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ALFAPEOPLE APS

**C/O MICHAEL GAARDBOE, GAMMEL STRANDVEJ 209, GAMMEL STRANDVEJ 209, 3060
ESPERGÆRDE**

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2020

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 16 June 2021**

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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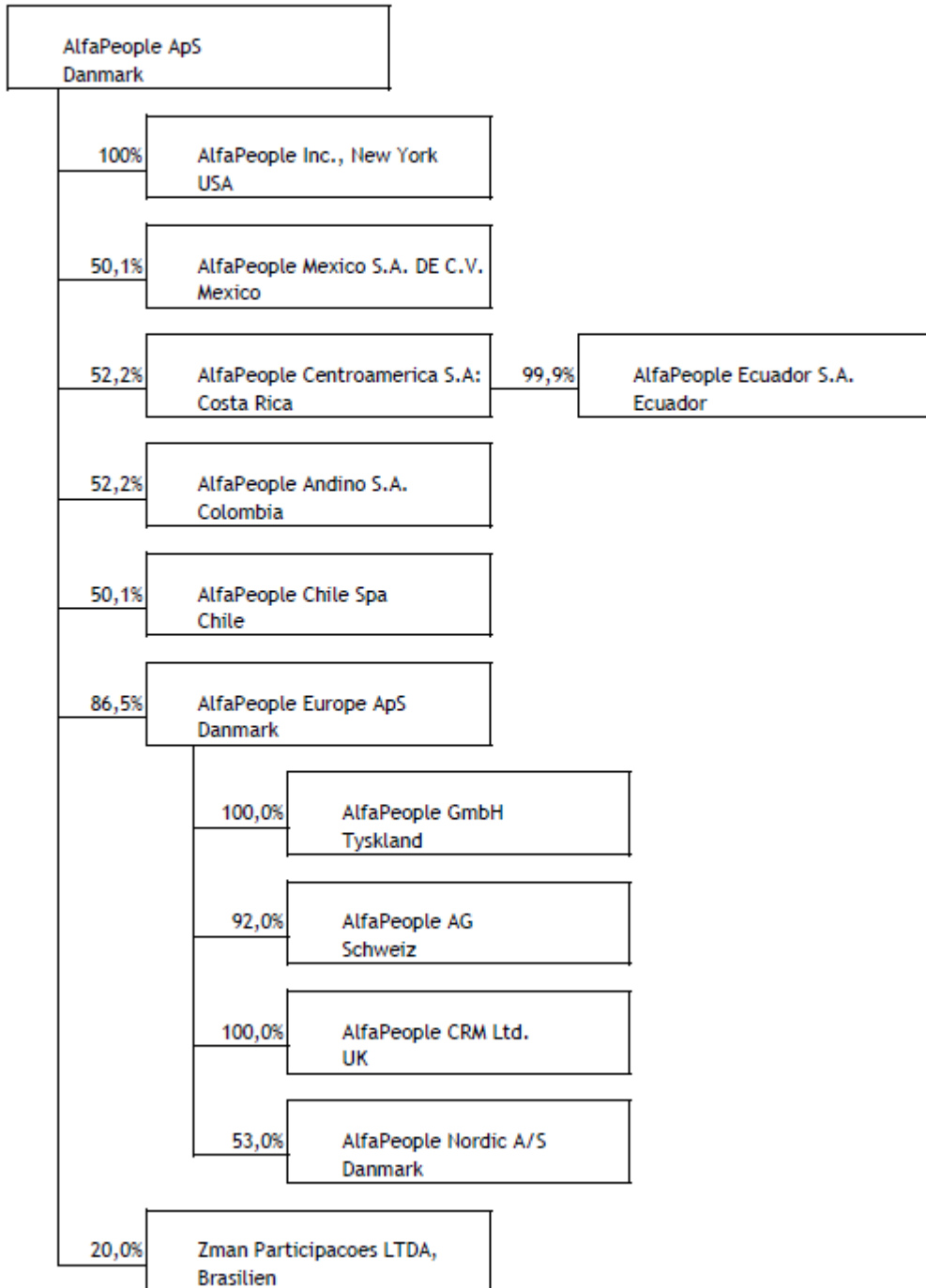
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COMPANY DETAILS

Company	AlfaPeople ApS c/o Michael Gaardboe, Gammel Strandvej 209 Gammel Strandvej 209 3060 Espergærde CVR No.: 28 86 92 74 Established: 1 July 2005 Registered Office: Elsinore Financial Year: 1 January - 31 December
Executive Board	Michael Gaardboe
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Nordea Vesterbrogade 8 1620 Copenhagen V

GROUP STRUCTURE

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 2020.

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

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, 16 June 2021

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 2020, 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 2020** 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 2020 in accordance with the Danish Financial Statements Act.*

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Annual Financial Statements of the Company, 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 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'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 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's Review.

INDEPENDENT AUDITOR'S REPORT

Copenhagen, 16 June 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Christensen
State Authorised Public Accountant
MNE no. mne35626

FINANCIAL HIGHLIGHTS OF THE GROUP

	2020 DKK '000	2019 DKK '000	2018 DKK '000	2017 DKK '000	2016 DKK '000
Income statement					
Net revenue.....	210.517	252.861	279.926	326.655	287.809
Operating profit/loss before depreciation and amortisation/EBITDA...	7.924	-10.897	-14.279	43.180	31.545
Operating profit/loss of main activities...	4.340	-13.743	-15.747	40.425	28.900
Financial income and expenses, net.....	-2.980	-4.223	-115	-951	674
Profit/loss for the year.....	-911	-18.140	-15.154	26.049	14.285
Balance sheet					
Total assets.....	111.514	95.322	129.223	141.848	202.882
Equity.....	13.136	17.950	42.681	71.700	133.710
Cash flows					
Investment in property, plant and equipment.....	-2.060	-2.925	-1.727	-905	-1.086
Key ratios					
Operating margin.....	2,1	-5,4	-5,6	12,4	10,0
Return on equity.....	-5,9	-59,8	-26,5	25,4	11,5

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 sales of Microsoft ERP, CRM, Azure and PowerApps software and services to a customer base consisting predominantly of enterprise or international organizations.

Development in activities and financial and economic position

In general, the disruption from the pandemic created challenges and costs while reorganizing to facilitate all employees working from home most of 2020. Service procedures and administrative procedures needed to be adjusted as well as maintaining motivation and collaboration needed extra effort.

Profit/loss for the year compared to the expected development

Overall, 2020 activity level and revenue was less than satisfying. 2020 revenues ended at DKK 210.5m. -17% less than 2019. Both the global pandemic and operational decisions to reduce loss making activities and engagements in Europe were contributing factors to the lower revenue.

EBITDA, however, improved from a loss of DKK 10.9m in 2019 to a profit of DKK 7.9m in 2020 driven by strong performance in AlfaPeople Latam who delivered both growth in revenues and solid profits. Group results are impacted with one-off costs of DKK 3.4m following the decision to close the activities in UK. Adjusting for this, EBITDA would have been a profit of DKK 11.3m and the net result would have shown a profit of DKK 2.5m for the Group.

Europe

AlfaPeople Europe disappointed with significantly reduced revenues and another year with losses. AlfaPeople UK was severely impacted from the COVID situation and the extended lock down, with a handful of significant clients pausing or closing their projects. The pipeline and the UK market situation did not allow for positive expectation in near future and following that Group management has in April 2021 decided to cease the operations in AlfaPeople UK. The 2020 results are impacted from this decision with close and write down costs of DKK 3.4m in the Group accounts and DKK 8.9m in the parent company accounts. AlfaPeople Denmark, Germany and Switzerland also produced losses, but Germany and Switzerland have seen a positive development and profit in 2H coming from the adjustments made.

Latin America

AlfaPeople Latin America delivered better than expected results, with growth in both activity level and earnings, despite the pandemic. While Europe saw a simple decline in demand for our services within our principal activities due to covid, Latam had several negative and positive factors in play. The development of the Covid pandemic in the southern hemisphere only saw one covid-peak in 2020 as opposed to the two or three in Europe. The lockdowns were not enforced to the level in Europe, which led to higher covid levels but also less reduction in activity level. And while most clients in Europe and USA had the needed IT-infrastructure allowing the organization to work from home, clients in Latam needed to invest in a resilient Infrastructure. Being an IT organization and already used to work on international clients remotely, Our Latam organization has embraced the disruption and we observe that we have adopted better than most of our local competition and we are a stronger Latam organization than ever.

USA

Following a 2019 were AlfaPeople US changed and significantly downsized the organization, 2020 shows a little less revenue but good profit from solid clients and engagements. AlfaPeople USA received Government Covid Compensation based on the size of our 2019 organization, so in a year with one-off costs we also had one-off income with a slight positive net effect for AlfaPeople USA.

MANAGEMENT COMMENTARY

USA

Following a 2019 were AlfaPeople US changed and significantly downsized the organization, 2020 shows a little less revenue but good profit from solid clients and engagements. AlfaPeople USA received Government Covid Compensation based on the size of our 2019 organization, so in a year with one-off costs we also had one-off income with a slight positive net effect for AlfaPeople USA.

Significant events after the end of the financial year

Except for the above-mentioned impact from the close down of the operations in AlfaPeople UK there has been no subsequent significant events in 2021 that would impact the 2020 results.

Future expectations

Continuous changes in management and focus on cost saving initiatives throughout 2020 combined with an expectation that the pandemic situation will improve in 2021 is expected to have a positive financial impact in 2021, and hence management expects that 2021 will show a solid profit for the AlfaPeople Group

Treasury shares

	2020	2019
	DKK '000	DKK '000
The amount of own shares comprise of:		
AlfaPeople Europe, 68 stk. a nom. 1.000 kr.....	68	68
AlfaPeople Nordic, 206 stk. a nom. 1.000 kr.....	206	206
AlfaPeople Switzerland, 80 stk. a nom. 100 CHF.....	8	8
	282	282
Own shares in % of share capital:		
AlfaPeople Europe.....	13,5	13,5
AlfaPeople Nordic.....	23,0	23,0
AlfaPeople Switzerland.....	8,0	8,0
	44,5	44,5

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2020 DKK '000	2019 DKK '000	2020 DKK '000	2019 DKK '000
NET REVENUE		210.517	252.861	4.535	5.762
Other operating income.....		1.366	722	0	0
Other external expenses.....		-84.902	-72.864	-1.100	-890
GROSS PROFIT/LOSS		126.981	180.719	3.435	4.872
Staff costs.....	1	-115.497	-151.825	-798	-2.029
Depreciation, amortisation and impairment losses.....		-3.585	-2.845	-291	-291
Other operating expenses.....	2	-3.559	-39.792	-7.588	0
OPERATING PROFIT		4.340	-13.743	-5.242	2.552
Result of equity investments in group and associates.....	3	-87	-162	-1.647	-3.132
Other financial income.....	4	2.036	579	243	15
Other financial expenses.....	5	-5.016	-4.802	-3.615	-2.491
PROFIT BEFORE TAX		1.273	-18.128	-10.261	-3.056
Tax on profit/loss for the year.....	6	-2.184	-11	109	-199
Other taxes.....		0	-1	0	0
LOSS FOR THE YEAR	7	-911	-18.140	-10.152	-3.255

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2020 DKK '000	2019 DKK '000	2020 DKK '000	2019 DKK '000
Development projects completed..		3.934	5.076	0	0
Goodwill.....		2.000	2.508	0	0
Development projects in progress and prepayments.....		0	889	0	0
Intangible assets.....	8	5.934	8.473	0	0
Other plant, machinery, tools and equipment.....		2.752	4.121	0	0
Property, plant and equipment...	9	2.752	4.121	0	0
Equity investments in group enterprises.....		0	0	32.172	33.707
Equity investments in associated enterprises.....		3.790	3.872	3.790	3.872
Rent deposit and other receivables.....		2.746	2.476	0	0
Financial non-current assets.....	10	6.536	6.348	35.962	37.579
NON-CURRENT ASSETS.....		15.222	18.942	35.962	37.579
Trade receivables		40.642	35.726	408	439
Contract work in progress.....		19.387	20.144	536	780
Receivables from group enterprises.....		7.272	1.534	9.291	24.374
Deferred tax.....	11	3.164	4.406	109	0
Other receivables.....		1.252	8.164	0	122
Corporation tax receivable.....		3.457	0	0	830
Prepayments and accrued income..	12	3.557	0	435	0
Receivables.....		78.731	69.974	10.779	26.545
Cash and cash equivalents.....		17.561	6.406	1.230	2
CURRENT ASSETS.....		96.292	76.380	12.009	26.547
ASSETS.....		111.514	95.322	47.971	64.126

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2020 DKK '000	2019 DKK '000	2020 DKK '000	2019 DKK '000
Share capital.....		225	225	225	225
Reserve for net revaluation according to equity valuation.....		0	0	13.101	17.381
Reserve for development costs.....		3.934	4.652	0	0
Retained profit.....		-6.516	496	2.272	9.249
Minority shareholders.....		15.493	12.577	0	0
EQUITY.....		13.136	17.950	15.598	26.855
Provision for deferred tax.....	11	3.190	0	0	0
PROVISIONS.....		3.190	0	0	0
COVID-19 Loan.....		7.232	0	434	0
Other liabilities.....		5.241	4.689	3.731	4.687
Holiday pay frozen.....		1.379	310	0	0
Non-current liabilities.....	13	13.852	4.999	4.165	4.687
Bank debt.....		25.000	22.895	25.000	22.989
Prepayments received concerning work in progress.....		392	0	0	0
Trade payables.....		23.511	18.546	371	369
Payables to group enterprises.....		0	297	0	8.491
Payables to owners and management.....		3.064	3.211	0	0
Corporation tax.....		2.351	3.256	75	199
Other liabilities.....		27.018	22.388	2.762	536
Accruals and deferred income.....	14	0	1.780	0	0
Current liabilities.....		81.336	72.373	28.208	32.584
LIABILITIES.....		95.188	77.372	32.373	37.271
EQUITY AND LIABILITIES.....		111.514	95.322	47.971	64.126
Contingencies etc.	15				
Charges and securities	16				
Related parties	17				
Consolidated Financial Statements	18				

EQUITY

	Group				
	Share capital	Reserve for development costs	Retained profit	Minority shareholders	Total
Equity at 1 January 2020.....	225	4.652	9.791	7.971	22.639
Change of equity due to correction of errors.....			-9.295	4.606	-4.689
Adjusted equity at 1 January 2020.....	225	4.652	496	12.577	17.950
Proposed profit allocation according to note 7.....			-3.827	2.916	-911
Transactions with owners					
Additions/disposals relating to equity by mergers and acquisitions.....			-1.422		-1.422
Other legal bindings					
Transferred to reserve for development costs.....		-718	718		0
Foreign exchange adjustments.....			-2.481		-2.481
Equity at 31 December 2020.....	225	3.934	-6.516	15.493	13.136

	Parent Company			
	Share capital	Revaluation reserve, equity method	Retained profit	Total
Equity at 1 January 2020.....	225	17.381	10.763	28.369
Change of equity due to correction of errors.....		-1.514		-1.514
Adjusted equity at 1 January 2020.....	225	15.867	10.763	26.855
Proposed profit allocation, according note 7.....		-1.647	-8.505	-10.152
Foreign exchange and other adjustments				
Foreign exchange adjustments.....			-1.105	-1.105
Other adjustments to equity value.....		-1.119	1.119	0
Equity at 31 December 2020.....	225	13.101	2.272	15.598

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2020 DKK '000	2019 DKK '000
Profit/loss for the year.....	-911	-18.140
Depreciation and amortisation, reversed.....	3.585	2.560
Reversed realization gains.....	0	285
Profit/loss from associates.....	83	162
Tax on profit/loss, reversed.....	3.487	0
Other adjustments.....	-4.905	-1.231
Corporation tax paid.....	-2.184	-5.064
Change in receivables (ex tax).....	-4.060	32.336
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	7.033	-18.356
CASH FLOWS FROM OPERATING ACTIVITY.....	2.128	-7.448
Purchase of intangible assets.....	0	-1.777
Purchase of property, plant and equipment.....	-1.592	-2.925
Sale of property, plant and equipment.....	1.050	0
Purchase of financial assets.....	-270	0
Sale of financial assets.....	0	139
CASH FLOWS FROM INVESTING ACTIVITY.....	-812	-4.563
Proceeds from non-current borrowing.....	7.735	0
Other changes in non-current debt.....	0	310
CASH FLOWS FROM FINANCING ACTIVITY.....	7.735	310
CHANGE IN CASH AND CASH EQUIVALENTS.....	9.051	-11.701
Cash and cash equivalents at 1. januar.....	-16.490	-4.789
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	-7.439	-16.490
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	17.561	6.405
Bank debt.....	-25.000	-22.895
CASH AND CASH EQUIVALENTS, NET DEBT.....	-7.439	-16.490

NOTES

Note

	<u>Group</u>		<u>Parent Company</u>		
	2020 DKK '000	2019 DKK '000	2020 DKK '000	2019 DKK '000	
Staff costs					1
Average number of employees	249	291	1	1	
Wages and salaries.....	96.609	126.920	761	2.000	
Pensions.....	2.538	2.886	36	0	
Social security costs.....	8.465	10.957	1	2	
Other staff costs.....	7.885	11.062	0	27	
	115.497	151.825	798	2.029	
Special items					2
The group have decided to close down the activities in UK. The impact of closing down the activities is a loss of t.dkk 3.354 in the group and in the parent company with a loss of t.dkk 8.907. The amounts are reflected under other Operating expenses and Result of equity investments in group and associates.					
Salary Compensation (Covid-19).....	2.731	0	0	0	
Compensation for fixed costs (Covid-19).....	169	0	0	0	
	2.900	0	0	0	
Result of equity investments in group and associates					3
Result of equity investments in group enterprises.....	0	0	-1.560	-2.912	
Result of equity investments in associated enterprises.....	-87	-162	-87	-162	
	-87	-162	-1.647	-3.074	
Other financial income					4
Other interest income.....	2.036	579	243	15	
	2.036	579	243	15	
Other financial expenses					5
Other interest expenses.....	5.016	4.802	3.615	2.300	
	5.016	4.802	3.615	2.300	

NOTES

	Group		Parent Company		Note
	2020 DKK '000	2019 DKK '000	2020 DKK '000	2019 DKK '000	
Tax on profit/loss for the year					6
Calculated tax on taxable income of the year.....	4.077	2.035	0	199	
Adjustment of tax in previous years..	0	-690	0	0	
Adjustment of deferred tax.....	-1.893	-1.334	-109	0	
	2.184	11	-109	199	
 Proposed distribution of profit					7
Allocation to reserve for net revaluation under the equity method....	0	0	-1.647	-3.074	
Retained earnings.....	-3.827	-13.842	-8.505	-181	
Minority interest	2.916	-4.298	0	0	
	-911	-18.140	-10.152	-3.255	

Intangible assets

	Group			Note
	Development projects completed	Goodwill	Development projects in progress and prepayments	
Cost at 1 January 2020.....	5.809	13.970	889	
Transfer.....	889	0	-889	
Additions.....	22	0	0	
Cost at 31 December 2020.....	6.720	13.970	0	
Amortisation at 1 January 2020.....	733	11.470	0	
Amortisation for the year.....	2.053	500	0	
Amortisation at 31 December 2020.....	2.786	11.970	0	
Carrying amount at 31 December 2020.....	3.934	2.000	0	

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. The projects are aligned with the expetations and is expected to be finalized in 2021.

NOTES

		Note
Property, plant and equipment		9
	Group	
	Other plant, machinery, tools and equipment	
Cost at 1 January 2020.....	10.903	
Additions.....	2.060	
Cost at 31 December 2020.....	12.963	
Depreciation and impairment losses at 1 January 2020.....	6.798	
Depreciation for the year.....	3.413	
Depreciation and impairment losses at 31 December 2020.....	10.211	
Carrying amount at 31 December 2020.....	2.752	
Financial non-current assets		10
	Group	
	Equity investments in associated enterprises	Rent deposit and other receivables
Cost at 1 January 2020.....	4.644	2.476
Additions.....	0	270
Cost at 31 December 2020.....	4.644	2.746
Revaluation at 1 January 2020.....	-772	0
Revaluation for the year.....	418	0
Revaluation at 31 December 2020.....	-354	0
Amortisation of goodwill.....	500	0
Impairment losses and amortisation of goodwill at 31 December 2020.....	500	0
Carrying amount at 31 December 2020.....	3.790	2.746

NOTES

	Note
Fixed asset investments (continued)	10

	Parent Company	
	Equity investments in group enterprises	Equity investments in associated enterprises
Cost at 1 January 2020.....	17.649	4.644
Additions.....	1.422	0
Cost at 31 December 2020.....	19.071	4.644
Revaluation at 1 January 2020.....	16.317	-772
Revaluation for the year.....	-1.564	418
Revaluation at 31 December 2020.....	14.753	-354
Exchange adjustment.....	1.365	0
Amortisation of goodwill.....	287	500
Impairment losses and amortisation of goodwill at 31 December 2020.....	1.652	500
Carrying amount at 31 December 2020.....	32.172	3.790

Investments in subsidiaries (DKK '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
AlfaPeople Europe ApS, Denmark, Elsinore.....	15.149	-5.509	86,5 %
AlfaPeople Andino S.A., Colombia.....	7.774	2.360	52,2 %
AlfaPeople Centroamerica S.A., Costa Rica.....	-472	-625	52,2 %
AlfaPeople Mexico S.As DE. C.V., Mexico.....	942	519	50,1 %
AlfaPeople Inc. USA, USA.....	-7.506	4.325	100 %
AlfaPeople Chile Spa, Chile.....	18.332	5.260	50,1 %
Subsidiarys in AlfaPeople Europe, Denmark			
AlfaPeople GmbH, Germany.....	2.785	-937	100 %
AlfaPeople AG, Switzerland.....	1.523	-1.909	92 %
AlfaPeople Nordic, Denmark.....	5.003	-3.552	53 %
AlfaPeople CRM Ltd., UK.....	-13.538	-6.242	100 %
Subsidiarys in AlfaPeople Centroamerica S.A. Costa Rica			
AlfaPeople Ecuador S.A. , Ecuador.....	1.344	278	52,1 %

Investments in associates

Name and domicil	Ownership
Alfapeople do Brasil S.A., Brazil.....	20 %
FYI Treinamento, Brazil.....	100 %
Code-K Sistemas, Brazil.....	100 %
AP Brasil Consultoria De Informática, Brazil.....	100 %
CAPS CRM, Brazil.....	100 %

NOTES

Note

Provision for deferred tax

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

	Group		Parent Company	
	2020 DKK '000	2019 DKK '000	2020 DKK '000	2019 DKK '000
Deferred tax, beginning of year.....	4.406	3.072	0	0
Deferred tax of the year, income statement.....	-1.242	1.334	109	0
Provision for deferred tax 31 December 2020.....	3.164	4.406	109	0

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.....	3.557	0	435	0
	3.557	0	435	0

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

Long-term liabilities

13

	Group			
	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Covid-19 Loan.....	8.742	1.510	0	0
Other liabilities.....	7.728	2.487	0	4.689
Holiday pay frozen.....	1.379	0	0	310
	17.849	3.997	0	4.999

	Parent Company			
	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Mortgage debt.....	434	0	0	0
Other liabilities.....	6.217	2.486	0	4.687
	6.651	2.486	0	4.687

Accruals, liabilities

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

NOTES

	Note
Contingencies etc.	15
Group: 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 TDKK 2.626 and expires between 4-17 month. The group has entered into lease agreements etc. for which the total future liability totals TDKK 167 and expires within 3 month. 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 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 TDKK 1.000 for an outstanding credit amount. At the balance date AlfaPeople Group have a debit of t.DKK 2.287. The charging amount of the assets provided as security is total t.DKK 9.310.	
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, 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, Helsingør, Denmark.	
Transactions with related parties Transaction with related parties in the Group that have not been concluded on market terms: AlfaPeople ApS - Related party financial loan agreement of totaling ('000) DKK 10,685 with no interest added.	
Consolidated Financial Statements	18
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 2020 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

Parent

Correction of the comparative figures has been made due to significant errors in recognitions of "Equity investments in group enterprises". The correction affects negatively equity beginning of the year by ('000) DKK 1.514. As a result of the corrections the comparative figures for "Other liabilities, long term" has been increased by ('000) DKK 4.689 and "Equity investments in group enterprises" have been increased by ('000) DKK 3.174.

Group

Correction of the comparative figures has been made due to significant errors in recognitions of "Equity investments in group enterprises". The correction affects negatively equity beginning of the year by ('000) DKK 4.689. As a result of the corrections the comparative figures for "Other liabilities, long term" has been increased by ('000) DKK 4.689 and "Loss for the year" have been increased by ('000) DKK 191.

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 acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, built on an overall assessment of the production equipment.

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

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

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.

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.

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 equity interests in subsidiaries

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

Financial income and expenses

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

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

ACCOUNTING POLICIES

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.

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.

ACCOUNTING POLICIES

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 company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the companies has a legal or actual liability to cover the subsidiary's deficit.

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.

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.

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.

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.

ACCOUNTING POLICIES

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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