjustment at closing rate.....	-1.463	0
Additions.....	1.852	0
<b>Cost at 31 December 2021.....</b>	<b>7.109</b>	<b>13.970</b>
Amortisation at 1 January 2021.....	2.786	11.970
Exchange adjustment at closing rate.....	-1.363	0
Amortisation for the year.....	1.104	1.437
<b>Amortisation at 31 December 2021.....</b>	<b>2.527</b>	<b>13.407</b>
<b>Carrying amount at 31 December 2021.....</b>	<b>4.582</b>	<b>563</b>

**Special assumptions for recognition of development costs**

The groups development costs is regarding developing Cloud solutions, which is based on a new cloudtechnology. The development cost consist of several projects.

## NOTES

		Note
<b>Property, plant and equipment</b>		<b>9</b>
	<b>Group</b>	
	<b>Other plant, machinery, tools and equipment</b>	
Cost at 1 January 2021.....	12.963	
Exchange adjustment.....	-3.762	
Additions.....	1.885	
Disposals.....	-3.201	
<b>Cost at 31 December 2021.....</b>	<b>7.885</b>	
Depreciation and impairment losses at 1 January 2021.....	10.211	
Exchange adjustment.....	-5.155	
Reversal of depreciation of assets disposed of the year.....	-1.331	
Depreciation for the year.....	1.403	
<b>Depreciation and impairment losses at 31 December 2021.....</b>	<b>5.128</b>	
<b>Carrying amount at 31 December 2021.....</b>	<b>2.757</b>	
<b>Financial non-current assets</b>		<b>10</b>
	<b>Group</b>	
	<b>Equity investments in associated enterprises</b>	<b>Rent deposit and other receivables</b>
Cost at 1 January 2021.....	4.580	2.746
Additions.....	0	902
Disposals.....	0	-1.346
<b>Cost at 31 December 2021.....</b>	<b>4.580</b>	<b>2.302</b>
Revaluation at 1 January 2021.....	-790	0
Exchange adjustment.....	-149	0
Revaluation for the year.....	987	0
<b>Revaluation at 31 December 2021.....</b>	<b>48</b>	<b>0</b>
Amortisation of goodwill.....	500	0
<b>Impairment losses and amortisation of goodwill at 31 December 2021.....</b>	<b>500</b>	<b>0</b>
<b>Carrying amount at 31 December 2021.....</b>	<b>4.128</b>	<b>2.302</b>

## NOTES

Note

## Fixed asset investments (continued)

10

	Parent Company	
	Equity investments in group enterprises	Equity investments in associated enterprises
Cost at 1 January 2021.....	19.071	4.580
<b>Cost at 31 December 2021.....</b>	<b>19.071</b>	<b>4.580</b>
Revaluation at 1 January 2021.....	13.101	-790
Dividend.....	-664	0
Revaluation for the year.....	3.403	987
<b>Revaluation at 31 December 2021.....</b>	<b>15.840</b>	<b>197</b>
Exchange adjustment.....	2.093	149
Amortisation of goodwill.....	492	500
<b>Impairment losses and amortisation of goodwill at 31 December 2021.....</b>	<b>2.585</b>	<b>649</b>
<b>Carrying amount at 31 December 2021.....</b>	<b>32.326</b>	<b>4.128</b>

## Investments in subsidiaries (DKK '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
AlfaPeople Europe ApS, Denmark, Elsinore.....	12.767	-2.224	100 %
AlfaPeople Andino S.A., Colombia.....	10.669	4.902	52,2 %
AlfaPeople Centroamerica S.A., Costa Rica.....	-1	773	52,2 %
AlfaPeople Mexico S.As DE. C.V., Mexico.....	897	-61	50,1 %
AlfaPeople Inc. USA, USA.....	-7.323	719	90 %
AlfaPeople Chile Spa, Chile.....	20.331	5.703	50,1 %
Subsidiarys in AlfaPeople Europe, Denmark			
AlfaPeople GmbH, Germany.....	276	-1.574	100 %
AlfaPeople AG, Switzerland.....	457	-1.182	100 %
AlfaPeople Nordic, Denmark.....	4.862	109	72,2 %
Subsidiarys in AlfaPeople Centroamerica S.A. Costa Rica			
AlfaPeople Ecuador S.A. , Ecuador.....	1.887	459	100 %

## Investments in associates

Name and domicil	Ownership
Alfapeople do Brasil S.A., Brazil.....	20 %
AlfaPeople Canada, Canada.....	100 %
AP Brasil Consultoria De Informática, Brazil.....	100 %
FYI Treinamento, Brazil.....	100 %

## NOTES

## Note

**Provision for deferred tax**

11

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

	<u>Group</u>		<u>Parent Company</u>	
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
Deferred tax, beginning of year.....	3.164	4.406	109	0
Deferred tax of the year, income statement.....	287	-1.242	-109	109
<b>Provision for deferred tax 31 December 2021.....</b>	<b>3.451</b>	<b>3.164</b>	<b>0</b>	<b>109</b>

The deferred tax assets are based on the expectation of a positive fiscal profit in the next 3-5 years, whereby the deferred tax assets are expected to be fully utilized.

**Prepayments and accrued income**

12

Costs.....	1.608	3.557	0	435
	<b>1.608</b>	<b>3.557</b>	<b>0</b>	<b>435</b>

Prepayments contains prepaid cost, mainly insurance and rent, which is related to the following fiscal year.

**Receivables falling due after more than one year**

13

Deferred tax.....	3.451	3.164	0	109
	<b>3.451</b>	<b>3.164</b>	<b>0</b>	<b>109</b>

NOTES

Note

Long-term liabilities

14

	<b>Group</b>			
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Covid-19 Loan.....	7.169	0	1.627	6.798
Bank loan.....	25.018	18.351	0	25.000
Other liabilities.....	2.054	0	0	5.675
Holiday pay frozen.....	1.237	0	1.237	1.379
	<b>35.478</b>	<b>18.351</b>	<b>2.864</b>	<b>38.852</b>
	<b>Parent Company</b>			
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Covid-19 Loan.....	0	0	0	434
Bank loan.....	23.334	16.667	0	25.000
Other liabilities.....	2.054	0	0	3.731
	<b>25.388</b>	<b>16.667</b>	<b>0</b>	<b>29.165</b>

Contingencies etc.

15

**Group:**

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

The Group has entered into operating rent agreements etc. for which the total future liability totals DKK ('000) 873 and expires between 2-19 months.

The group has entered into lease agreements etc. for which the total future liability totals DKK ('000) 558 and expires within 1-33 months.

**Joint liabilities**

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.

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.

**Charges and securities**

16

The group has provided floating charge amounting to DKK ('000) 10.000 for outstanding credit amount. At the balance date AlfaPeople Group have a debt of DKK ('000) 23.529. The charging amount of the assets provided as security is total DKK ('000) 12.380.

**NOTES****Note****Related parties****17**

The Company's related parties include:

**Controlling interest**

Gaardboe ApS as owner of the capital. Ultimate shareholder is Michael Gaardboe, managing director, Taarbæk Strandvej 34, 2930 Klampenborg.

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

**Consolidated Financial Statements****18**

The company is included in the consolidated financial statement of Gaardboe ApS the parent company, Taarbæk Strandvej 34, 2930 Klampenborg, CVR-no 30 08 28 85.



## ACCOUNTING POLICIES

The Annual Report of AlfaPeople ApS for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

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

### Change resulting from material misstatement

#### Group

It can be stated that there was a significant error in the annual report for 2020 as a result of incorrect exchange rate adjustments when recognizing foreign entities in the consolidated financial statements.

In 2020, the Group used an incorrect exchange rate for the recognition of foreign entities, which resulted in an error for recognition in the annual report.

The error is incorporated in the annual report and causes the accounting item “equity, Foreign exchange adjustments” in the balance sheet to be reduced by DKK ('000) 4.532. Equity is unchanged. The error does not affect the result. The balance sheet total is thus unchanged. The change has no effect on the calculated taxes.

The impact of the material error is recognized directly in equity at the beginning of the line “Correction of errors”. Comparative figures have been adjusted.

### 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 recognized 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 acquisitions 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).

## ACCOUNTING POLICIES

### 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.

When the result of contract work cannot be assessed reliably, revenue is only recognised corresponding to related costs to the extent that it is likely that they will be recovered.

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

### Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

### 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.

### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

### 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.

### Income from investments in subsidiaries and associates

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.

**ACCOUNTING POLICIES**

**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**

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.

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company’s development activities and which fulfil the criteria for recognition.

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 plant, fixtures and equipment.....	3-5 years	0 %

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.

## ACCOUNTING POLICIES

### Fixed asset investments

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

Investments in 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.

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed from the earliest financial period included in the Financial Statements, and by using the carrying amounts of the assets and liabilities acquired.

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.

### 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.

### Deposits

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.

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

## 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.

Exchange rate differences recognised in Equity are accumulated in a fair value reserve for currency translation of foreign entities and are transferred to the Income Statement when object of the currency translation is realised or ends. An exception is exchange rate differences arising from translation of Equity interests, which are recognised at Equity value, where the whole value adjustment, including exchange rate differences, are included in the reserve for net valuation according to the Equity value method.

## ACCOUNTING POLICIES

### 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.