



**Baker Tilly Denmark Godkendt
Revisionspartnerselskab
CVR-nr. 35 25 76 91**

Copenhagen
Poul Bundgaards Vej 1, 1.
2500 Valby

Odense
Hjallesevej 126
5230 Odense M

a-solutions A/S

Lyskær 8A, st. th., 2730 Herlev

CVR no. 27 04 79 47

Annual report for 2022

Adopted at the annual general meeting on 19 May
2023

DocuSigned by:

Jesper Jarlbæk

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Jesper Jarlbæk
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of a-solutions A/S for the financial year 1 January - 31 December 2022.

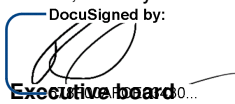
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 December 2022 and of the results of the group and the company operations for the financial year 1 January - 31 December 2022.


In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

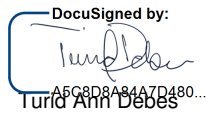
Management recommends that the annual report should be approved by the company in general meeting.

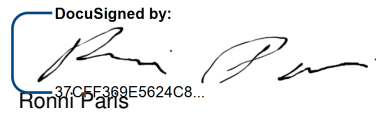
Herlev, 19 May 2023

DocuSigned by:

Executive board

Peter Nicolai Weiss

Supervisory board
DocuSigned by:

Jesper Jarlbæk
chairman

DocuSigned by:

Turid Ann Debes

DocuSigned by:

Ronni Paris

Penneo dokumentnøgle: 7LY3N-Y8AK5-HJOYX-U6CF5-EY3LY-605E5

Independent auditor's report

To the shareholder of a-solutions A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of a-solutions A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for both the group and the parent company as well as consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group and the parent company's financial position at 31 December 2022 and of the results of the group and the parent company's operations 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 parent 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 and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements and the parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and parent company financial statements unless management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements

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

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the consolidated financial statements and parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information for the group's entities or business activities to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and conducting the audit of the group. We alone are 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 parent company financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the consolidated financial statements and parent company financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements and parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that management's review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 19 May 2023

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Morten Schwensen
statsautoriseret revisor
MNE no. mne32172

Company details

The company	a-solutions A/S Lyskær 8A, st. th. 2730 Herlev
	CVR no.: 27 04 79 47
	Reporting period: 1 January - 31 December 2022 Incorporated: 26 February 2003
	Domicile: Herlev
Supervisory board	Jesper Jarlbæk, chairman Turid Ann Debes Ronni Paris
Executive board	Peter Nicolai Weiss
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	Group				
	2022	2021	2020	2019	2018
	USD	USD	USD	USD	USD
Key figures					
Profit/loss					
Revenue	2.952.451	2.711.136	2.514.149	2.878.717	4.290.668
Gross profit	2.557.019	2.136.955	1.904.399	2.141.184	2.461.410
Profit/loss before net financials	340.785	345.969	-178.571	0	0
Profit/loss for the year	392.540	342.497	-279.412	-89.173	-245.397
Balance sheet					
Balance sheet total	1.605.547	882.042	1.297.503	1.394.649	1.512.701
Equity	561.888	245.553	-51.107	228.305	324.879
Number of employees	29	24	30	34	42
Financial ratios					
Gross margin	86,6%	78,8%	75,7%	74,4%	57,4%
EBIT margin	11,5%	12,8%	-7,1%	0,0%	0,0%
Return on assets	27,4%	31,7%	-13,3%	0,0%	0,0%
Solvency ratio	35,0%	27,8%	-3,9%	16,4%	21,5%
Return on equity	97,2%	352,3%	-315,4%	-32,2%	-54,8%
Current ratio	154,6%	131,3%	89,1%	106,2%	112,0%

The financial ratios are calculated in accordance with the CFA Society Denmark's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Management's review

Business review

The Company is principally engaged in delivering technology consulting and services regarding Microsoft Dynamics 365. a-solutions' strategy continues to be focused on a few selected industries and on building strong competencies around these.

a-Finteg:

It is now some time since the first edition of our a-Finteg product was launched. a-Finteg is the Integration Framework including an Accounting Rules Engine. a-Finteg was originally made for the Financial Services Industry which is characterized by running the business in Core applications that all need to be integrated with their ERP system. a-Finteg ensures that the millions of daily transactions can be booked in the General Ledger with a strong performance and that business events can be transformed to accounting transactions via the Accounting Rules Engine. During the last year, we have seen interest in a-Finteg from other industries with an IT systems architecture similar to the Financial Services Industry.

a-Finteg is sold as a Software as a Service (SaaS) offering with annual invoicing based on consumption. We have in 2022 seen a significant growth in revenue from a-Finteg. We expect to achieve similar growth rates on a-Finteg in 2023 and in the years to come.

As of now, a-Finteg is an ISV solution only for Dynamics 365 ERP, but in 2023 it will be launched on Azure and can thereby be connecting Core Systems to not only Dynamics 365 ERP but also other ERP applications.

Services:

In the Services business, we have during 2022 and beginning of 2023 been able to significantly increase the awareness and involvement of a-solutions within Microsoft in the UAE. The additional sales and presales effort have resulted in a strong pipeline for a-solutions Services Business entering 2023 and it is still growing. Microsoft is involving a-solutions in an increasing number of new opportunities – Finance & Operation as well as Customer Engagement - compared to previously. We see a positive momentum and demand for a-solutions' services, our approach, and our focus on delivering high quality services. We are at the same time increasing the awareness of a-solutions further in the GCC countries.

The employee count is expected to continuously increase during the year to accommodate the higher demand for a-solutions' services. Despite high competition on the market rates, both revenue and profit are expected to increase in 2023.

Financial review

The group's income statement for the year ended 31 December 2022 shows a profit of USD 392.540, and the balance sheet at 31 December 2022 shows equity of USD 561.888.

This result is considered satisfactory.

Management's review

Significant events occurring after the end of the financial year

From the date of the balance sheet and until today, no subsequent events have arisen which have had an impact on the annual report.

Outlook

a-solutions will continue to invest in sustainable growth, keeping the focus on the current strategy. 2023 is expected to be profitable.

Disclosure of treasury shares

Information on treasury shares in the company's portfolio

Number of treasury shares in the company's portfolio: 36.992 shares

Nominal value of treasury shares in the company's portfolio: USD 5.920

Percentage of the share capital, etc. of treasury shares in the company's portfolio: 6,7 %

Treasury shares in the Company are used in the incentive plan for the members of Executive Board and other executive officers.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2022	2021	2022	2021
		USD	USD	USD	USD
Revenue		2.952.451	2.711.136	456.301	65.726
Other operating income		0	0	87.240	95.449
Direct expenses		-267.860	-310.507	-296.787	-42.805
Other external costs		-127.572	-263.674	-57.578	-62.318
Gross profit		2.557.019	2.136.955	189.176	56.052
Staff costs	1	-2.183.017	-1.741.339	-144.338	-123.732
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-33.217	-49.647	0	0
Profit/loss before net financials		340.785	345.969	44.838	-67.680
Income from investments in subsidiaries		0	0	755.447	361.882
Financial income	2	87.361	90.121	93.943	122.371
Financial costs	3	-57.224	-72.880	-525.053	-74.076
Profit/loss before tax		370.922	363.210	369.175	342.497
Tax on profit/loss for the year	4	21.618	-20.713	23.366	0
Profit/loss for the year		392.540	342.497	392.541	342.497
Proposed dividend for the year		215.140	76.206	215.140	76.206
Reserve for net revaluation under the equity method		0	0	744.484	93.194
Retained earnings		177.400	266.291	-567.083	173.097
		392.540	342.497	392.541	342.497

Balance sheet 31 December

Note	Group		Parent company	
	2022	2021	2022	2021
	USD	USD	USD	USD
Assets				
Completed development projects	29.307	62.525	0	0
Intangible assets	29.307	62.525	0	0
Other fixtures and fittings, tools and equipment	0	15.849	0	0
Tangible assets	0	15.849	0	0
Investments in subsidiaries	0	0	761.472	294.299
Deposits	1.362	1.362	0	0
Fixed asset investments	1.362	1.362	761.472	294.299
Total non-current assets	30.669	79.736	761.472	294.299
Trade receivables	1.008.169	389.033	80.738	0
Contract work in progress	284.771	153.694	47.204	0
Receivables from subsidiaries	0	0	550.726	819.887
Other receivables	74.631	6.119	7.940	4.300
Deferred tax asset	38.828	15.462	23.366	0
Prepayments	16.458	12.448	1.695	1.874
Receivables	1.422.857	576.756	711.669	826.061
Cash at bank and in hand	152.021	225.550	82.622	94.787
Total current assets	1.574.878	802.306	794.291	920.848
Total assets	1.605.547	882.042	1.555.763	1.215.147

Balance sheet 31 December

Note	Group		Parent company	
	2022	2021	2022	2021
	USD	USD	USD	USD
Equity and liabilities				
Share capital	88.600	88.600	88.600	88.600
Reserve for net revaluation under the equity method	0	0	761.472	16.988
Retained earnings	258.148	80.747	-503.324	63.759
Proposed dividend for the year	215.140	76.206	215.140	76.206
Equity	561.888	245.553	561.888	245.553
Provisions relating to investments in subsidiaries	0	0	7.738	9.244
Total provisions	0	0	7.738	9.244
Other payables	24.665	25.261	24.665	25.261
Total non-current liabilities	24.665	25.261	24.665	25.261
Banks	290.016	323.179	290.015	323.179
Trade payables	47.874	40.548	19.208	12.450
Prepayments received recognised in debt	269.428	0	28.296	0
Payables to subsidiaries	0	0	582.386	572.056
Other payables	411.676	247.501	41.567	27.404
Total current liabilities	1.018.994	611.228	961.472	935.089
Total liabilities	1.043.659	636.489	986.137	960.350
Total equity and liabilities	1.605.547	882.042	1.555.763	1.215.147
Contingent liabilities				
Mortgages and collateral				

Statement of changes in equity

Group

	Share capital	Retained earnings	Proposed dividend for the year	Total
	USD	USD	USD	USD
Equity at 1 January	88.600	80.748	76.206	245.554
Ordinary dividend paid	0	0	-76.206	-76.206
Net profit/loss for the year	0	392.540	0	392.540
Proposed dividend for the year	0	-215.140	215.140	0
Equity at 31 December	88.600	258.148	215.140	561.888

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	USD	USD	USD	USD	USD
Equity at 1 January	88.600	16.988	63.759	76.206	245.553
Ordinary dividend paid	0	0	0	-76.206	-76.206
Net profit/loss for the year	0	744.484	-351.943	0	392.541
Foreslået udbytte	0	0	-215.140	215.140	0
Equity at 31 December	88.600	761.472	-503.324	215.140	561.888

Notes

	Group		Parent company	
	2022	2021	2022	2021
	USD	USD	USD	USD
1 Staff costs				
Wages and salaries	2.039.111	1.653.386	130.302	106.892
Pensions	16.523	18.806	16.523	18.806
Other social security costs	252	0	251	0
Other staff costs	127.131	69.147	-2.738	-1.966
	2.183.017	1.741.339	144.338	123.732
Average number of employees	29	24	1	1
2 Financial income				
Interest received from subsidiaries	0	0	16.592	33.460
Other financial income	11.925	0	0	0
Exchange gains	75.436	90.121	77.351	88.911
	87.361	90.121	93.943	122.371
3 Financial costs				
Interest paid to subsidiaries	0	0	14.369	14.162
Other financial costs	0	13.193	7.505	13.030
Exchange loss	57.224	59.687	41.094	46.884
Loss, write-off receivable from group entity	0	0	462.085	0
	57.224	72.880	525.053	74.076
4 Tax on profit/loss for the year				
Current tax for the year	1.748	20.713	0	0
Deferred tax for the year	-23.366	0	-23.366	0
	-21.618	20.713	-23.366	0

Notes

5 Intangible assets

Group	Completed development projects USD
Cost at 1 January	241.715
Cost at 31 December	241.715
Amortisation at 1 January	179.191
Depreciation for the year	33.217
Amortisation at 31 December	212.408
Carrying amount at 31 December	29.307

Special assumptions regarding development projects and tax assets

Completed development projects includes the software developed by the Company with a carrying amount of USD 62.524.

Management has not identified any indication of impairment issues related to the carrying amount of the development projects.

6 Tangible assets

Group	Other fixtures and fittings, tools and equipment USD
Cost at 1 January	103.361
Disposals for the year	-103.361
Cost at 31 December	0
Depreciation at 1 January	87.512
Reversal of depreciation of disposed assets	-87.512
Depreciation at 31 December	0
Carrying amount at 31 December	0

Notes

	Parent company	
	2022	2021
	USD	USD
7 Investments in subsidiaries		
Cost at 1 January	201.105	201.105
Cost at 31 December	201.105	201.105
Revaluations at 1 January	93.194	-201.105
Profit/loss for the year	755.446	361.882
Change in intercompany profit on inventories	-76.207	0
Reversal of revaluations of assets disposed	7.738	-67.583
Equity investments with negative net asset value amortised over receivables	-219.804	0
Revaluations at 31 December	560.367	93.194
Carrying amount at 31 December	761.472	294.299

Group

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
a-solutions DMCC	United Arab Emirates	100%	742.968	524.865
a-solutions UAB	Lithuania (dissolved in 2023)	100%	-7.738	202.824
a-solutions West Africa	Nigeria (dormant)	100%	18.513	27.758

Notes

8 Fixed asset investments

Group	Deposits USD
Cost at 1 January	1.362
Cost at 31 December	1.362
Carrying amount at 31 December	1.362

9 Long term debt

Group

Long term debt is holiday allowance which fall due for payment when the employees retire which is expected to be more than 5 years from year-end.

Parent company

Long term debt is holiday allowance which fall due for payment when the employees retire which is expected to be more than 5 years from year-end.

Group		Parent company	
2022	2021	2022	2021
USD	USD	USD	USD
20.422	15.525	-	-
20.422	15.525	-	-

10 Contingent liabilities

Rent and lease liabilities

20.422	15.525	-	-
20.422	15.525	-	-

Notes

11 Mortgages and collateral

Group

A company charge of USD 322,710, secured on group trade receivables, inventories, fixtures and fittings, other plant and equipment and intangible assets, has been provided in respect of a-solutions A/S' debt to Danske Bank A/S.

Parent company

A company charge of USD 322,710, secured on the Company's trade receivables, inventories, fixtures and fittings, other plant and equipment and intangible assets, has been provided in respect of the Company's debt to Danske Bank A/S.

Accounting policies

The annual report of a-solutions A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The financial statements are presented in USD as the Company's most significant transactions are settled in USD. At the balance sheet date, the DKK/USD exchange rate was 6.9722 (2021: 6.5612).

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group's and the parent company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the group's and the parent company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Consolidated financial statements

The consolidated financial statements comprise the parent company a-solutions A/S and subsidiaries in which the parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered participating interests or associates, cf. the group chart.

The consolidated financial statements are prepared as a consolidation of the parent company's and subsidiaries' financial statements by aggregating uniform accounting items. On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Accounting policies

Income statement

Revenue

The Company has chosen IAS 11/IFRS 15 as interpretation for revenue recognition.

Income from the sale of licences is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Income from contract work is recognised as revenue at the time of delivery and the transfer of the risk to the buyer.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Direct expenses

Direct expenses are consumables used in generating the year's revenue.

Other operating income

The item Other operating income includes items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Income from investments in subsidiaries, associates and participating interests

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Tax on profit/loss for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Balance sheet

Intangible assets

Development projects, patents and licences

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses. On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3-5 years.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Accounting policies

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Fixtures and fittings, other plant and equipment 3-5 years

Assets costing less than USD 31.000 are expensed in the year of acquisition.

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases. Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments in subsidiaries

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount. Gains or losses on disposal of subsidiaries are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal, including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

Accounting policies

Impairment of fixed assets

The carrying amount of intangible assets, investments in subsidiaries and property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Accounting policies

Equity

Treasury shares

Purchases and sales of treasury shares are taken directly to equity under "Retained earnings".

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Income tax and deferred tax

As management company, a-solutions A/S is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

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

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Accounting policies

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income for financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign group entities

Foreign subsidiaries are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Accounting policies

Financial Highlights

Definitions of financial ratios.

Gross margin ratio	$\frac{\text{Gross Profit} \times 100}{\text{Revenue}}$
EBIT margin	$\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$
Current ratio	$\frac{\text{Current assets total} \times 100}{\text{Short-term liabilities}}$

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Morten Schwensen

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