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CVR no. 20 22 26 70

ALFAPEOPLE APS

STØBERIGADE 14 2., 2450 KØBENHAVN SV

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2022

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 29 June 2023

Michael Gaardboe

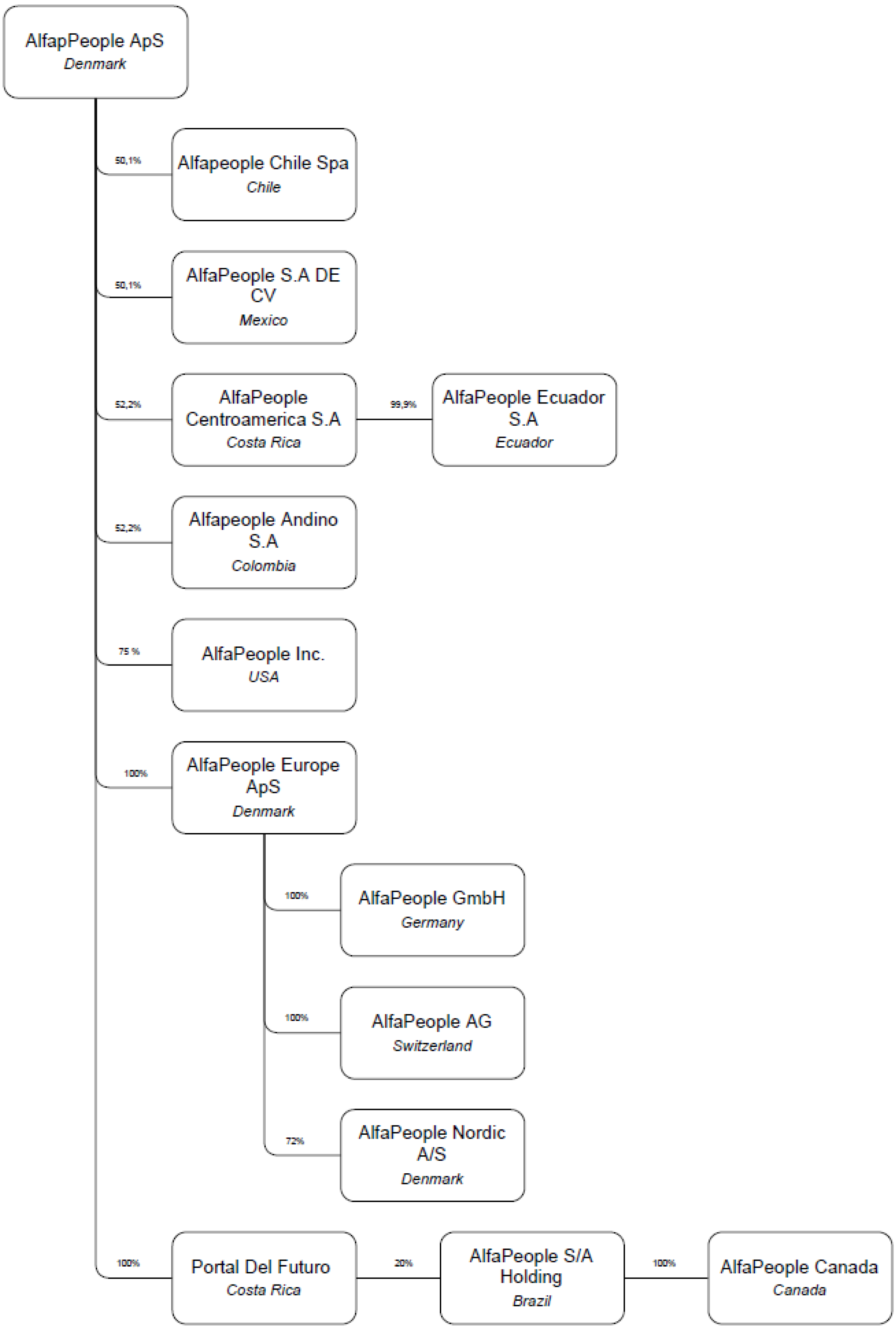
CVR NO. 28 86 92 74

CONTENTS

COMPANY DETAILS

Company	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
Executive Board	Michael Gaardboe	
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V	
Bank	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 2022.

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 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

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, 29 June 2023

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 2022, 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 2022 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 2022 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.

INDEPENDENT AUDITOR'S REPORT

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

- *Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the 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 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.

INDEPENDENT AUDITOR'S REPORT

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, 29 June 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Christensen
State Authorised Public Accountant
MNE no. mne35626

FINANCIAL HIGHLIGHTS OF THE GROUP

	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000	2018 DKK '000
Income statement					
Net revenue	271.356	212.888	203.103	252.861	279.926
Operating profit/loss before depreciation and amortisation (EBITDA)	23.799	20.276	7.925	-10.897	-14.279
Operating profit/loss of main activities	19.774	15.234	4.340	-13.743	-15.747
Financial income and expenses, net	-2.756	-1.216	-2.980	-4.223	-115
Profit/loss for the year	9.705	10.968	-911	-18.140	-15.154
Balance sheet					
Total assets	116.862	109.843	111.514	95.322	129.223
Equity	36.074	31.762	13.136	17.950	42.681
Cash flows					
Investment in property, plant and equipment	-1.964	-1.885	-1.050	-2.925	-1.727
Key ratios					
Operating margin	7,3	7,2	2,1	-5,6	-5,6
Return on equity	28,6	48,9	-5,9	-59,8	-26,5

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

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

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

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.

Development in activities and financial position
Overall, the activity level and revenue development in 2022 is considered very satisfying. 2022 Group revenues ended at DKK 271.4m, 27% up on 2021.

During 2022 significant organizational investments and a reorganization in Germany have been made to prepare for future demand and growth in terms of both market share and profits. The strong growth in revenues and gross profits is partially offset from these investments leading to Group results showing a growth in EBITDA from a profit of DKK 20.3m in 2021 to a profit of DKK 23.8m in 2022.

Recognition and measurement uncertainty
The parent company has a receivable with its subsidiary in USA of DKK 11.2m at the balance sheet date on which, and due to losses in the US operation, there is uncertainty attached to in terms of recoverability. However, and as mentioned in the USA section below, it is Management's expectation that solid future profits in the US operation will support full recoverability of the receivable, why no write down of the balance has been made.

For further information on this, please refer to the description in note 18.

Profit/loss for the year compared to the expected development
Overall, the activity level and revenue development in 2022 is considered very satisfying. 2022 Group revenues ended at DKK 271.4m, 27% up on 2021.

Latin America

AlfaPeople Latin America continued to deliver strong results in 2022. Revenues in reporting currency (DKK) in the region grew 47% compared to 2021 while EBITDA went up by 20% and reached more than DKK 21m.

AlfaPeople Colombia and Chile maintained a strong footprint in their respective markets with revenues growing in total 44% compared to 2021 equal to 68% of total revenues generated in the region respectively 52% in the Group. EBITDA went up by 45% and reached almost DKK 22m.

AlfaPeople Mexico, Ecuador and Costa Rica experienced a combined 54% growth in revenues relative to 2021 but was impacted from a couple of client incidents in Costa Rica, resulting in EBITDA moving from a profit of DKK 2.6m in 2021 to an EBITDA loss of DKK 0.5m in 2022.

Europe

AlfaPeople Europe realized a 12% growth in revenues compared to 2021, and EBITDA improved from a loss of DKK 2.2m in 2021 to a loss of DKK 1.3m in 2022.

Both Denmark and Switzerland had EBITDA profits at a satisfying level, DKK 3.4m combined compared to a loss of DKK 0.9m in 2021. Germany suffered severely from a change in management made early 2022 which was followed by disloyal behavior from a couple of employees, leaving the company in organizational disruption. Hence, 2022 has been a very troublesome year for the German operation who realized an EBITDA loss of 4.7mDKK.

2023 has started promising and the company is in the first quarter of 2023 operating at break-even.

USA

AlfaPeople US realized a growth in revenues of 7% compared to 2021, which is partly related to a large engagement for a US based client that has picked up in late 2022. This engagement has a significant potential as it is heavily supported with Latam resources, and hence with a strong earnings potential.

EBITDA went from a profit in 2021 of DKK 0.8m, positively impacted from US Government Covid funding though, to a loss of DKK 0.9m in 2022. The result is not according to expectations and has been followed by a change in local management in early 2023.

Management is confident that the US operation will deliver solid profits in 2023, driven especially by increased collaboration with the Latam operation and a much stronger sales focus.

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.

Knowledge resources

At AlfaPeople, it's all about consulting and the fact that our most important resource is our people. We continually invest in product and service training and knowledge sharing to ensure that our employees always have skills and competencies at a market competitive level. This not only benefits our employees, but also ensures that we can offer added value to our customers.

AlfaPeople offers flexible working solutions that are very well received by our employees. At the same time, we take pride in and invest heavily in ensuring that our colleagues always have a strong professional and personal connection to AlfaPeople. These initiatives and the continuous focus on employees result in a very satisfactory retention rate of employees.

Future expectations

Management is in the final process formalizing a joint shareholding in the Group resulting in local shareholders becoming shareholders in the Group. It is expected that the joint shareholding will create significant synergies from increased global collaboration, and following that Management expects that 2023 will show AlfaPeople Group profits at a higher level than in 2022.

Future expectations (continued)

Treasury shares

	2022 DKK '000	2021 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	238
AlfaPeople Switzerland, 80 stk. a nom. 100 CHF	8	8
	314	**314**
Own shares in % of share capital:		
AlfaPeople Europe	13,5	13,5
AlfaPeople Nordic	26,6	26,6
AlfaPeople Switzerland	8,0	8,0
	48,1	**48,1**

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

		Group		Parent Company	
	Note	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
NET REVENUE		**271.356**	**212.888**	**6.573**	**5.486**
Cost of sales		-62.575	-49.445	0	0
Other operating income		15	5.676	0	0
Other external expenses		-30.032	-30.834	-540	-818
GROSS PROFIT/LOSS		**178.764**	**138.285**	**6.033**	**4.668**
Staff costs	1	-154.693	-117.164	-1.269	-2.857
Depreciation, amortisation and impairment losses		-4.025	-5.042	-994	-992
Other operating expenses		-272	-845	0	-845
OPERATING PROFIT		**19.774**	**15.234**	**3.770**	**-26**
Income from investments in subsidiaries and associates	2	998	988	9.041	4.390
Other financial income	3	2.126	2.386	732	1.196
Other financial expenses	4	-4.882	-3.602	-1.995	-2.855
PROFIT BEFORE TAX		**18.016**	**15.006**	**11.548**	**2.705**
Tax on profit/loss for the year	5	-8.311	-4.038	-351	-109
PROFIT FOR THE YEAR	6	**9.705**	**10.968**	**11.197**	**2.596**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group 2022 DKK '000	Group 2021 DKK '000	Parent Company 2022 DKK '000	Parent Company 2021 DKK '000
Development projects completed		7.092	4.582	365	0
Goodwill		405	563	0	0
Intangible assets	7	**7.497**	**5.145**	**365**	**0**
Other plant, machinery, tools and equipment		3.673	2.757	11	0
Property, plant and equipment	8	**3.673**	**2.757**	**11**	**0**
Equity investments in group enterprises		0	0	35.468	32.326
Equity investments in associated enterprises		4.295	4.128	4.295	4.128
Rent deposit and other receivables		1.177	2.302	0	0
Financial non-current assets	9	**5.472**	**6.430**	**39.763**	**36.454**
NON-CURRENT ASSETS		**16.642**	**14.332**	**40.139**	**36.454**
Trade receivables		38.081	35.940	523	612
Contract work in progress		27.418	18.223	0	0
Receivables from group enterprises		9.188	6.995	25.175	19.339
Receivables from associated enterprises		373	0	0	0
Deferred tax assets	10	2.823	3.451	0	0
Other receivables		4.248	3.064	236	128
Corporation tax receivable		4.068	3.295	57	34
Prepayments and accrued income	11	2.197	1.608	269	0
Receivables	12	**88.396**	**72.576**	**26.260**	**20.113**
Cash and cash equivalents		**11.824**	**22.935**	**2.280**	**4.062**
CURRENT ASSETS		**100.220**	**95.511**	**28.540**	**24.175**
ASSETS		**116.862**	**109.843**	**68.679**	**60.629**

BDO

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2022 DKK '000	Group 2021 DKK '000	Parent Company 2022 DKK '000	Parent Company 2021 DKK '000
Share capital		225	225	225	225
Revaluation reserve, equity method		167	0	16.564	12.803
Other reserves		7.092	4.582	0	0
Retained profit		8.003	9.577	12.627	9.921
Proposed dividend		4.355	0	4.355	0
Minority shareholders		16.232	17.378	0	0
EQUITY		**36.074**	**31.762**	**33.771**	**22.949**
Provision for deferred tax	13	0	1.857	0	0
PROVISIONS		**0**	**1.857**	**0**	**0**
Covid-19 Loan		4.803	7.169	0	0
Bank loan		5.000	6.667	5.000	6.667
Other liabilities		1.079	2.054	1.079	2.054
Holiday pay frozen		1.238	1.237	0	0
Non-current liabilities	14	**12.120**	**17.127**	**6.079**	**8.721**
Bank debt		18.751	18.351	16.667	16.667
Prepayments received concerning work in progress		1.390	1.009	0	0
Trade payables		20.294	14.232	475	125
Payables to group enterprises		0	0	11.335	9.335
Payables to associated enterprises		83	75	0	0
Corporation tax		3.487	224	0	0
Other liabilities		24.663	25.206	352	2.832
Current liabilities		**68.668**	**59.097**	**28.829**	**28.959**
LIABILITIES		**80.788**	**76.224**	**34.908**	**37.680**
EQUITY AND LIABILITIES		**116.862**	**109.843**	**68.679**	**60.629**

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EQUITY

	Group					
	Share capital	Other reserves	Retained profit	Proposed dividend	Minority shareholders	Total
Equity at 1 January 2022....	225	4.582	9.577	0	17.378	31.762
Additions/disposals relating to equity, sale of shares.....			2.102		-2.102	0
Adjusted equity at 1 January 2022.................	**225**	**4.582**	**11.679**	**0**	**15.276**	**31.762**
Proposed profit allocation according to note 6..........		3.508	-3.028	4.355	4.870	9.705
Transactions with owners						
Dividend paid.................					-3.914	-3.914
Other legal bindings						
Foreign exchange adjustments..................		42	-1.284			-1.242
Other adjustments to equity value..................			-237			-237
Transfers						
Depreciations.................		-500	500			0
Receiv./decl. dividend......		-373	373			0
Equity at 31 December 2022..........................	**225**	**7.259**	**8.003**	**4.355**	**16.232**	**36.074**

	Group		
	Reserve for net revaluation according to equity value	Reserve for development costs	Total
Equity at 1 January 2022..	0	4.582	4.582
Proposed profit allocation, jf. note 6..................................	998	2.510	3.508
Other legal bindings			
Foreign exchange adjustments..	42		42
Transfers			
Depreciations..	-500		-500
Receiv./decl. dividend..	-373		-373
Equity at 31 December 2022...	**167**	**7.092**	**7.259**

EQUITY

	Parent Company				
	Share capital	Revaluation reserve, equity method	Retained profit	Proposed dividend	Total
Equity at 1 January 2022....................	225	12.803	9.921	0	22.949
Proposed profit allocation, according note 6..		9.041	-2.199	4.355	11.197
Transactions with owners					
Receiv./decl. dividend......................			-375		-375
Foreign exchange and other adjustments					
Other adjustments to equity value........		-5.280	5.280		0
Equity at 31 December 2022.............	**225**	**16.564**	**12.627**	**4.355**	**33.771**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2022 DKK '000	**2021** DKK '000
Profit/loss for the year	9.705	10.968
Depreciation and amortisation, reversed	3.053	4.444
Profit/loss from associates	-998	-988
Tax on profit/loss, reversed	8.311	-3.585
Corporation tax paid	-7.050	0
Change in receivables (ex tax)	-15.679	6.285
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	5.908	-13.624
CASH FLOWS FROM OPERATING ACTIVITY	**3.250**	**3.500**
Purchase of intangible assets	-4.233	-1.852
Purchase of property, plant and equipment	-1.964	-1.885
Sale of property, plant and equipment	105	1.870
Purchase of financial assets	0	-902
Sale of financial assets	1.125	1.346
Other cash flows from investing activities	-1.246	-329
CASH FLOWS FROM INVESTING ACTIVITY	**-6.213**	**-1.752**
Changes in subordinated loan capital	-5.007	3.275
capital increase	0	7.000
Dividends paid in the financial year	-3.541	0
CASH FLOWS FROM FINANCING ACTIVITY	**-8.548**	**10.275**
CHANGE IN CASH AND CASH EQUIVALENTS	**-11.511**	**12.023**
Cash and cash equivalents at 1. januar	4.584	-7.439
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**-6.927**	**4.584**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	11.824	22.935
Bank debt	-18.751	-18.351
CASH AND CASH EQUIVALENTS	**-6.927**	**4.584**

NOTES

	Group		Parent Company		Note
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
Staff costs					1
Average number of employees	387	301	1	1	
Wages and salaries	129.945	99.874	1.075	2.730	
Pensions	4.733	3.184	185	120	
Social security costs	13.970	12.947	9	7	
Other staff costs	6.045	1.159	0	0	
	154.693	**117.164**	**1.269**	**2.857**	

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

	Group 2022	Group 2021	Parent 2022	Parent 2021	Note
Income from investments in subsidiaries and associates					2
Income from investments in subsidiaries	0	0	8.043	3.402	
Income from investments in associates	998	988	998	988	
	998	**988**	**9.041**	**4.390**	
Other financial income					3
Group enterprises	0	159	226	158	
Other interest income	2.126	2.227	505	1.038	
	2.126	**2.386**	**731**	**1.196**	
Other financial expenses					4
Group enterprises	28	0	1.077	480	
Other interest expenses	4.854	3.602	918	2.375	
	4.882	**3.602**	**1.995**	**2.855**	
Tax on profit/loss for the year					5
Calculated tax on taxable income of the year	9.540	3.751	351	0	
Adjustment of deferred tax	-1.229	287	0	109	
	8.311	**4.038**	**351**	**109**	

NOTES

	Group 2022 DKK '000	Group 2021 DKK '000	Parent Company 2022 DKK '000	Parent Company 2021 DKK '000	Note
Proposed distribution of profit					**6**
Proposed dividend for the year	4.355	0	4.355	0	
Allocation to reserve for net revaluation under the equity method	998	0	9.041	4.390	
Allocation to other reserves	2.510	648	0	0	
Retained earnings	-3.028	4.449	-2.199	-1.794	
Minority interest	4.870	5.871	0	0	
	9.705	**10.968**	**11.197**	**2.596**	

Intangible assets **7**

	Group: Development projects completed	Group: Goodwill
Cost at 1 January 2022	7.109	13.970
Exchange adjustment at closing rate	-64	30
Additions	4.233	0
Cost at 31 December 2022	**11.278**	**14.000**
Amortisation at 1 January 2022	2.527	13.407
Exchange adjustment at closing rate	164	0
Amortisation for the year	1.495	188
Amortisation at 31 December 2022	**4.186**	**13.595**
Carrying amount at 31 December 2022	**7.092**	**405**

Special assumptions for recognition of development costs
Development projects comprise in all material aspects Own IP products (localization packages and vertical solutions), which are developed and sold by the Group as part of the normal business cycle in several countries.

	Parent Company: Development projects completed
Additions	365
Cost at 31 December 2022	**365**
Carrying amount at 31 December 2022	**365**

The development costs is related to development of solutions to improve client interaction and project execution.

NOTES

Note

Property, plant and equipment 8

	Group
	Other plant, machinery, tools and equipment
Cost at 1 January 2022	7.884
Exchange adjustment at closing rate	-236
Additions	1.964
Disposals	-105
Cost at 31 December 2022	**9.507**
Depreciation and impairment losses at 1 January 2022	5.128
Exchange adjustment	-456
Disposals	-100
Depreciation for the year	1.262
Depreciation and impairment losses at 31 December 2022	**5.834**
Carrying amount at 31 December 2022	**3.673**

	Parent Company
	Other plant, machinery, tools and equipment
Additions	14
Cost at 31 December 2022	**14**
Depreciation for the year	3
Depreciation and impairment losses at 31 December 2022	**3**
Carrying amount at 31 December 2022	**11**

Financial non-current assets 9

	Group	
	Equity investments in associated enterprises	Rent deposit and other receivables
Cost at 1 January 2022	4.128	2.302
Disposals	0	-1.125
Cost at 31 December 2022	**4.128**	**1.177**
Exchange adjustment	42	0
Dividend	-373	0
Revaluation for the year	998	0
Revaluation at 31 December 2022	**667**	**0**
Amortisation of goodwill	500	0
Impairment losses and amortisation of goodwill at 31 December 2022	**500**	**0**
Carrying amount at 31 December 2022	**4.295**	**1.177**

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Fixed asset investments (continued) 9

	Parent Company	
	Equity investments in group enterprises	Equity investments in associated enterprises
Cost at 1 January 2022	19.071	4.128
Cost at 31 December 2022	**19.071**	**4.128**
Revaluation at 1 January 2022	13.255	0
Change of policy	0	42
Dividend	-3.914	-373
Profit/loss for the year	8.043	998
Revaluation at 31 December 2022	**17.384**	**667**
Exchange adjustment	496	0
Amortisation of goodwill	491	500
Impairment losses and amortisation of goodwill at 31 December 2022	**987**	**500**
Carrying amount at 31 December 2022	**35.468**	**4.295**

Investments in subsidiaries (DKK '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
AlfaPeople Europe ApS, Denmark	15.355	2.459	100 %
AlfaPeople Andino S.A., Colombia	11.131	6.698	52,2 %
AlfaPeople Centroamerica S.A., Costa Rica	-2.042	-2.105	52,2 %
AlfaPeople Mexico S.As DE. C.V., Mexico	1.031	30	50,1 %
AlfaPeople Inc. , USA	-8.767	-997	75 %
AlfaPeople Chile Spa, Chile	23.929	6.265	50,1 %
Subsidiarys in AlfaPeople Europe, Denmark			
AlfaPeople GmbH, Germany	-4.621	-4.883	100 %
AlfaPeople AG, Switzerland	2.983	1.535	100 %
AlfaPeople Nordic, Denmark	5.893	1.030	72,2 %
Subsidiarys in AlfaPeople Centroamerica S.A. Costa Rica			
AlfaPeople Ecuador S.A. , Ecuador	-27	-1.053	100 %

Investments in associates

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

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Deferred tax assets 10
Provision for deferred tax comprises deferred tax on contract work in progress, intangible and tangible fixed assets.

	Group		Parent Company	
	2022 DKK '000	**2021** DKK '000	**2022** DKK '000	**2021** DKK '000
Deferred tax, beginning of year	3.451	3.164	0	109
Deferred tax of the year, income statement	-628	287	0	-109
Deferred tax assets 31 December 2022	**2.823**	**3.451**	**0**	**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 11

Costs	2.197	1.608	0	0
	2.197	**1.608**	**0**	**0**

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

Receivables falling due after more than one year 12

Deferred tax	2.258	3.451	0	0
Receivables from group enterprises	5.513	0	0	0
	7.771	**3.451**	**0**	**0**

Provision for deferred tax 13

Deferred tax, beginning of year	1.857	3.190	0	0
Deferred tax of the year, income statement	-1.857	-1.333	0	0
Total	**0**	**1.857**	**0**	**0**

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

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Long-term liabilities 14

	Group			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Covid-19 Loan	4.803	0	1.089	7.169
Bank loan	23.751	18.751	0	25.018
Other liabilities	1.079	0	0	2.054
Holiday pay frozen	1.238	0	1.237	1.237
	30.871	**18.751**	**2.326**	**35.478**

	Parent Company			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Bank loan	21.667	16.667	0	23.334
Other liabilities	1.079	0	0	2.053
	22.746	**16.667**	**0**	**25.387**

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) 2.484 and expires between 1-18 months.

The group has entered into lease agreements etc. for which the total future liability totals DKK ('000) 550 and expires within -1-49 months.

Joint liabilities
The danish companies 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 danish 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) 21.667. The charging amount of the assets provided as security is total DKK ('000) 28.539.

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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, Helsingoer, Denmark.

Information on uncertainty with respect to recognition and measurement 18

The parent company has total receivable with its subsidiary AlfaPeople Inc. (USA) which amount to 11.2mDKK as of the balance sheet date. AlfaPeople Inc. has realized an EBITDA loss of 0.9mDKK in 2022 which could indicate an impairment of the intercompany receivable the parent company has with AlfaPeople Inc.

In that regard Management has prepared impairment test of their receivable with AlfaPeople Inc. based on 3 year projections where a moderate growth on 5 % has been applied.

These projections are based on assumptions that the company can continue current trading performance, but also improve sales and profits from increased collaboration with other Group entities following the future new ownership structure (as described in the Management commentary), and further continue at the current cost level which has been reduced via already obtained cost savings.

The projections show that the company within a three year period can generate sufficient cash flows to repay its payable to the parent company.

As with all projections there is uncertainty as to the timing for when some of the assumptions applied in the projections will materialize, but both Group and local management has a strong focus towards ensuring that especially increased revenues and gross profits from increased collaboration with other Group entities shall materialize.

Consolidated Financial Statements 19

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 2022 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.

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 acquisitons 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 recognesed at fair value based on an assesor'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.
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.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

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.

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 actitivites and which fullfil 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

Financial non-current assets
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 whcich include debt to suppliers, subsidairies and assoiciates and other debt are measured at amortied cost which usually correspondes 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 afjustments 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 cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.